SOCIAL REPORT 2003
Dear Readers,

The Social Report is an annual publication of the Ministry of Social Security and Labour covering the overview of social policy pursued during the year, the course of its implementation and envisaged changes.

Considerable social developments which started in Lithuania in 2003, still persist, and, in particular, in the field of the labour market. Compared with 2001, the share of employed individuals increased by 6.4 per cent, and the total employment rate reached 60.9 per cent (male – 63.7 per cent, and female – 58.4 per cent). Average life expectancy, which until now was obviously lagging behind the country’s economy, saw a more considerable increase only in 2003, when average disposable income grew by 8.4 per cent, compared with 2002. Annual growth of real income of individuals was 9.8 per cent. In 2003, compared with 2002, household consumption expenditures went up by 10 per cent. These are really promising results. It’s worth noting that in recent years considerable increase was observed in the amount of pensions. We keep to our strategic ambition to maintain high social development rates not only by increasing pensions, but also through addressing other social matters, in particular, those related to low-income families, support to children, unemployed and other socially marginalised groups.

Active EU pre-accession process of the last year enabled Lithuania to strengthen international cooperation and to address matters that were urgent to more than one country or one region. Many social policy solutions have already been conditioned by Eurointegration requirements. EU membership is a good precondition for Lithuania to implement the EU social market model and to raise the level of economic wellbeing and the quality of life. Preparations to use EU support funds were intensive, and in the nearest decade these funds will allow to modernise the country’s infrastructure. Lithuania and other neighbouring countries have the opportunity to avail themselves of the advantages of this policy and to effectively seek more rapid development. All these measures will reduce differences in the income of individuals, accelerate the improvement of wellbeing and enhance social cohesion.

This publication highlights our social policy and covers abundance of information on different social policy matters, therefore, I hope that all readers will find information which is of interest to them, necessary and useful in their everyday activities.

I would like to thank the working group and everyone who contributed to the preparation of the “Social report”-2003.

Minister of Social Security and Labour

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The Administration of the Ministry of Social Security and Labour pays heartfelt thanks to the team of editors and to the leaders of the departments of the Ministry for their work preparing this edition.
## CONTENT

1. FOREWORD .................................................................................................................................. 7
   1.1. Mission and Strategic Goals of the Ministry of Social Security and Labour ......................... 8
   1.2. Public Relations and Counselling of Individuals on Social Security Matters .......................... 10

2. Labour Policy ........................................................................................................................... 13
   2.1. Labour Market .................................................................................................................. 13
   2.2. Labour Relations ............................................................................................................... 22
   2.3. Payment for Work ............................................................................................................. 29
   2.4. Control of Labour Relations and Payment for Work ............................................................... 34
   2.5. Safety and Health at Work ................................................................................................. 42
   2.6. Development of Human Resources ....................................................................................... 46
   2.7. Technical Safety ................................................................................................................ 65
   2.8. European Union Structural Funds. European Social Fund and its Support to Lithuania ............. 73
   2.9. European Community initiative EQUAL and its implementation in Lithuania ...................... 80

3. Social Insurance and Pensions ................................................................................................... 84
   3.1. Improving Situation of the State Social Insurance Fund (SSIF) Budget ................................. 84
   3.2. Policy Implementation in the Field of Sickness and Maternity Social Insurance ...................... 85
   3.3. Changes in Social Insurance of Occupational Accidents and Occupational Diseases ............. 87
   3.4. Pension System Changes .................................................................................................... 87
   3.5. Increase of Social Insurance and Social Benefits ................................................................ 91
   3.6. Other Changes in Social Insurance Policy ............................................................................ 92
   3.7. Application of Social Insurance Contributions to Mission Expenses .................................. 93
   3.8. Discussions Concerning Establishment of Ceilings on Social Insurance Contributions .............. 94
   3.9. The Problem of Reallocation of Social Insurance Contribution Tariff as a Result of the Pension Reform ................................................................................................................. 94
   3.10. Organisational Changes of SODRA and Improvement of its Activities ................................. 95
   3.11. Accumulation of Pensions (Introduction of Accumulation of Part of the State Social Insurance Contribution) ................................................................................................................. 96

4. Social Support .......................................................................................................................... 106
   4.1. Social Support to Families and Children ............................................................................ 106
   4.2. Protection of the Rights of the Child ............................................................................... 117
   4.3. Social Services ................................................................................................................ 127
   4.4. Social Integration of the Disabled .................................................................................... 137
   4.5. Social Policy on Victims and Social Risk Groups ................................................................. 146

5. INTEGRATION INTO THE EUROPEAN UNION AND INTERNATIONAL COOPERATION ........ 163
   5.1. EU Membership-Related Activities in Lithuania ................................................................. 163
   5.2. Participation in the Activities of International Organisations .............................................. 177
   5.3. International Treaties ...................................................................................................... 183
   5.4. International Projects ..................................................................................................... 188
   5.5. Building Administrative Capacities .................................................................................... 192

6. ANNEXES ................................................................................................................................ 195
   6.1. Management Structure of the Ministry of Social Security and Labour ................................. 195
   6.2. Programmes Undertaken by the Ministry of Social Security and Labour for Implementation of its Strategic Goals ................................................................................................................. 196
   6.3. Tables and Charts ............................................................................................................ 203
The development of social security system in 2003 was influenced by three relevant factors. First, it was the last year of preparation for the accession of Lithuania to the European Union. The second factor comprised rapid development of Lithuania’s economy, continuous reduction of unemployment and improvement of financial capacity of the State as a whole and of social security institutions. Third, it is important that since 2001 the Government work was stable and the governing majority in the Seimas did no undergo any changes.

The aforementioned circumstances favourably affected subsequent development of social security system, increase of certain benefits, and implementation of social programmes. Therefore, in general it can be stated that the year was successful in terms of development of social security system. This Report will provide good news to the reader from particular fields of social security, employment and labour. The publication contains the most recent information on amendments to legal acts, envisaged improvements of social security, and statistical data about phenomena relevant to this sphere, social benefits and their recipients. The Report reflects all of the main works, which were carried out by the staff of MSSL or in which the Ministry actively participated.

Certainly, the scope of this Social Report, likewise of each publication, is limited. Therefore, it is impossible to describe in it the whole system of social security. Priority is given to reflecting events, phenomena, policies and achievements, which fall within the year 2003. As far as possible, the first half of 2004 was also covered. However, the reader who is less acquainted with the entire system of social security of Lithuania and is willing to learn about the most urgent matters as well as to get familiarised with the structure of that system, can find additional information in the Report on the Lithuanian Social Security System, which is still placed in the Internet host of MSSL. The latter report covers the main legal acts governing social and labour security, systems of administration of social security branches, social benefits, rights to them, procedure of calculation of their amounts. The present Report deals with events, which took place after publication of the Report on the Lithuanian Social Security System.

The structure of the Social Report of 2003 is similar to that of the previous reports, because the main fields of social security remain the same. It starts with the most recent data about labour market development, labour relations and working conditions. The Report highlights changes in economic activity and employment of population of Lithua-
nia, the main characteristics of unemployment. It also covers the problems of labour relations and measures recently taken to regulate them. A new thing is that in connection with the accession to the European Union and initiatives implemented by it, MSSL considerably expanded its activities in the field of human resources setting up a special division. Therefore, the Report of this year contains much information from this field. The pension reform, which has been started, plays an important role in the sphere of social insurance and pensions. Its first steps have already been described, providing quantitative data on population ready to participate in the reform, pension fund managers, and their main characteristics. Material changes took place in the field of material support and essential reforms took place in the systems of benefits. All this is reflected in the publication provided to the reader. During the past years the main focus was on the development of infrastructure, skills upgrading and certification of social workers in the sphere of social services. Much attention is devoted to social protection of victims and individuals attributed to social risk groups, as well as to the programmes implemented by MSSL.

The period between 2003 and 2004 was of great importance to Lithuania and its European foreign and national policy. On 16 April 2003, the Treaty concerning the Accession of Lithuania to the European Union (hereinafter – EU) was signed, and on 1 May 2004 our state became a full member of the EU. Integration and membership in the EU undoubtedly is amongst the most important factors of the current period, which conditions miscellaneous social, structural and economic changes in Lithuania and in the whole Europe. Works already performed during integration in the EU had great influence on the labour market and social sphere in our country. Already during the process of integration Lithuania actively participated in the programmes implemented by the EU in the fields of coordination of social policy, pension reform, employment strategy development, etc. Development of our social policy is envisaged in cooperation with other EU Member States, through implementation of different employment and social policy measures and using appropriations from the Structural Funds, while approximating it to social policy standards applied by the EU Member States. With a view to properly protecting Lithuania’s interests, ministerial staff assumes extensive responsibility, because success of membership in the EU will depend upon readiness to represent own state. Therefore, sufficiently considerable attention in this Social Report is given to the principal work carried out by MSSL in this sphere. The Report ends with the introduction of activities performed by MSSL also in other fields of international cooperation.

1.1. MISSION AND STRATEGIC GOALS OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR

The Ministry of Social Security and Labour is carrying out its activities in accordance with its Strategic action plan. The Strategic action plan describes how the Ministry implements the strategic goals and priorities established by the Government while carrying out the programmes financed with allocated budget appropriations.

The mission of the Ministry of Social Security and Labour is to develop and implement an effec-

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1 The Strategic Action Plan of the Ministry for the year 2004 was developed in observance of the Republic of Lithuania Government Resolution No. 265 of 26 February 2003 on Approving the Plan for Drafting Financial Indicators of the 2004 State Budget and Municipal Budgets of the Republic of Lithuania."
tive system of social support, social insurance and labour harmonised with the European Union Law and capable of strengthening the social security of the population.

Pursuant to the Strategic action plan, the Ministry is carrying out its mission in 2004 seeking the following strategic objectives:

1. To assist residents in their integration into the labour market, ensure fair labour relations and safe working conditions.
2. To develop an effective social assistance system and ensure the social integration of socially vulnerable groups of the society.
3. To maintain sustainability of the social insurance system and implement the pension reform introducing accumulation in pension funds, and concurrently securing the stability of current payment of social insurance benefits.

The objective “To assist residents in their integration into the labour market, ensure fair labour relations and safe working conditions” is being attained through the execution of 9 programmes:

1.2. Unemployment reduction programme;
1.3. Programme of scientific research of the standards of living, employment of population, social insurance and social support in Lithuania;
1.4. Programme for the prevention of occupational diseases and improvement of safety at work;
1.5. Programme for the use of the Guarantee Fund;
1.6. Special skills upgrading programme for social workers;
50.1. Special PHARE programme;
60.2. Special programme of the European Regional Development Fund (for the implementation of SPD);
60.3. Special programme of the European Social Fund (for the implementation of SPD);
60.4. Special programme of the European Regional Development Fund (for the implementation of the Community’s EQUAL initiative);
61.1. Programme for the financing of VAT levied on appropriations from European Structural Funds and sources of co-financing.

The objective “To seek efficiency of the system of social support and guarantee social integration of socially vulnerable groups” is being attained through implementation of 5 programmes:

2.1. Programme for the provision of residents with compensatory equipment;
2.2. Programme for the development of social services in the institutions subordinate to the Ministry;
2.3. Programme of support to socially vulnerable groups and other activities of the Ministry;
2.4. Social services infrastructure development programme;
2.6. Programme for the provision of social services in children’s day centres of NGOs;
45.1. National programme for the drug control and prevention of drug addiction.

The objective “Maintain sustainability of the social insurance system and implement the pension reform introducing accumulation in pension funds, and concurrently securing the stability of current payment of social insurance benefits” is being achieved by implementing 1 programme:

3.1. Programme of state and support (social) pensions and of state social support.


The strategic objectives are being attained by using the funds allocated from the State Budget. Appropriations allocated to the Ministry for 2004 were approved by the Law and allocations for

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2 Republic of Lithuania Law of 10 December 2002 on Approval of Financial Indicators of 2004 State Budget and Municipal Budgets, No. IX-1227
programmes implemented by the Ministry – by the Republic of Lithuania Government Resolution³. In 2003, the amount of LTL 84321 thousands was allocated for the implementation of strategic objective I, LTL 99790 thousands – for the implementation of the strategic objective II, and allocations for the strategic objective III amounted to LTL 453027 thousands (see Table P.6.2-1).

1.2. PUBLIC RELATIONS AND COUNSELLING OF INDIVIDUALS ON SOCIAL SECURITY MATTERS

In addition to the development and implementation of social policy, the Ministry of Social Security and Labour is also involved in activities of public relations and counselling of individuals who directly apply to the Ministry on different social security matters. The Public Relations Service and the Reception Office of the Ministry carry out the aforementioned activities. Since the functions of these ministerial subdivisions are quite similar, the 2003 overview of activities covers them both. The first description deals with public relations and is followed by the description of counselling of individuals.

Development of Public Relations of the Ministry

The mission of public relations of the Ministry of Social Security and Labour is to inform the public about social security and labour policy pursued by the Ministry, to develop information and educative measures. The main objectives of public information strategy for 2003 were introducing the social security and labour policy pursued by the Ministry to the public, mass media, public and municipal authorities and institutions, social partners and other organisations, timely familiarising with urgent topics in this field, active cooperation with regional media, and also search for new more effective and attractive ways of communication with the public.

The established objectives were implemented in cooperation with national and regional mass media, news agencies, representatives of information services of the Office of the President, the Government, the Seimas, institutions under the Ministry, other ministries, NGOs and other organisations communicating regular press releases, preparing information articles, initiating interviews with the highest officials and specialists of the Ministry, offering themes for publications and reportages, organising press conferences, briefings, seminars, virtual specialist conferences, meetings of mass media representatives with the highest officials and specialists of the Ministry.

In 2003, while increasing activity and strengthening cooperation with regional mass media, the Ministry expanded relations with regional mass media. Having renewed old contacts and established the new ones, which were used for direct communication of information to regional mass media on social security and labour matters, the number of press releases prepared by the Ministry and published in mass media considerably increased.

Organising visits of highest officials and specialists of the Ministry to the regions, press conferences were held inviting to them representatives of mass media.

In 2003, about 20 press releases on social security matters were prepared and disseminated per month, informing on a weekly basis about pending deliberation during Government meetings of draft legal acts submitted by the Ministry.

³ Republic of Lithuania Government Resolution No. 62 of 21 January 2003 on Approval Allocations from the State Budget of the Republic of Lithuania according to the Approved Programmes for 2004."
While recording ministerial activity reflected in mass media in 2003, the Public Relations Service carried out daily monitoring of press releases, and prepared their monthly analysis.

During 2003, for the purpose of developing information and educative activities, the Ministry prepared and published information, promotional, and educative leaflets, brochures and other publications of 10 types on new developments regarding reform of the pension system, EU integration process, flexible work organisation, financial assistance to families, social integration of disabled, familiarisation with the Ministry's activities, and 4 video clips.

In 2003, graphical and information updates were introduced in the Internet website of the Ministry which was used for regular placement of information about social security and labour policy pursued by the Ministry. In addition, the internal host of the Ministry used for developing internal communication was renewed. A separate Internet website intended for the new pension accumulation system was developed to provide the most recent information about pension accumulation on regular basis. Numerous users visited Internet websites of the Ministry designated for delivering the most urgent information in attractive and clear manner.

Having regard to the urgent topics in the sphere of activities of the Ministry of Social Security and Labour in 2003, the Ministry prepared and implemented public information strategies and action plans in the following spheres falling within its competence: Pension System Reform, New Developments of the Labour Code, Fight with Violence against Children, Poverty Reduction Strategy Implementation Programme, Financial Social Assistance Reform, Social Services Reform, Reform of Establishment of Disability and of Social Security Measures for Disabled and EU Integration.

Information measures implementation plans were prepared and implemented under programmes implemented by the Ministry in 2003 and concerned with unemployment reduction, assistance to marginalised groups, prevention of occupational diseases, improvement of safety at work, state and social pensions, also state social assistance.

In observance of different public information strategies, the Public Relations Service of the Ministry selected the media that were most effective in terms of information dissemination and costs. For the purpose of informing the public about fight with violence against children, the most convenient broadcasting time was chosen for TV clips created by the Ministry, which achieved particularly high accessibility. In order to inform the public about opportunities resulting from the EU membership, leaflets of three types were issued in a large number of copies aimed at separate social groups, and numerous meetings of the ministerial specialists, regional population and officials were organised. During these meetings lectures were delivered and discussions initiated about changes and new possibilities in the sphere of social security and employment after Lithuania’s membership in the EU. In 2003, the Ministry initiated the tender for mass media “Disabled – Full-fledged Member of Society” encouraging journalists of Lithuania to be more active in highlighting the life, needs, forms of self-expression, independence, social integration of disabled in comprehensive manner.

Successful cooperation was started with business representatives with a view to promoting support of businessmen to the most vulnerable social groups. The cooperation agreement on support to disabled was signed with AB „Lietuvos telekomas”.

**Counselling of Individuals on Social Security Matters**

During 2003, the Reception Office of the Ministry received 1906 letters from citizens of Lithuania containing statements, proposals and complaints, and answered to almost the same number of inquiries (excluding telephone consultations). As the telephone number of the Reception Office of the Ministry is accessible via “118” information, answers are provided to miscellaneous telephone inquiries. In addition, responses are given to inquiries received
by e-mail, and information is prepared for placing in the Ministry’s Internet website. In the Reception Office of the Ministry its management organises receptions of individuals on a monthly basis. In 2003, the largest number of letters was received from Vilnius (388), Kaunas (230), Klaipėda (74), Šiauliai (65), Panevėžys (59) towns and Šiauliai (36), Ukmergė (35), Kėdainiai (34), Jonava (34), Radviliškis (33), Kaunas (32), Mažeikiai (32), Joniškis (30), Vilkaviškis (28), Šilutė (27) and other districts and municipalities.

During the period under consideration, individuals were mostly interested in receiving information about possibilities of obtaining pensions and social insurance, social and unemployment benefits, employment opportunities, damage compensation, revision of disability groups, employment relations, one-time financial support and other matters (see Table 1.2.-1).

The data provided in the Table show that the largest number of individuals apply on the matters of pensions and social insurance. In 2003 individuals often complained about small pensions, proposed to address problems of subsistence and unemployment of pre-pensioners. Respective legal acts addressing these particular problems were adopted later.

The great majority of inquiries are received from Vilnius, because reaching the Ministry is easier here. In addition, it is obvious that that numbers of inquiries tend to increase during elections to public authorities of different levels or during other campaigns, also after elections or other campaigns, when individuals become more active in rendering proposals and expressing certain disagreement regarding respective provisions of laws. The number of inquiries also considerably increases when such provisions are amended.

<table>
<thead>
<tr>
<th>MAIN SUBJECTS ON WHICH INDIVIDUALS APPLIED TO MSSL IN 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension, social insurance matters</td>
</tr>
<tr>
<td>738</td>
</tr>
</tbody>
</table>

Data provided by the Ministry of Social Security and Labour

Table 1.2.-1.
2.1. LABOUR MARKET

The main factors which influenced the situation in the labour market in 2003, were rapid growth of economy and implementation of measures of the Programme of Increasing Employment of the Republic of Lithuania for 2001-2004. Together with the improvement of the overall economic situation of the country they has a positive impact on the labour market and increased employment of the population. Exclusive attention was paid to unemployment reduction and prevention measures targeted towards areas with the highest unemployment rate, territories and enterprises adversely affected by restructuring and privatisation, social groups marginalised from the labour market.

In implementing the measures provided for in the Programme of Increasing Employment of the Republic of Lithuania for 2001-2004 and in observance of provisions the Joint Assessment Paper of Lithuanian Employment Policy Priorities prepared by the Government of the Republic of Lithuania and the European Commission, the Secretary of the Ministry of Social Security and Labour issued the Decree establishing the following objectives for the Lithuanian Labour Exchange and the Lithuanian Labour Market Training Authority for 2003:

- to increase employability of disabled people, unqualified and long-term unemployed individuals;
- to reduce territorial disparities of unemployment rate (between neighbourhoods, municipalities and regions (countries);
- to organise and carry out labour market vocational training and counselling as the main active labour market policy measure, to increase employment of the unemployed and individuals additionally supported in the labour market, as well as their abilities to adapt to the labour market and be competitive;
- to improve the quality of services rendered to the unemployed and employers, increase effectiveness of the labour market vocational training and counselling programmes.

In addition to the implementation of these objectives, between 2003 and 2004 great attention was paid to further regulation of the labour market, drafting and adoption of the new legal acts. This section covers an overview of employment and unemployment, highlights the most important developments of recent years and describes the newly adopted legal acts that will have considerable impact on employment and protection of people in case of unemployment already in the nearest future.
2.1.1. Employment

In early 2004, the population of Lithuania was 3,45 million. The great majority, i.e. 66,8 per cent of all population are urban residents. Urban individuals of working age account for larger percentage share (about 62 per cent), whereas rural individuals of working age make up about 54 per cent.

As from 1992, population numbers started reducing and reached 260,6 thousands, i.e. 7 per cent. About 10-20 thousands of people seeking jobs and better remuneration emigrate annually. The share of people age 65 and over increased and the share of children age under 15 reduced in total population numbers. Population ageing is conditioned by reducing birth-rate and increasing future average life expectancy.

Despite negative demographic changes the labour market condition improved mostly due to the growth of economy. The number of employed individuals keeps growing since 2002. According to the population employment survey data presented in Table 2.1.1.-1, in 2003, compared with 2002, the number of employed individuals in different spheres of activity increased by 32 thousands, or by 2 per cent, whereas the average number of employed in 2003 was 1438 thousands.

<table>
<thead>
<tr>
<th>EMPLOYMENT AND UNEMPLOYMENT OF POPULATION</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORKFORCE THOUS.</td>
<td>1635,8</td>
<td>1630,3</td>
<td>1641,9</td>
</tr>
<tr>
<td>EMPLOYED THOUS.</td>
<td>1351,8</td>
<td>1405,9</td>
<td>1438,0</td>
</tr>
<tr>
<td>UNEMPLOYED THOUS.</td>
<td>284,0</td>
<td>224,4</td>
<td>203,9</td>
</tr>
<tr>
<td>EMPLOYMENT RATE (AGE 15-64) %</td>
<td>57,2</td>
<td>59,6</td>
<td>60,9</td>
</tr>
<tr>
<td>WOMEN %</td>
<td>55,9</td>
<td>57,1</td>
<td>58,4</td>
</tr>
<tr>
<td>MEN %</td>
<td>58,5</td>
<td>62,3</td>
<td>63,7</td>
</tr>
<tr>
<td>EMPLOYED BY SECTOR:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGRICULTURE %</td>
<td>17,1</td>
<td>17,8</td>
<td>17,9</td>
</tr>
<tr>
<td>INDUSTRY AND CONSTRUCTION %</td>
<td>27,1</td>
<td>27,5</td>
<td>28,1</td>
</tr>
<tr>
<td>SERVICES %</td>
<td>55,6</td>
<td>54,7</td>
<td>54,0</td>
</tr>
<tr>
<td>UNEMPLOYMENT RATE %</td>
<td>17,4</td>
<td>13,8</td>
<td>12,4</td>
</tr>
<tr>
<td>YOUTH (15-24 M.) %</td>
<td>31,1</td>
<td>23,0</td>
<td>25,0</td>
</tr>
<tr>
<td>WOMEN %</td>
<td>14,7</td>
<td>12,9</td>
<td>12,2</td>
</tr>
<tr>
<td>MEN %</td>
<td>19,9</td>
<td>14,6</td>
<td>12,7</td>
</tr>
</tbody>
</table>

Data of the Labour Force Survey

In 2003, compared with 2002, employment rate among population age 15 –64 in the country increased by 1,3 and the average employment rate in 2003 stood at 60,9 per cent. In 2001, employment rate was 57,2 per cent and started growing. In 2002 it reached 59,6 per cent, and in 2003 – 60,9 per cent. Its growth accounted for 2,2 per cent. Male employment rate in 2003 was 63,7 per cent, and female – 58,4 per cent.

The growth of population employment rate was followed by rapid growth of employment rate among older people (age 50-64). It went up from 51,8 per cent in 2002 to 55,6 per cent in 2003. Given small pensions receive by great majority of
pensioners, many people still work after reaching the retirement age. In 2003, the retirement age of women was 59,5 years and that of men – 62 years. However, according to the population employment survey data, youth (age 15-24) employment rate kept reducing. This tendency is observed since 1998. Youth employment rate reduced from 23,6 per cent in 2002 to 22,6 per cent in 2003.

In 2003, about 80 per cent of employed population were engaged as hired employees. About 20 per cent were self-employed of whom every eighths was also the employer. Self-employed individuals accounted for 58 per cent in agriculture, 5,5 per cent – in services sector, about 5 per cent – in construction, and 2 per cent – in industry.

According to Table 1, more than half (54 per cent.) of employed people were engaged in the sector of services, and some one third – in industry and construction. The share of population engaged in agriculture, forestry and fisheries remains high – about 18 per cent. The share of population employed in trade, financial mediation and real estate activities went up inconsiderably, and as a result of reforms implemented in schools and communications the share of employed in education, transport and communication noticeably diminished. Education sector remains female-dominated (women account for 81 per cent of people employed in this sector) as well as of health care and social work (women account for 55 per cent of employed). Men account for 60 per cent of people employed in public administration, defence and compulsory insurance activities and for 49 per cent of people employed in manufacturing industry. Public sector employs by 1,8 times more women than men.

By occupation in 2003 the great majority of employed were engaged in work attributed to the groups of qualified workers and craftsmen (18 per cent), specialists (15 per cent) and qualified agricultural workers (14,7 per cent). The smallest share of employed was attributed to junior servants (4 per cent) and of legislators, senior officials and managers – 8 per cent. The largest number of women are employed in specialist work. Already in 2003, they accounted for 68 per cent of all specialists. Despite the increase in the number of women legislators, senior officials and managers during the recent years, the female share amongst employees of this profession remains small – larger than one third (39 per cent).

In 2003 the largest growth of employment rate was observed amongst Vilnius county population – it went up by 4,1 per cent to 63,7 per cent. In 2003, the highest employment rate was registered in Tauragė county – 66,7 per cent, having increased by 2,3 per cent per year. The lowest employment rate was observed in Alytus county – 54 per cent, and in Utena county – 57,4 per cent.

“An important factor contributing to the growth of employment rate was increasingly growing number of permanent jobs created in Lithuania’s economy. In the last three years territorial labour exchanges annually registered about 132-137 thousands of job vacancies. During the same period supply of non-permanent jobs sent up from 87 thousands in 2001 to 97 thousands in 2003.”

2.1.2. Unemployment

According to the population employment survey data, in 2003 unemployment rate in Lithuania was 12,4 per cent, i.e. the lowest during the past 6 years (in 2001 unemployment rate was 17,4 per cent and was the highest during the aforementioned period). In 2003, male unemployment rate was lower than female and stood at 12,7 and 12,2 per cent respectively. Upon increase of the labour force demand, beginning with 2002 more and more people engaged in hired work, became self-employed or established own business. Due to that unemployment rate kept gradually reducing (see Chart 2.1.2.-1).
Despite constantly growing average unemployment of the population, youth unemployment rate remains high. In 2003, unemployment rate among youth age 15–24 was 24.8 per cent, male – 22.5 per cent, and female – 28.1 per cent. The highest youth unemployment rate was recorded in 2001 when it reached 31.1 per cent, male – 36.1 per cent, and female – 24.1 per cent. One third of young unemployed have no qualifications.

Unemployment among pre-pensioners (age 55–59) is lower than average unemployment in the country. In 2003 it was 11.5 per cent (male – 9.8 per cent, female – 13.1 per cent).

According to the population employment survey data, unemployment among ethnic minorities exceeded the average: given the total unemployment of 12.4 per cent, unemployment rate among Lithuanians was 11.7 per cent (men – 12.2 per cent, women – 11.1 per cent), among Russians – 18.7 per cent (men – 16.8 per cent, women – 20.7 per cent), among the Poles – 13.9 per cent (men – 12.4 per cent, women – 15.1 per cent), and among representatives of other minorities – 15.3 per cent (men – 17.0 per cent, women – 13.3 per cent).

The growth of employment of the population is followed by reduction of absolute number of the unemployed. On 1 January 2004, the Lithuanian Labour Exchange registered 159 thousands of the unemployed. During the year number of the unemployed reduced by 32.3 thousands, or by 17 per cent. In the beginning of 2003, the number of men and women in the structure of the unemployed was almost equal, however, in the course of the year the comparative share of unemployed women gradually increased. As of 1 January 2004, women accounted for 53.6 per cent of the unemployed.

In the beginning of 2003 21.7 thousands and in the end – 17.2 thousands of young unemployed (age under 25) were enrolled with the Lithuanian Labour Exchange. Per year their number reduced nearly by one fifth.

The number of the long-term unemployed keeps reducing, however, its still remains high. In 2003, the number of unemployed registered in the Lithuanian Labour Exchange who were seeking employment longer than for one year, reduced from 58 to 41, and in the end of the year their share among the unemployed accounted for 26 per cent.
The number of unemployed pre-pensioners with maximum five years remaining until retirement age enrolled with the Lithuanian Labour Exchange remained practically unchanged and already for the second year is about 14 thousands. Moreover, about 13 thousands of pre-pensioners with at least 15-year state social insurance period are registered here. These individuals, if they have maximum two years remaining until old-age pension and refuse active job search, receive pre-pension unemployment benefit until they reach retirement age.

During 2003, the average unemployment rate registered with the Lithuanian Labour Exchange reduced in all municipalities of the country. In the beginning of the year there were 7 municipalities in Lithuania with unemployment rate exceeding 20 per cent, whereas in the end of the year their number reduced to 2: municipalities of Druskininkai – 22,2 per cent and Mažeikiai district (20,3 per cent). In 2003, the lowest average annual unemployment rate up to 6 per cent was registered with the Lithuanian Labour Exchange in municipalities of Trakai, Kretinga districts, Elektrėnai and Vilnius.

The General Measures for Addressing Social and Economic Problems in the Highest Unemployment Territories (Mažeikiai, Lazdijai, Druskininkai, Akmenė and Pasvalys) drafted and approved by Government resolutions in 2002 – 2003 envisaged multidimensional social and economic development of the aforementioned municipal territories. In 2003 unemployment reduction rate in the highest unemployment territories considerably exceeded the country’s average. The average annual unemployment rate in Pasvalys reduced by 7, in Druskininkai – by 5, in Akmenė – by 4, in Mažeikiai – by 2,7, and in Lazdijai – by 1,9 percentage point (in the country it reduced by 1 percentage point), whereas the number of unemployed in these territories was – 2,7 thousands.

During 2003, 130,6 thousands of people were employed, of whom 98 thousands got jobs under employment contracts of unfixed term. At the same time active support of the unemployed was continuously increased. More unemployed not ready for the labour market, additionally supported in the labour market and long-term unemployed were integrated into the active labour market policy programmes, extending the programmes of vocational training and temporary employment – public works and subsidised jobs programmes. In 2003, over 146 thousands jobseekers participated in the labour market programmes, or by 15 per cent more than in 2002. In 2003, compared with 2002, the number of people employed for public works went up. In 2003, 50,6 thousands of people were engaged in such works. 4, 4 thousands of jobless people participated in the subsidised jobs programmes. The total number of created temporary jobs in 2003 equalled to 55 thousands.

Labour market policy measures being implemented are differentiated by separate groups of the unemployed – youth, long-term unemployed and other social risk groups. Youth centres established in Vilnius, Šiauliai, Klaipėda and Kaunas expanded their activities. In 2003, great attention was paid to addressing the problem of the long-term unemployed. With a view to reducing the length of jobs search, the labour market programmes aimed at the long-term unemployed were carried out, providing these people with additional support in the labour market and referring them for temporary employment measures. More than 4 thousands of people acquired profession or upgraded their skills under vocational training programmes. 20 thousands of people were engaged in public works and subsidised jobs, and 1 thousand of additionally supported unemployed were employed in subsidised jobs.

The programmes prepared and implemented included “Social, Professional and Psychological Adaptation of Convicts”, (in 2003, in implementing this programme 241 convicted woman was trained in UAB Panevėžys Šermukšnių Labour Market Training Centre. In the course of training, in addition to the disciplines covered by the pro-
gramme and acquired professional knowledge, women were taught the understanding of the labour discipline, they were prepared to work according to the profession after leaving the penal establishment), “Vocational Training and Employment of the Roma (Gypsies) Vilnius City” (Vilnius Labour Exchange provided 42 unemployed Roma with new employment opportunities. In order to increase their professional competence, the programmes of training concrete, pavement laying, clothes making works) and other programmes.

Increasing responsibility of the unemployed for the implementation of labour market measures applied to the unemployed and strengthening their motivation to seek jobs, in 2003, territorial labour exchanges worked out Employment Plans (agreements between the unemployed and the labour market) for more than 90 per cent of the newly registered unemployed people. Effectiveness of measures covered by the plan was evaluated on a quarterly basis. It was established that final goals were reached in 25 per cent of cases and interim objectives – in 60 per cent of cases.

2.1.3. Improvement of Legals Basis Regulating the Labour Market

After enactment of the new Labour Code of the Republic in Lithuania in 2003, the provisions of the Republic of Lithuania Law on Support of the Unemployed1 were approximated with it in spring. Reasonable management of the Employment Fund was improved, defining goals and sources of implementation of the projects of local employment initiatives (state and municipal budgets and Employment Fund’s proceeds). After amendments introduced in the Republic of Lithuania Law on Support of the Unemployed, in 2003, financing of the projects of local employment initiatives was commenced from the Employment Fund proceeds2. Having selected and implemented 86 projects out of 141 project proposed for the year 2003, the amount of LTL 7.5 million of the state budget funds and the Employment Fund proceeds, 791 new jobs was created. The funds of employers and sponsors on average accounted for 51 per cent of the value of all projects. 70 per cent of all projects were implemented in rural areas. Upon approval of the new Regulations of the Lithuanian Labour Exchange3, the structure of the Labour Exchange was changed and its management was regulated.

On 18 November 2003, the Law on Equal Opportunities4 was passed. This Law is aimed at ensuring the enforcement of equal human rights enshrined in the Constitution of the Republic of Lithuania, and prohibiting direct and indirect discrimination of all types on the grounds of age, sexual orientation, disability, race, ethnicity, religion or beliefs. The Law contains provisions, obligating state and municipal authorities and institutions, educational establishments, institutions of science and studies, employers, sellers of goods, producers and providers of services to take measures preventing violation of equal rights, and creating equal opportunities to individuals attributed to the aforementioned groups to actively participate in the life of the society. The Law on Equal Opportunities comes into effect as from 1 January 2005. The Equal Opportunities Ombudsman’s Office will control implementation of this Law.

Seeking to improve social protection of unemployed pre-pensioners the Plan of Measures for Improvement of Employment and Social Protec-

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1 Law on Amending and Supplementing Articles 4, 5, 7, 11, 12, 14, 15, 16, 161, 21, and 24 of the RL Law on Support of the Unemployed, Changing the Title of Chapter VI, Supplementing the Law with Article 201 and Recognising as Invalid Articles 3 and 22 (No. IX-1366) (“Valstybės žinios” (Official gazette), 2003, No. 32-1313).
4 RL Law on Equal Opportunities (No. IX-1826), (“Valstybės žinios” (Official gazette), 2003, No.114-5115).
tion of Unemployed Pre-pensioners for 2003-2004\(^5\) was approved. The Lithuanian Labour Exchange commenced implementing employment support programme for older unemployed 55+, aimed at increasing their employment and opportunities to remain in the labour market as long as possible.

Opportunities of labour exchanges in organising public works together with municipalities and improving employment of rural inhabitants were expanded by virtue of the Republic of Lithuania Government Resolution\(^6\) on Amendment to the RL Government Resolution No. 169 of 10 February 1998 on Approving the Procedure of Execution of Public Works.

In implementing the Programme of Increasing Employment for 2001-2004, Recommendations for Application of Flexible Forms of Work\(^7\) were approved. Flexible forms of work are meant to improve flexibility of the labour market by creating larger employment opportunities for people and more favourable conditions for reconciling work and family responsibilities, the time of studies, rest and work.

The Concept of Jobs Monitoring System\(^8\) and the plan of measures of its implementation were approved. With the help of this System changes in quantitative and qualitative indices in enterprises, institutions or organisations, separate territories, branches of economy and in the country will be monitored and assessed and used as a basis for analysing condition of the labour market, evaluating effectiveness of employment measures and determining the need for new jobs.

Legal employment of citizens of the Republic of Lithuania abroad according to bilateral agreements and through mediation of private employment mediation enterprises, institutions and organisations. A new Procedure for Issuing Licenses to Mediate in Employing Citizens of the Republic of Lithuania Abroad\(^9\) regulating issuance and revocation of licenses to mediate in employing citizens abroad, also in vessels flying a flag of a foreign state. Such licenses are issued for unlimited term. The licenses are of 3 types and entitle to engage in mediation activities: employing citizens abroad, employing seafarers in foreign vessels, or employing individuals as service personnel in cruise ships. Signing cooperation agreement between a legal person of the Republic of Lithuania and employing country’s employment mediation agency remains one of the main preconditions for obtaining the license remains. The agreement covers obligations of both the parties and conditions of activities, guaranteeing citizens of Lithuania legal employment, safe working conditions and all other employment and social guarantees according to legal acts of the host country. Obligations of the license holder are documented by signing a service contract with a jobseeker. Observance of licensed activity conditions is controlled by the Lithuanian Labour Exchange, the State Tax Inspectorate and other authorities within the limits of their competence. License holders are obligated to provide monthly reports about employed people to the Lithuanian Labour Exchange. In 2003, the Ministry of Social Security and Labour issued 44 licenses to private enterprises to render mediation services abroad. They helped more than 1,4 thousands of citizens and permanent residents of the Republic of Lithuania and to find jobs. In 2004, Lithuania ratified ILO Convention (No.181) concerning Private Employment Agencies. The purpose of this Convention is to increase flexibility of labour market, improve the quality of provided services, create legal basis for regulating “staff hiring” activities.

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In the end of 2003, the Seimas of the Republic of Lithuania passed the Law on Social Insurance of Unemployment. This Law aims at forming financially stable and reliable system of unemployment insurance which guarantees sufficient subsistence income for individuals provided with this insurance cover in case of loss of jobs or seeking a new job according to professions they have or are acquiring. Reorganised system of unemployment insurance should tighten control over validity of allocation of unemployment benefits and improve motivation of unemployed people to be active jobseekers. The new unemployment insurance system is approximated with the social insurance system applicable in the country and forms its part; it is also linked with the active labour market policy measures and system of social support.

The Law on Social Insurance of Unemployment defines categories of individuals eligible to compulsory unemployment insurance cover, eliminating individuals who have no income linked with labour relations. Compulsory insurance cover will be provided to individuals receiving remuneration for work – individuals working under employment contracts in enterprises, institutions, organisations or other organisational structures, serving in elective posts in elected organisations on the basis of membership, civil servants, state politicians, military men, etc. The right to receive unemployment benefits is granted to insured individuals enrolled with the territorial labour exchange as unemployed who are listed in the previous sentence and to whom the labour exchange did not offer jobs meeting their professional qualifications and health condition, or active labour market policy measures. The Law establishes some other requirements that are mandatory in order to qualify for unemployment benefits: before enrolment with the territorial labour exchange the unemployed must have at least 18 months unemployment insurance period during the last 36 months, he must be dismissed from work on employer’s initiative in the manner established by laws, without any fault of employee, due to circumstances that do not depend upon employee and in case of employer’s bankruptcy. This provision of the Law applies to military men if they have completed mandatory regular initial military service or alternative national defence service, or were dismissed from these services after serving at least half of the established time. Unemployed people who have taken a childcare leave to look after children age 1-3 years are also entitled to unemployment benefits.

The new Law defines the right to receive unemployment social insurance benefit linking it with the implementation of active labour market policy measures. The Law envisages increasing unemployment benefits and relating them with former wages and also reducing from 24 to 18 months the required compulsory service record for the last three years in order to qualify for unemployment social insurance benefits. For example, unemployment benefits will be paid 6 months if service record is less than 25 years, 7 months, if service record is 25-30 years, 8 months, when service record is 30-35 years, and 9 months in case of service record of the length of 35 years and over. Moreover, according to the new procedure payment of unemployment benefits is envisaged only to those unemployed individuals who participate in retraining, public works and other projects offered by the labour exchange.

The amount of unemployment benefit was increased. Unemployment benefit calculation methodology was essentially reorganised. The unemployment benefit comprises the fixed and variable components. The fixed component represents state-supported income, and the variable component is linked with former insured income of the unemployed. The variable component of the benefit will amount to 40 per cent of the former wage

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10 RL Law on Social Insurance of Unemployment (No. IX-1904), ("Valstybės žinios" (Official gazette), 2004, No.4-26).
calculated during the past three years, however, maximum amount of the unemployment benefit will account for 70 per cent of insured income.

The Law on social Insurance of Unemployment extended the duration of payment of unemployment benefits which depends upon the unemployed individuals’ unemployment insurance period acquired before the day of enrolment with the labour exchange.

Upon enactment of the Law, estimated unemployment benefit expenditures in 2005, compared with 2004, will grow by 35-40 per cent. The Law comes into effect on 1 January 2005. the Law envisages gradual (from 1 January 2005 till 1 January 2010) transfer of the financing of the active labour market policy measures from the State Social Insurance Fund budget to the State Budget.

In implementing the second component “Reorganisation of the Administration of the Lithuanian Labour Market” of PHARE Twinning Project, practical testing of the regional labour market model was carried out in Alytus. Activities under this model are based on wide interface with the labour market partners of the county. Wider dissemination of this Project is pending from 2004.

For the purpose of realising the provision of the Government Programme “to ensure equal opportunities for men and women in seeking education, in upgrading their qualifications, in employment, promotion, setting the salaries; to enable women to participate on equal conditions in all areas of political and public life and high-prestige activities, to occupy leading positions in public administration institutions”, the National Programme of equal Opportunities for Women and Men for 2003-2004\(^\text{11}\). Programme measures implemented in 2003 were aimed at addressing the problems of ensuring equal opportunities for women and men in the spheres of employment, education, policy and decision-making, combating violence against, and trafficking in, women, specific health problems of women and men, improving and developing institutional mechanisms and methods, and in particular statistics. The Programme of Psychological Rehabilitation, Vocational Guidance and Employment of the Victims of Trafficking in People and Prostitution for 2003-2004\(^\text{12}\) (in 6 Municipalities) approved in implementing the Complex Programme on Control and Prevention of Prostitution and Traffic in People for 2002–2004 adopted in 2002, is aimed at increasing motivation of victims of trafficking in women and prostitution to integrate into the labour market, providing and improving professional and general qualifications and skills facilitating labour market reintegration of victims of trafficking in people and prostitution. In 2003 the Programme was implemented in Vilnius and Klaipėda municipalities, and in 2004 it will be carried out in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys and Alytus municipalities.

In 2004, the Seimas passed the Republic of Lithuania Law on Social Enterprises\(^\text{13}\) drafted by the Ministry of Social Security and Labour. This Law is aimed at increasing employment in particular of those people who have difficulty in adapting themselves to changes in the labour market. These individuals comprise the disabled, long-term unemployed, pre-pensioners, ex-offenders, single parents raising minors. One of the key objectives of establishment of social enterprises is to support reintegration of these people into the labour market, their social integration and to reduce their social exclusion.

The purpose of this Law is to create legal basis for setting up and development of social enterprises, to identify legal persons to whom the status of a social enterprise may be granted, to de-

\(\text{11 RL Government Resolution No. 712 of 3 June 2003 (“Valstybės žinios” (Official gazette), 2003, No. 55-2452).}\)

\(\text{12 MSSL Order No. A1-111 of 1 July 2003.}\)

\(\text{13 RL Law on Social Enterprises (No.IX-2251), (“Valstybės žinios” (Official gazette), 2004, No.96-3519).}\)
fine groups of individuals employed in social enterprises, to establish peculiarities of labour relations in these enterprises. According to this Law, the social enterprise status may be acquired by any public or private person registered in the Republic of Lithuania and satisfying certain established requirements, of which several should be mentioned: to employ certain number of individuals from specified groups (employees attributed to the aforementioned groups will have to account for at least 40 per cent of all employees; in a social enterprise of disabled individuals at least 50 per cent of employees should belong to the target group of the disabled, whereas disabled individuals of groups I and II disability should account for at least 40 per cent of total employees), to carry out activities related with the development of working and social skills and social integration of these individuals, to engage in sustainable commercial activity.

All social enterprises that employ individuals attributed to social groups will be paid partial compensation of the fixed amount for wages and social insurance contributions, the amount of which for the disabled attributed to disability groups I and II is 60 per cent of gross wage and social insurance contributions calculated from it (and 50% – to all other individuals of target groups). The Law also envisages target subsidies for setting up a job or for adapting it to the needs of the disabled, for training employees attributed to target groups, and other subsidies. It is also envisages that the social enterprise status will be granted ad subsidies will be allocated by the Lithuanian Labour Exchange.

In view of the above, it can be stated that situation in the Lithuanian labour market in 2003 considerably improved as a result of the growth of economy, implemented measures of the Programme of Increasing Employment of the Republic of Lithuania for 2001-2004, and active labour market policy measures. Employment increased, unemployment reduced, and workforce demand went up. Increasingly growing numbers of permanent jobs were created in the country’s economy. Last year saw a noticeable growth in demand for non-permanent jobs as a result of which more favourable conditions were created for more and more unemployed to get permanent employment. Positive labour market development tendencies became stronger – in 2003, compared with 2002, the number of employed people went up by 2 per cent, and that of unemployed reduced by 9 per cent (see Table 1). Territorial differences in unemployment rate reduced. Adoption of important legal acts was followed by implementation of employment programmes and special programmes for improving activities of labour market authorities. Given the above described achievements, we can expect improvement of situation in the field of employment in the nearest future and promote balancing of labour market.

2.2. LABOUR RELATIONS

In 2003, significant attention was devoted to the improvement of labour relations and further perfection of the legal basis regulating such relations. The most significant event in this area was the enforcement of the Labour Code on 1 January 2003. While drafting the Labour Code due regard was given to the experience accumulated of Eastern and Central Europe, provisions of the International Labour Organisation Conventions, recommendations and the Revised European Social Charter, transposing to the national legal acts the provisions of most of the directives of the European Union.

The plan for drafting laws and other legal acts necessary for the implementation of the Labour Code and those to be approximated with the Labour Code of the Republic of Lithuania was pre-
pared in observance of the Republic of Lithuania Government Resolution No. 1189 of 19 July 2002. The Plan obligated the Ministry of Social Security and Labour in conjunction with other public authorities to draft legal acts or bring them in line with the provisions of the Labour Code. For the purpose of implementing measures envisaged by the plan the Draft Law on Labour Councils, was developed and laws amending the Law on the European Labour Councils, the Law on the State Labour Inspectorate and the Law on Trade Unions were adopted. The Government of the Republic of Lithuania adopted new, and amended and supplemented the existing, Resolutions on the model form of the employment agreement, seasonal work, assistance (help), voluntary works, amount of compensations for work performed during a trip, field work, work related with journeys or of movable nature, duration, procedure and conditions of granting additional holidays, rules of registration of employment contracts, procedure of issuance and holding of the worker's identification certificate and submission thereof to the controlling authorities, procedure of drawing up the list of categories of employees entitled to extended annual holidays and approval of duration of such holidays, work assessment procedure in enterprises financed from State or municipal budgets, and the procedure of calculation of the length of service, peculiarities of certain types of employment contracts, working hours shortening procedure, working hours in state and municipal enterprises, institutions and organisations, and part-time work.

With a view to strengthening attempts to combat illegal work, the Central Coordination Unit of Control of Illegal Work in cooperation with the State Labour Inspectorate developed the Plan of Investigation of Cases of Illegal Work and its Prevention for 2003 approved on 13 March 2003. A number of authorities will be involved in the implementation of measures covered by the Plan, including the State Labour Inspectorate under the Ministry of Social Security and Labour, the State Tax Inspectorate under the Ministry of Finance, the Financial Crimes Investigation Service under the Ministry of Finance, and the Police Department under the Ministry of Finance.

2.2.1. Bilateral and Collective Labour Relations

Individual and collective labour relations the regulation whereof is equally important to both employers and workers play an important role in the system of labour relations.

Relations covered by the Labour Law are essentially deemed to be collective relations, however, not infrequently labour relations are identified with civil relations, prioritising in this respect individual employment contracts. This allows to conclude that bilateral (individual) labour relations remain prevailing in Lithuania. Still, in contrast to the civil relations, parties of labour relations are not in equal positions, and an employee even holding the highest qualification and education shall in all cases be inferior to the employer who organises the work process, and owns or operates on the basis of trust the working tolls and equipment. Therefore, in Western countries priority is given to collective labour relations because it is the collective labour relations that can ensure the equal position of both parties involved in the labour relations and defend their rights and interests.

Collective labour relations. At present, more attention is devoted to collective labour relations, since in view of Lithuania’s integration into the European Union, the principle of collective autonomy thus widely used and applied in the European Union Member States will be further implemented in Lithuania. This principle suggests that while regulating labour relations increasing importance must be attached to agreements concluded between social partners (i.e., representatives of employer and employee’s organisations). Tendencies shaping themselves in the regulation of labour...
relations during the recent years show that the Government of the Republic of Lithuania has been liberalising the labour relations and a growing number of issues are being referred to the competence of agreements of social partners. The Labour Code of the Republic of Lithuania established the system of social partnership constituted by the Tripartite Council of the Republic of Lithuania and other tripartite and bilateral councils (commissions, committees), set up in accordance with procedures established by laws or collective agreements. On the basis of the agreement between social partners the Tripartite Council of the Republic of Lithuania (hereinafter – the Tripartite Council) comprises equal number of representatives of the central (national) trade unions, employers’ organisations and the Government, all of them acting on equal terms. The functions, rights, the procedure for the establishment and operation of the Tripartite Council are set forth in the regulations of the Tripartite Council. In the manner set forth by laws and bilateral agreements other tripartite or bilateral councils (commissions, committees) may be established to deal with issues of labour, employment, safety and health of employees, and implementation of social policy and seek solutions on the basis of equitable tripartite or bilateral cooperation.

Where labour relations exist, the rights and interests of employees can be represented and protected by trade unions. If a trade union is not set up in an enterprise, institution or organisation and if the meeting of employees did not assign the function of representation and protection of employees to a trade union of the relevant sector of economy, employees are represented by the labour council selected by secret ballot during the general meeting of employees. The status of labour councils and procedure of their formation are defined by the Law on Labour Councils the adoption whereof is pending in the nearest future in the Seimas of the Republic of Lithuania.

The Republic of Lithuania Law on Trade Unions establishes the grounds for activities of trade unions, their rights and responsibility in relations with employers, bodies of state power and administration, as well as with trade unions in protecting the interests of own members. This Law establishes that citizens of the Republic of Lithuania and other persons permanently residing in Lithuania at least 14 years of age working under employment contracts or on other grounds have the right to freely join into trade unions and participate in activities thereof.

Establishment of trade unions is based on the principles of profession, duty, production, or any other principles determined by trade unions themselves. To establish a trade union it must have: 1) at least 30 founders, or the number of its founders in an enterprise must account for at least 1/5 of all enterprise employees, or at least 3 employees; 2) by-laws approved during the meeting; 3) elected managerial bodies.

Trade unions are independent of the employer. The employer is prohibited from influencing the admittance to work or offering to maintain a job forcing the employee to refrain from joining a trade union or to leave it.

Trade unions have the right to form different associations. At present there are three national organisations of trade unions in Lithuania comprising other smaller trade unions, i.e.:

1) Lithuanian Trade Union Confederation;
2) Lithuanian Trade Union “Solidarity”;
3) Lithuanian Labour Federation.

Under present practice labour relations in Lithuania are regulated through collective agreements. Collective agreements may be concluded on the State (national), sector (production, services, occupational), or territorial (municipalities, counties), and enterprise (institution, organisation) level.

Pursuant to the Labour Code, an agreement concluded in writing between the trade union the employers and enterprise employees on conditions of work, remuneration and other social and economic guaranteed. Such collective agreement ap-
plies to all employees of the given enterprise. In accordance with the procedure established under the collective agreement of an enterprise and without exceeding the limits defined of such collective agreement, collective agreements may be entered into in the enterprise branches, representative offices and structural subdivisions. Parties to the collective agreement of the enterprise establish in it the conditions and guarantees pertaining to work, occupation, social and economic matters which are not regulated by laws, other normative legal acts or the national, branch and territorial collective agreement, or which do not contradict them and does not worsen the condition of employees.

The collective agreement of an enterprise may include the following conditions:

1) entry into, amendment and termination of employment contracts;

2) organisation of payment for work (tariff payments, official salaries, extra pays, bonuses, other privileges and compensations, systems and forms of remuneration and promotion, establishment of work norms, procedure of indexation and payment of salaries and of settlements, as well as other provisions);

3) work and rest time;

4) creation of safe and health-friendly conditions of work, granting of compensations and privileges;

5) acquisition of profession, speciality, skills upgrading, re-qualification and related guarantees and privileges;

6) procedure of implementation of the collective agreement of an enterprise;

7) mutual information and counselling of the parties;

8) work-related, social and economic conditions and provisions.

No precise data are available about existing collective agreements of enterprises (institutions, organisations), since there are no requirements to formally register such agreements. National, sectoral or territorial collective agreements are concluded with a view to regulating labour relations between trade unions and employers' organisations and the related social and economic issues. Acting in accordance with Par. 1, Article 54 of the Labour Code, the Government of the Republic of Lithuania approved the Procedure for Registration of National, Sectoral and Territorial Collective Agreements. According to this Procedure, the Ministry of Social Security and Labour was authorised to register national, sectoral and territorial collective agreements on the basis of relevant applications. At present, 1 collective agreement is in force (as from 1 January 2003 collective agreements are referred to as national, sectoral or territorial collective agreements). The reasons for such a small number of signed collective agreements is the attitude prevailing for quite a number of years that labour relations must be regulated by the State, very few regional and sectoral social partners and low activity thereof.

The prevalence and frequency of strikes, as the last resort of resolving collective labour disputes characterise the situation in the sphere of collective labour relations and in the labour market in general. According to the data of the Department of Statistics, during the year 2002-2003 there were no strikes organised in Lithuania, while 34 strikes, including 29 warning strikes were held during 2001. The main grounds for such strikes were disputes concerning remuneration or violations of its payment procedure. The fact that no strikes were organised in 2003 can be linked with the general improvement of economic situation in Lithuania.

Collective agreements are very closely related with the matter of regulation of collective labour disputes. These relations are governed under Chapter X of the Republic of Lithuania Labour Law. The Code defines bodies hearing collective labour disputes, conditions of their formation and activities and enforced strikes.
The applicable Law designates the following bodies hearing collective labour disputes:

- conciliation commission;
- Labour Arbitration or third party court.

The Conciliation Commission shall be formed from an equal number of authorised representatives of entities who made the demands and those to whom the demands were submitted. The number of Commission members shall be set by agreement between the parties. The Commission shall be formed within seven days from the day of refusal to meet the demands by the entity who received the demand or if no response was received during the said period. If parties fail to reach an agreement on the number of Commission members, they shall at their discretion delegate their representatives to the Commission. Each party may have not more than five representatives on the Commission. The Conciliation Commission shall hear the collective dispute within seven days from the day of formation of the Conciliation Commission. Decisions of the Conciliation Commission shall be adopted by agreement between the parties, executed by drawing up a record and is binding upon the parties. If the Conciliation Commission fails to reach an agreement on all or part of the demands, the Commission may refer them for hearing to the Labour Arbitration, third party court or wind up the conciliation proceeding by drawing up a Protocol of Disagreement.

The Labour Arbitration shall be formed under district court within the jurisdiction whereof the registered office of the enterprise or the entity which has received the demands made in the collective dispute is located. The composition of the Labour Arbitration, the dispute resolution procedure and the procedure of execution of the adopted decision shall be specified by the Regulations of Labour Arbitration approved by the Government. Parties to the collective dispute shall each appoint one or several arbitrators of the third party court and execute the appointment by a written contract. The procedure of dispute resolution and execution of the adopted decision shall be established by the Statute of Third Party Court approved by the Government. The Labour Arbitration, the third party court shall within fourteen days resolve the collective dispute referred to them. The decisions of the Labour Arbitration and the third party court shall be binding upon the parties to the dispute.

A strike can be declared if a collective dispute is not settled or a decision adopted by the Conciliation Commission, Labour Arbitration or third party court is enforced by the employer or the subject of the collective agreement. The right to adopt a decision to declare a strike (including a warning strike) shall be vested in the trade union according to the procedure laid down in its regulations. A strike shall be declared if a corresponding decision is approved by secret ballot by:

- two-thirds of the enterprise employees voting in favour of a strike in the enterprise;
- two-thirds of the employees of a structural subdivision of the enterprise and at least a half of the employees of the enterprise who vote in favour of a strike in the structural subdivision of the enterprise.

The employer must be given at least seven days’ written notice of the beginning of the intended strike by communicating to him the decision.

A warning strike lasting not longer than two hours may be held before the strike is declared. The employer must be given an at least seven days’ written notice of the warning strike.

A strike shall be lead by the trade union or the strike committee formed by it. The body lead-

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ing a strike is bound to ensure together with the employer the safety of property and people.

When a strike is called, the employer or the entity to whom the demands have been submitted may apply to the court with a petition to declare the strike unlawful. The court shall hear the case within ten days. A strike shall be declared as unlawful if the objective of the strike contravenes the Constitution of the Republic of Lithuania, other laws or if the strike was declared in breach of the procedure and requirements laid down in the Republic of Lithuania Labour Code.

Where there is a strike, the performance of the employment contract with respect to striking employees shall be suspended, whereas their service shall be treated as continuous and they shall retain their social protection under the state social insurance scheme. Employees who are parties to a strike shall not be paid any remuneration, they shall be released from their obligations to perform their work functions. An agreement may be reached during the negotiations for the breaking off of the strike that the striking employees will be paid the full amount or part of their wage or salary. Non-striking employees who are unable to perform their work by reason of the strike shall be paid for the involuntary idle time or they may be transferred upon their agreement to another job.

A strike shall end after all demands have been met, after the parties reach an agreement during the ongoing strike to break off the strike under certain conditions, after recognising that it is inexpedient to continue the strike.

 Strikes shall be prohibited in the internal affairs, national defence and state security systems, as well as in electricity, district heating and gas supply enterprises, first medical aid services. The demands put forward by the employees of the said systems and enterprises shall be settled by the Government, taking into account the opinion of the Tripartite Council. Strikes shall be prohibited in natural disaster areas as well as in the area where state of martial law or state of emergency has been declared in accordance with the procedure established by law until the liquidation of the consequences of natural disaster or lifting of the state of martial law or state of emergency. It shall be prohibited to declare a strike during the term of validity of the collective agreement if the agreement is complied with.

Individual labour relations arise from the employment contract whereby one of the parties (the employee) undertakes to do the work according to the specified qualification, profession or speciality, and to perform certain duties in compliance with the established work regulations, while the other party (the employer) undertakes to provide the employee with the work of agreed nature, compensate the employee to the agreed amount, and ensure the working conditions defined by laws, other legal acts, collective contracts and bilateral agreements between the parties. Thus, individual labour relations arise at the moment the employee exercises his constitutional right to choose a job, by concluding an employment contract and an agreement with the employer concerning the work and other terms. Such labour relations are bilateral relations and the parties to such relations are individual persons, – the employee on the one part and the employer on the other. The duty of the employer is to provide the employee with work agreed under the employment contract, also ensure the working conditions prescribed by laws, the relevant collective and bilateral agreements, and pay the compensation for the work to the employee. The duty of the employee is to work in accordance with the specified qualification, speciality and duties and comply with the internal work regulations. The labour relations ordinarily arise from the employment contract subject to the mutual consent of the employee and the persons who admit the employee to the position. While concluding the employment contract the parties are obligated to agree on the essential terms of the work:

employee’s workplace (enterprise, institution, organisation, structural subdivision, etc.);
work functions, i.e. work according to the respective profession, speciality or qualification or certain duties.

The Labour Code stipulates that agreements concerning the necessary working conditions (agreements on the term of employment contract, seasonal nature of work, etc.) may be concluded in accordance with laws, collective agreements and on the basis of the mutual agreement of the parties. In addition, every employment contract must contain a clause on remuneration conditions (the system of payment for work, amount of remuneration, payment procedure, etc.).

An employment contract shall be drawn up in two copies and signed by the employer or his authorised person and the employee. One signed copy of the employment contract shall be handed to the employee, whereas the other copy shall be kept by the employer. The employment contract shall, on the same day, be registered in employment contracts record book. Such a book shall not be mandatory where an employer is a natural person employing three and less employees. Not later than before the commencement of work, the employer shall, together with the second copy of the employment contract, issue an identity card (work certificate) to the employee. The model form of an employment contract, registration rules, as well as the form of an employee’s identity card, the procedure for its issuance, carrying and presentation to control institutions were established by the Government. The Republic of Lithuania Labour Code envisages entering into non-term, fixed term, temporary, seasonal, additional work, secondary job, with home workers, on the supply of services and other employment contracts. Peculiarities of entry into these agreements are regulated by the Republic of Lithuania Labour Code and Resolutions of the Government of the Republic of Lithuania.

Upon concluding an employment contract, the parties may agree on a trial. The trial may be of two types, i.e. to assess the suitability of an employee for the agreed work, as well as, at the request of a person taking on a job, the suitability of this job for him. The condition concerning a trial shall be set in an employment contract. Article 105 of the Labour Code provides the list of persons for whom a trial may not be established. A trial period shall not be longer than three months.

The Labour Code establishes the grounds for terminating the employment contract. The following types grounds may be distinguished:

- upon the termination thereof on the grounds established by this Code and other laws;
- upon the liquidation of an employer without legal successor;
- upon the death of an employee.

Depending upon the grounds based on which an employment contract expires, the Law provides for the guarantees applicable to employees. For example, in case of termination of employment contract on the employer’s initiative without any fault on the part of an employee, the employer must give a 2-month notice of dismissal to the employee, whereas an employment contract with employees, who will be entitled to the full old age pension in not more than five years, persons under 18 years of age, disabled persons and employees raising children under 14 years of age may be terminated only in extraordinary cases where the retention of an employee would substantially violate the interests of the employer. These persons must be given the employer’s notice of dismissal no later than 4 months in advance.

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A dismissed employee shall be paid a severance pay in the amount of his average monthly wage increased by one and a half, two or three times depending upon uninterrupted service of the respective employee at that workplace. Employees, who are elected to representative bodies of employees may not be dismissed from work without the prior consent of the body concerned during the period for which they have been elected.

Individual labour disputes arising between the employee and the employer regarding the exercise of the rights and fulfilment of duties established in the regulatory acts, employment contract or collective agreement, which has not been regulated through negotiations shall be considered according to the procedure laid down in Chapter XIX of the Labour Code.

Legal acts of the Republic of Lithuania regulate in sufficient detail the employment of individuals age below 18 and guarantees provided to them. These provisions are enshrined in the Republic of Lithuania Labour Code, Law on the Safety and Health of Workers, resolutions of the Government of the Republic of Lithuania5.

Article 13 of the Republic of Lithuania Labour Code promulgates that a person shall acquire full legal capacity in labour relations and ability to acquire labour rights and undertake labour duties when he reaches the age of 16 years.

By virtue of Article 104 of the Republic of Lithuania Labour Code, in the case of employing a minor from 14 to 16 years of age, an employer must require from such person his birth certificate, the written consent of his school and of one of the child’s parents or his another statutory representative, as well as permission of his attending paediatrician; moreover, the employer has the right to require presentation of other documents established by laws. Upon admittance to work of a minor age between sixteen and eighteen years, the employer must require that such minor presents his personal identification document and state social insurance certificate. Upon employment of these individuals a trial period may not be established. Employees age under eighteen must undergo health examination at the time of employment and subsequently every year until they reach the age of eighteen.

As we can see, the previous year was very important in terms of regulation of labour relations, because on 1 January 2003 the Republic of Lithuania Labour Code was enacted. The Republic of Lithuania Labour Code is an integral legal act provisions whereof are consistent with the requirements of the European Union directives and ILO conventions. The Labour Code is free from old provisions, which do not conform to the present requirements. Therefore, we can state that the Law regulating labour relations applicable at the time when Lithuania became a full member of the European Union, conformed to the European standards.

2.3. PAYMENT FOR WORK

Increase of Wages to Employees
of Budgetary Institutions and Organisations

During 2003, certain changes took place in the area of payment for work to employees in budgetary institutions and organisations. On 16 December 2003, the Government of the Republic of Lithuania passed the Resolution No. 1604 on the Increase of the Base Monthly Wage and Base

5 Republic of Lithuania Government Resolution No. 138 of 29 January 2003 on Approving the Procedure of Employment and Health Examination of Individuals under Eighteen Years of Age and of Establishment of their Aptitude for a Particular Job, and the List of Working Hours, Prohibited Works and Harmful Factors Dangerous to Health (“Valstybės žinios” (Official Gazette), 2003, No.13-502) and Republic of Lithuania Government Resolution No. 139 of 29 January 2003 on Approval of Conditions and Procedure of Vocational Education and Training of Individuals under Eighteen Years of Age Health (“Valstybės žinios” (Official Gazette), 2003, No.13-503).
Hourly Pay\(^6\) whereby as from 1 May 2004 the base wage was increased by LTL 10 (9.5 per cent), i.e. the base monthly wage is LTL 115, and the base hourly pay – LTL 0.68.

According to the base monthly wage (BMW) and the base hourly pay official wages are calculated for employees of budgetary institutions (scientists, educators, medical workers (excluding those working in public institutions), social, cultural workers, accountants, various office and archives’ employees, employees of governing bodies working under employment contracts, and employees rendering economic – technical services, etc.). Having fixed BMW of LTL 115, the salary of these employees should grow by 9.5 per cent.

In 2004, the amount of LTL 200 million in the state and municipal budgets was allocated for the increase of the base monthly wage for 8 months.

The Republic of Lithuania Government also passed the Resolution\(^7\) on the increase of coefficients of the official salaries paid to scientific workers, other investigators and lecturers.

The Minimum Wage (MW)

The Labour Code of the Republic of Lithuania stipulates that the wage is the remuneration for work performed by the worker in accordance with the employment contract. The wages of a worker includes the principal labour wage and all additional payments in either form paid directly by the employer for the work performed by the worker. The wage of the worker depends upon the volume and quality of the work, performance of the institution, enterprise or organisation, demand and supply of the particular kind of labour in the labour market. For the performance of equivalent work or work of equal value men and women shall be paid equal pays. The wage shall be paid in cash. The Labour Code also establishes that the terms for payment for work of institutions and organisations financed from the State, municipal or social insurance budgets, as well as employees of the Bank of Lithuania shall be defined in the procedure set forth by laws.

The Labour Code also stipulates that on proposal of the Tripartite Council the Government shall establishes a minimum hourly pay and a minimum monthly wage. On the proposal of the Tripartite Council the Government may establish different minimum hourly pay and minimum monthly wages in respect of individual sectors of economy, regions and groups of employees.

The Labour Code provides for a possibility to establish by collective contracts the minimum monthly wages and minimum hourly pays higher than those established by the State, and set forth that wage may be indexed in the procedure stipulated by the laws.

Issues related to the establishment of the minimum monthly wage and the minimum hourly pay (MHP) were considered more than once during the meetings of the Tripartite Council. On proposal of the Tripartite Council meeting of 10 July 2003, the Government of the Republic of Lithuania approves as from 1 September 2003\(^8\):

1. minimum hourly pay – LTL 2.67 and minimum monthly wage – LTL 450 in respect of employees of enterprises, institutions and organisations regardless of the form of their ownership, and other persons to which the minimum monthly wage is paid in the manner provided by the law, except persons, referred to in items 2.1 and 2.2;

\(^6\) Republic of Lithuania Government Resolution No. 1604 of 16 December 2003 on the Increase of the Base Monthly Wage and Base Hourly Pay (“Valstybės žinios” (Official Gazette), No. 119-5421)

\(^7\) Republic of Lithuania Government Resolution No. 828 of 25 July 2003 on Amendment to the Republic of Lithuania Government Resolution No. 483, of 23 November 1991 on Payment for Work of Employees of Science and Studies Institutions, Other Investigators and Lecturers (“Valstybės žinios” (Official Gazette), 2003, No. 61-2808)

\(^8\) Republic of Lithuania Government Resolution No. 937 of 18 July 2003 on the Increase of the Minimum Wage (“Valstybės žinios” (Official Gazette), 2003, No. 73-3371)
2. minimum hourly pay – LTL 2.55 and minimum monthly wage – LTL 430:

2.1. employees of agricultural undertakings, where the income of the undertakings from the realised agricultural produce during the previous calendar year account for more 50 per cent of the total income; workers hired by farmers, also farmers paid the minimum monthly wage in the manner provided by legal acts;

2.2. state politicians, judges, state officials, soldiers and civil servants.

Later wages were increased upon approval of the Tripartite Council of the Republic of Lithuania. As from 1 May 2004, the Government of the Republic of Lithuania increased the minimum hourly pay and monthly wage:

1. minimum hourly pay – LTL 2.95 and minimum monthly wage – LTL 500 in respect of employees of enterprises, institutions and organisations regardless of the form of their ownership, and other persons to which the minimum monthly wage is paid in the manner provided by the law, except persons, referred to in point 2.

2. minimum hourly pay – LTL 2.55 and minimum monthly wage – LTL 430 for state politicians, judges, state officials, servicemen and public servants.

Part-time employees are paid commensurately to the number of hours worked or for the work performed. The law also guarantees extra pay for work in the environment which deviates from normal working conditions, night work, work on days-off and holidays and overtime work.

The Law also regulates the procedure of payment for work in case of idle time. In the event of idle time the employer must offer to the employee another job available in the enterprise according to his profession, speciality and qualification or health condition. If upon transfer of the employee to another job his wage reduces, such employee shall receive extra pay up to the average wage he used to receive before transfer. If the employee is not offered another job, he shall be paid at least two-thirds of the average monthly wage that was used before the idle time but not less than the minimum hourly pay approved by the Government for each idle hour. Where the employee refuses in writing the offered job, he shall be paid at least the minimum hourly rate for each idle hour established by the Government. A collective agreement or an employment contract may establish larger amounts of payment for idle time (Article 195 of the Labour Code).

Therefore, during the past year the Government of the Republic of Lithuania increased MW several times. At present the possibility of increasing MW to LTL 600 from 2005 is being deliberated. It will facilitate the growth of solvent demand of population and promote economic development.

The Basic Tax-Exempt Minimum

In observance of Article 20 of the Law on Income, the basic tax-exempt amount of income (hereinafter referred to as the basic TEA) as from 1 January 2003 is LTL 290 per month.

Other permanent residents of Lithuania are subject to the following tax-exempt amounts of income:

1) LTL 430 per month for the disabled of group 1;
2) LTL 380 per month for the disabled of group 2;
3) for persons raising three or more children (adopted children) under 18, and older if they attend the day school of general education, – LTL 430 per month, besides the TEA is increased by LTL 46 for the fourth and each subsequent child (adopted child)
4) for the mother (foster mother) or father (foster father) raising children (foster children) under 18 attending the day time school of general education in case of a single parent family – LTL 335 a month, besides, the TEA is increased by LTL 9 Republic of Lithuania Government Resolution No. 316 of 24 March 2004 on the Increase of the Minimum Wage ("Valstybės žinios" (Official Gazette), 2004, No. 46-1511)
53 for the second and each subsequent child (foster child);

5) for employees of enterprises producing agricultural products whose annual income for the marketed agricultural produce account for more than 50 per cent of the total income, also employees of farmers which have registered their farms in the manner stipulated by laws – LTL 330 a month.

TEA is applied for the purpose of calculating taxable income of permanent residents of Lithuania. For the purpose of calculating taxable income of other residents of Lithuania, TEA applies only to income related with labour relations or relations comparable thereto received from the source which is located in Lithuania.

**Average Monthly Wage (AMW)**

This indicator of the wage is expressed by two figures:

- average monthly gross wage (AMW gross) means wage exempt from the income tax of natural persons and social insurance contributions payable by the employee;
- average monthly net wage (AMW net) means wage obtained having deducted from the AMW gross the income tax of natural persons and the social insurance contributions payable by the employee.
- real wage index is calculated dividing net wage index by consumer price index.

According to the data of the Department of Statistics of the Republic of Lithonia, the AMW (gross) in the national economy, with an exception of personal companies (sole proprietorships) in Q4 2003 was LTL 1207.9, and increased by 5.5 per cent compared with the same quarter of 2002, in the public sector – LTL 1238.7 increasing by 5.2 per cent compared with Q4 of 2002, and in the private sector – LTL 1181.5 having grown by 5.9 per cent, compared with the same period.

The average monthly gross wage in the national economy, excluding private companies (sole proprietorships) in Q4 2003 compared with Q3 2003 increased by 2.8 per cent, in the public sector – by 2.87 per cent, and in the private sector – by 3.1 per cent.

Real wages in the country’s economy, excluding individual enterprises (sole proprietorships) in Q4 2003 compared with Q4 2002 went up by 8.5 per cent, in the public sector – by 8.2 per cent, and in the private sector – by 8.9 per cent.

Real wages in the country’s economy, excluding individual enterprises (sole proprietorships) in Q4 2003 compared with Q3 2003 increased by 2.5 per cent, in the public sector – by 2.2 per cent, and in the private sector – by 2.8 per cent.

The average monthly gross wage of workers in the national economy excluding private companies (sole proprietorships) was LTL 870.9 and compared with Q4 2002 increased by 4.3 per cent, in the public sector – LTL 807.7 and compared with Q4 2002 increased by 0.7 per cent, and in the private sector – LTL 900.1 having increased by 5.7 per cent compared with Q4 2002.

The average monthly gross wage of workers in the national economy excluding private companies (sole proprietorships) compared with Q3 2003 went up by 1.0 per cent, in the public sector reduced by 0.7 per cent, and in the private sector increased by 1.7 per cent.

The average monthly gross wage of employees in the national economy excluding private companies (sole proprietorships) stood at LTL 1511.7 and compared with Q4 2002 went up by 6.6 per cent, in the public sector – LTL 1445.5 and compared with Q4 2002 grew by 5.7 per cent, and in the private sector – LTL 1608.7 having increased by 7.8 per cent compared with Q4 2002.

Available figures show that during 2002 in the private sector the average wage increased due to the grown production and service volumes.

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10 Information Publication of the Department of Statistics, Wages in the Fourth Quarter of 2003, Vilnius 2004
Guarantees of Wages to Employees of Bankrupt Enterprises and Enterprises under Bankruptcy

For the purpose of implementing the European Council Directive on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer (80/987/EEC), the Law on Guarantee Fund was passed on 12 September 2000, which came into effect as of 1 October 2000.

Entitled to payments from the Guarantee Fund shall be employees of the enterprises under bankruptcy and bankrupt enterprises, who have terminated their employment relationships with such enterprises, as well as to the employees who continue employment relationships with an enterprise under bankruptcy when the enterprise is indebted to them.

The Law defines the types of the compensations pertaining to labour relations. They comprise payments for unpaid wages, monetary compensations for unused leave, severance pays, payment for idle time, compensation of damage caused by occupational accidents of diseases when the obligation to compensate damage does not pass over to the state in the manner established by laws. In observance of provisions of this Law, the Government of the Republic of Lithuania establishes maximum amounts of these compensations. Upon adoption of all necessary secondary legislation, the Guarantee Fund commenced its actual operation as from August 2001.

Between August 2001 and July 2003, employees were paid the following payments from the Guarantee Fund:

- August-December 2001: 20655 employees of 250 enterprises were paid LTL 25.1 m.;
- 2002 – 15214 employees of 505 enterprises – LTL 21.3 m.
- 2003 – 18158 employees of 576 enterprises – LTL 24.7 m.;
- 2001-2003 m. – 54 000 employees of 1330 enterprises – LTL 71.1 m.

In observance of the Law on Guarantee Fund, contributions paid to this Fund by employers are equal to 0.2 per cent of gross wages to employees (from which compulsory state social insurance contributions are calculated). The Guarantee Fund proceeds also comprise appropriations from the Privatisation Fund and State Budget allocated according to a separate programme, funds received from enterprises in bankruptcy or from bankrupt enterprises for satisfying creditor claims of the Guarantee Fund, as well as voluntary contributions of natural and legal persons.

All employees to whom the employer (or the former employer) has debts, are eligible to receive payments from the Guarantee Fund. In observance of Par. 2, Article 5 of the Law on Guarantee Fund, payments are allocated even to employees of enterprises under bankruptcy or bankrupt enterprises which do not have any assets, and to the employees of liquidated enterprises. In addition, payments are paid to employees regardless of the duration of their employment in the enterprise. The amount of payments from the Guarantee Fund, related to the unpaid wages and lay-offs, shall be computed in accordance with the claims, related to employment relationships prior to the commencement of enterprise bankruptcy process, of employees of enterprises under bankruptcy or bankrupt enterprises, and for a period not exceeding 2 months from the commencement of enterprise bankruptcy procedure. Payments related to the compensation for the unused holidays and the amount of severance payments shall be computed upon termination of the employment contract.

Par. 7, Article 5 of the Law on Guarantee Fund establishes that assets transferred to the Guarantee Fund shall not be used for other purposes than established in the said Law, i.e., the funds shall not be debited from the enterprises account in accordance

11 Republic of Lithuania Government Resolution No. 2103 of 31 December 2002 on Payments from the Guarantee Fund” (”Valstybės žinios” (Official Gazette), 2003, No. 2-43)
with decisions of public institutions or institutions authorised to effect the recovery of indebtedness, neither the funds may be subject to attachment or used in any other way than provided by the Law.

Activities of the Guarantee Fund regulated by the Law reduced social tension among bankrupt enterprises and enterprises in bankruptcy, allowed to partially cover enterprise debts to these employees arising from labour relations.


2.4. CONTROL OF LABOUR RELATIONS AND PAYMENT FOR WORK

In carrying out the prevention of violations of legal acts regulating the safety and health at work and labour relations, in 2003 the State Labour Inspectorate\textsuperscript{12} carried out 18699 inspections in 13587 enterprises and their structural subdivisions. 16265 times enterprises were inspected on the matters of implementation of laws. In 7943 enterprises 25763 violations of labour laws were established.

During inspections 1422 illegally employed individuals were identified form whom 241 protocols of administrative law violations were drawn and referred for deliberation to courts.

During 2003 authorities exercising control over illegal work (corrected data because after enactment of the new Criminal Code as from 1 May 2003 statistical reports also changed) identified 8108 illegal employees. Of whom:

- 1639 were employed without having concluded employment contracts;
- 4750 individuals worked without having registered their enterprise or without licenses, or were engaged in other unauthorised activity;
- 1006 individuals worked without possessing business certificates.

Due to violations of legal acts 6015 protocols of administrative law violations were drawn and 713 pre-trial investigation cases were initiated.

Analysis of identification of illegally employed individuals by sectors of economic activity (according to SLI inspection results) shows that the largest numbers of illegally employed individuals were identified in: constriction – 511204 individuals illegally employed in 204 legal entities (35.94 % of the total number of identified illegal workers), manufacturing – 293 individuals in 133 entities (20.6 %), agriculture – 120 individuals in 47 entities (8.44 %), and in wholesale and retail trade – 139 individuals illegally employed in 94 entities (9.77 %).

As in previous years, the largest number of illegally employed individuals is identified in enterprises – 913 (64.2 %) and working for natural persons – 383 (26.93 %).

In 2003, 241 protocols of administrative law violations concerning 499 individuals drawn by the State Labour Inspectorate were referred to courts for deliberation. Courts heard 185 cases (76.8 % from the total number of protocols of administrative law violations referred to courts) concerning 374 illegally employed individuals. 54 cases (29.2 per cent from heard cases) were terminated. In 106 instances (57.3 %) awarded penalty was smaller that the fine established under the sanction provided for in Article 41-3 of the

Na\'ture of Labour Law Violations Established in Enterprises in 2001–2003 (in the total number of violations of labour laws)

Data provided in the State Labour Inspectorate Annual Report for 2003

Chart 2.4.-1

Code of Administrative Transgressions of Law. The penalty provided for under the sanction of the aforementioned Article of CATL (LTL 3000 – 10000 per each illegally employed individual) was awarded in 25 cases (13,5 %). Employers who permitted illegal work were subjected to penalties in the amount of LTL 270700. The average penalty stood at LTL 1037,2.

Labour Law Violations

In 2003, 16271 inspections were carried out on the matters of control over observance of labour laws which revealed 25837 violations of implementation of labour laws (34,6 per cent of all violations) in 8027 enterprises (59 per cent of all inspected enterprises). Inspections performed and violations established in 2003 exceeded by 27 and 5,2 per cent comparable figures of 2002. According to their structure violations of labour laws are concerned with: entry into employment contracts – 34,4 per cent, payment for work – 13,6 per cent, organisation of work and rest regime – 22 per cent, recording working hours – 48,3 per cent, other matters of labour law – 16,1 per cent. Data about the nature of violations of labour laws established in enterprises in 2001 – 2003 are shown in Chart 2.4.-1.

In 2003, 74742 violations of labour laws and legal acts regulating safety and heath at work were established. Compared with 2002, the total number of violations reduced, however the share of violations related with the implementation of labour laws increased by 1,5 per cent. This share has stabilised in the recent years. The number of violations of labour laws in the established total number of violations in 1999 – 2003 is reflected in Chart 2.4.-2.

Prevention of Violations of the Procedure of Entry into Employment Contracts

Violations of the procedure of entry into employment contracts constitute the largest share - 34,45 per cent – within the established total number of violations of labour laws. Inspections revealed 18065 wrongly documented employment contracts. Compared with the previous years,
the number of such wrongly documented employment contracts reduced considerably. In 2001, this figure was 25060 (100 per cent), in 2002 – 26596, or 106 per cent, whereas in 2003 it stands at 72 per cent. Violations of labour law and procedure of entry into employment contracts as well as the number of wrongly documented employment contracts in 2001 – 2003 are shown in Chart 2.4.-3.

Complaints and applications received in 2003 concerning the procedure of entry into employment contracts account for 1085 out of 4294 matters of labour law, or 25,27 per cent (in 2002 – 1274 out of 4596 matters of labour law, or almost 28 per cent; in 2001 – 954 out of 4526, or 21 per cent).

Illegal work

In implementing the Republic of Lithuania Government Resolution No. 1407 of 26 November 2001 on Coordination of Control over Illegal Work Phenomena, control and prevention of illegal work in the Republic of Lithuania is carried out by 5 authorities:

- The State Labour Inspectorate under the Ministry of Social Security and Labour:
  a) prepares methodologies and recommendations on control of illegal work phenomena, organises seminars, establishes cooperation procedure for the officials of controlling authorities and institutions in organising joint inspections;
  b) develops general (quarterly) forms for recording illegal work phenomena, analyses control results and renders conclusions to all authorities and institutions exercising control over illegal work;
  c) at least semi-annually convenes meetings of representatives of all authorities and institutions exercising control over illegal work to deliberate problems of illegal work phenomena, propos-
CHANGES IN THE TOTAL NUMBER OF VIOLATIONS OF LABOUR LAW, PROCEDURE OF ENTRY INTO EMPLOYMENT CONTRACTS AND WRONGLY DOCUMENTED EMPLOYMENT CONTRACTS IN 2001-2003

Data provided in the State Labour Inspectorate Annual Report for 2003  
Chart 2.4.-3

LABOUR POLICY

...relative to the improvement of illegal work-related legal base, mutual cooperation and other matters;

d) organises educative activity developing intolerance towards illegal work phenomena and encouraging activity of the public in identifying such phenomena.

- The Financial Crimes Investigation Service under the Ministry of the Interior on request of renders conclusions to all authorities and carries out operative work and having established any signs of financial crimes enforces criminal prosecution;
- The State Tax Inspectorate under the Ministry of Finance examines the cases of work without having acquired business certificates, declared individual business or registered an enterprise.
- The Police Department under the Ministry of the Interior within the limits of its competence provides assistance to public authorities and institutions engaged in the prevention if illegal work phenomena and also exercises control over prohibited activities, unregistered business and activity carried out without having acquired a business certificate.

- The State Social Insurance Fund Board controls whether individuals work under employment contracts and whether there are no violations of the payment of social insurance contributions.

Since 2001 the Government of the Republic of Lithuania assigned to the State Labour Inspectorate coordination of activities of control over illegal work phenomena performed by authorities carrying out control over illegal work.

For the purpose of coordination of actions, authorities:
- exchange available information;
- organise out joint inspections of illegal work;
• carry out educational work about harm of illegal work.

All authorities exercising control and prevention of illegal work have the right to draw up protocols of administrative law violations.

Officials of the State Labour Inspectorate who in the course of inspections establish violations attributed to the competence of other authorities forthwith notify competent authorities to the effect.

For the purpose of implementing the function of coordination of control over illegal work phenomena the State Labour Inspectorate has approved the Central Coordination Group for investigation of reasons of, and control over, illegal work comprising representatives of authorities and institutions of control and prevention of illegal work in observance of the approved regulation.

The Central Coordination Group is headed by the Chief State Labour Inspector of the Republic of Lithuania.

The Central Coordination Group meets 3-4 times a year.

The Central Coordination Group meetings on a yearly basis identify priority fields of inspection of illegal work manifestations:
• Construction enterprises;
• Wholesale and retail trade enterprises;
• Enterprises manufacturing wood and wood products;
• Motor vehicle repair services;
• Agricultural companies;
• Individual holdings, etc.

The Central Coordination Group meetings discuss examples of good practice, focussing on activities of regional coordination groups who have attained the best results of control and prevention of illegal work.

The main task of the Central Coordination Group is to analyse and assess condition of illegal work in the country, to envisage and approve mea-
Sures of improvement of its control and reduction of its scope.

Control and prevention of illegal work phenomena at the regional level is enforced by regional (county) coordination groups comprising representatives of the bodies of public administration and institutions. Their activities are run by the heads of the State Labour Inspectorate territorial divisions who directly deal with the matters of identification, control and prevention of illegal work and coordination of the work of regional coordination groups.

In 2003 on a monthly basis the State Labour Inspectorate of the Republic of Lithuania carried out 4049 inspections in enterprises and structural subdivisions thereof. 1422 individuals engaged in illegal (unauthorised) work were found in 681 business entity. Changes in the number of inspections of illegal activity and the number of established illegal workers in 1999 – 2003 are provided in Chart 2.4.-4.

For the purpose of control and prevention of illegal work in 2003 the State Labour Inspectorate of the Republic of Lithuania carried out 4049 inspections in enterprises and structural subdivisions thereof. 1422 individuals engaged in illegal (unauthorised) work were found in 681 business entity. Changes in the number of inspections of illegal activity and the number of established illegal workers in 1999 – 2003 are provided in Chart 2.4.-4.

In 2003, the largest numbers individuals engaged in illegal (unauthorised) work were found in construction – 511 (35.94 per cent). It should be noted that in 2001 the number of individuals engaged in illegal (unauthorised) work in construction kept continuously growing – in 2001 individuals engaged in illegal (unauthorised) work accounted for 254 (20.24 per cent), in 2002 – 364 (28.75 per cent). In the sector of manufacture of wood and wood products SLI identified 140 (9.85 per cent) of individuals engaged in illegal (unauthorised) work. In 2001, the number of individuals engaged in illegal (unauthorised) work in the...
The number of established illegal workers by sector of economic activity in 2003 is shown in the diagram below. The highest number of illegal workers were found in enterprises (85.6 per cent), followed by works with business certificates (64.2 per cent). The number of illegal workers identified by natural persons was 26.9 per cent, and by farmers, 0.3 per cent. The number of such individuals in the agriculture sector was 7.3 per cent, and in the sector of wholesale and retail trade, it was 6.8 per cent.

The data provided in the State Labour Inspectorate Annual Report for 2003 show that in the aforementioned sector increased inconsiderably – 154 individuals (12.27 per cent), in 2002 the number of individuals engaged in illegal (unauthorised) work slightly reduced to 105 (8.29 per cent), however, the available data show that in 2003 the number of such individuals again went up. The similar dynamics of individuals engaged in illegal (unauthorised) work is also observed in the sector of wholesale and retail trade. In 2003 139 individuals engaged in illegal (unauthorised) work were identified in wholesale and retail trade. This figure was noticeably larger in 2001 when it was established that this sector of economic activity employs 207 illegal workers (16.49 per cent), whereas in 2002 this figure was a bit smaller and stood at 112 (8.85 per cent). In 2003, 120 (8.44 per cent) individuals engaged in illegal (unauthorised) work were established in the sector of agriculture. It should be noted that compared with 2002 the number of such individuals in this sector went up (from 66 individuals (5.21 per cent), however, it was smaller that the comparable figure of 2001 (132 individuals (10.52 per cent)). Between 2001 and 2003 the differences in the number of individuals engaged in illegal (unauthorised) work in car repairs were minor – in 2001 – 92 (7.33 per cent) individuals engaged in illegal (unauthorised) work in car repair, in 2002 – 102 individuals (8.06 per cent), and in 2003 – 96 individuals (6.75 per cent). In 2003 the number of individuals engaged in illegal (unauthorised) work in clothes’ making sector reduced considerably, however, the number of inspections in this sector practically did not change. In 2001 75 (5.98 per cent) individuals engaged in illegal (unauthorised) were found in clothes’ making enterprises. In 2002 this number grew to 105 individuals (8.29 per cent of all individuals engaged in illegal (unauthorised) work established in 2002) substantially reducing to 50 individuals (3.52 per cent) in 2003. The number of individuals engaged in illegal (unauthorised) work in the sectors of
forestry and public catering remains quite stable (in forestry in 2001 – 2.31 per cent, in 2002 – 3.87 per cent, in 2003 – 3.52 per cent, in public catering in 2001 – 1.75 per cent, in 2002 – 4.27 per cent, in 2003 – 4.01 per cent). Continuous reduction in the number of individuals engaged in illegal (unauthorised) work is observed in the economic sectors of transport and servicing – 4.62 per cent of the total number of individuals engaged in illegal (unauthorised) work was established in transport in 2001, in 2002 – 4.72 per cent, in 2003 – 2.88 per cent; in the sphere of services in 2001 – 5.98 per cent, in 2002 – 4.98 per cent, and in 2003 – 4.01 per cent. Dynamics of the number of established illegal workers by sector of economic activity is reflected in Chart 2.4.-5.

In 2003 the largest share of individuals engaged in illegal (unauthorised) established by sectors was as follows – 64.2 per cent of individuals engaged in illegal (unauthorised) work were employed in enterprises, 26.9 per cent – by natural persons; 1.8 per cent – by farmers; 6.8 per cent – without business certificates (Chart 2.4.-6).

The total number of illegal workers established by all authorities of prevention and control of illegal work during 2003 amounts to 8108 individuals, of whom:

- 1639 individuals worked without having entered into employment contracts;
- 4750 individuals worked without having registered the enterprise, having obtained a license, or engaged in other unauthorised activity;
- 1006 individuals worked without having obtained a business certificate.

Violations of the Procedure of Payment for Work

10377 inspections carried out in 2003 were concerned with the matters of payment for work revealing 3505 violations of the procedure for work in 2179 enterprises, which make up 13.57 per cent in the total number of violations of
labour laws established during 2003. In the previous years this percentage share was also similar. Therefore, it is obvious that the number of such violations stabilised during the recent years. Enterprise managers were provided with the requirements containing instructions to eliminate each violation of the payment for work.

In addition, 1131 violation, or 32.27 per cent of all violations of the procedure of payment for work, was established pertaining to delayed payment for work. In 2002 such violations accounted for almost 39 per cent. Indicators describing violations of the procedure of payment for work in 2002-2003 are specified in Chart 2.4.-7.

Control over labour relations carried out by the State Labour Inspectorate showed that the situation in this field is practically similar to the previous year of 2002. This field did not experience essential changes, and reductions or increases in the number of violations observed in certain spheres of activity were caused by economic and social factors.

### 2.5. SAFETY AND HEALTH AT WORK

Safety and health at work is an important field of labour policy the purpose of which is to ensure safe and healthy work conditions for workers. This includes all preventive measures designated to maintain the working capacity, health and lives of workers at work which are implemented or planned at all stages of the operation of an enterprise so that the workers are protected from occupational risk or that the risk is reduced to a maximum possible level.\(^1\) The status of safety and health at work in the country in 2003 and amendments introduced in the legal basis during 2003-2004 are described below.

#### 2.5.1. Safety and Health at Work in Enterprises in 2003

**Working Conditions in Enterprises**

During 2003, inspectors from the State Labour Inspectorate (SLI) carried out inspections in 13,4 thousands of enterprises (according to the data of the Republic of Lithuania Enterprise Register and of the Agricultural Information and Rural Business Centre, as of 1 January 2004, registered economic operators in Lithuania accounted for 225,8 thousands) mainly focussing on the matters of safety and health at work.

The inspections revealed over 50 thousands of infringements of legal acts regulating safety and health at work, including:

- violations of safe labour organisation – 75 per cent,
- violations of technical safety requirements – 25 per cent.

In response to the established violations, SLI inspectors prepared requirements for eliminating the irregularities, discontinued the work or prohibited the use of working equipment in 183 enterprises.

As the data presented in Chart 2.5.1-1 show, the number of hired workers in the inspected enterprises and affiliates thereof who worked in the environment deviating from normal working conditions (when working environment factors exceed permitted quantities established by virtue of normative legal acts on safety and health at work) tends to reduce. In 2003, compared with 1997-2002, this figure was the smallest and accounted for 1.7 per cent.

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\(^1\) Law on the Safety and Health of Workers No. IX-1672 ("Valstybës žinios" (Official Gazette), 2003, No. 70-3170).
Accidents at Work

In 2003 the following accidents at work occurred in enterprises of Lithuania:

- 112 fatal,
- 163 serious,
- 2385 minor.

That is 13.7 serious accidents at work and 9.4 fatal accidents at work per 100 thousands of workers.

In 2003 most fatal accidents at work (37 per cent) were related with car accidents, serious accidents at work (31 per cent) – with falling down from height, and minor accidents at work (49 per cent) – with operating equipment.

The comparative analysis of all accidents at work that occurred between 2001 and 2003 (see Table 2.5.1-1) revealed that in 2003 the total number of accidents at work per 100 thousands of workers slightly decreased compared with 2001 and 2002, the number of serious accidents at work was smaller than in 2001, but slightly exceeded the comparative figure of 2002, whereas the number of fatal accidents at work was the largest during the past three years. According to the Report of the State Labour Inspectorate on the Prevention of Safety and Health at Work and Implementation of Labour Laws in Enterprises, Institutions and Organisations of the Republic of Lithuania in 2003 em-

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of accidents</th>
<th>Number of serious accidents</th>
<th>Number of fatal accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>226,4</td>
<td>14,7</td>
<td>7,1</td>
</tr>
<tr>
<td>2002</td>
<td>228,8</td>
<td>13,5</td>
<td>7,2</td>
</tr>
<tr>
<td>2003</td>
<td>223,5</td>
<td>13,7</td>
<td>9,4</td>
</tr>
</tbody>
</table>

Data provided in the State Labour Inspectorate Annual Report for 2002

Table 2.5.1-1.
ployers paid too little attention to those workers who have just started working in enterprises—more than half of fatal accidents at work and 45 per cent of serious accidents at work happened to workers during their first year of work in enterprises.

**Morbidity of Occupational Diseases**

In 2003, 808 cases of occupational diseases were recorded in the State Register of Occupational Diseases contracted by 483 people. 87.4 per cent of the cases of occupational diseases were registered among men and 12.6 per cent—among women.

The comparison of the number of cases of occupational diseases between 1997 and 2003 (see Chart 2.5.1-2) demonstrates that in 1997-2001 the number of cases of occupational diseases reduced from 701 to 570, while in 2002 and 2003 it went up reaching 808 cases in 2003. Comparison of the number of cases of occupational diseases registered in 2002 and 2003 shows that it is similar. In 2003, compared with 2002, more occupational diseases were diagnosed for women.

In 2003, likewise in 1998-2002, the great majority of registered occupational diseases comprised:

- **cases of vibration disease** (34.6 per cent);
- **cases of ear disease** (41.3 per cent).

Between diseases prevailed cases of vibration disease in 1998-2001, whereas in 2001-2003 the percentage share of cases of vibration disease from the total number of occupational diseases diminished and in 2002 and 2003 this figure was smaller than the percentage share of cases of ear disease from the total number of occupational diseases (see Chart 2.5.1-3). In 2003, the percentage share of cases of vibration disease from the total number of occupational diseases was the smallest during 1998-2003 and accounted for 34.6 per cent. The largest percentage share of cases of ear disease from the total number of occupational diseases was in 2002 slightly reducing to 41.3 per cent in 2003. In 2003, compared with 2002, the number of diseases of the musculoskeletal system and connective tissue increased and stood at 17.8 and 12.4 per cent from the total number of occupational diseases, respectively.

### 2.5.2. Legislative Amendments in 2002-2003

The Law on the State Labour Inspectorate amended in observance of provisions of the *Labour Code*\(^2\) and the Law on Amendment to the Law on Maintenance of Potentially Dangerous Equipment were passed in 2003.

Between the second half-year of 2003 and the first half-year of 2004, amendments were introduced to the existing legal acts on safety and health at work or respective new legislation was drafted implementing the *Law on the Safety and Health at Work*\(^3\) enacted on 16 July 2003. The Regulations on Investigation and Recording of Occupational Diseases and the Procedure of Occupational Risk Assessment in Enterprises were amended and the Requirements for the Competence of Institutions Investigating Risk Factors were prepared alongside the Typical Form of the Passport of the Enterprise’s Safety and Health at Work Status, also establishing the procedure of its completion. With a view to promoting cooperation of social partners at county level, the procedure of establishment and formation of the county territorial and municipal safety and health at work commissions was established. Amendments were introduced to the Standard Regulations of the Enterprise Services on Safety and Health at Work, General Regulations of the Safety and Health at Work Committees of Enterprises, and General Regulations for Training and Certification on Safety and Health at Work Matters. New legal acts include the Procedure of Training and Examination

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\(^2\) 04 06 2002, NO. IX-926 ("Valstybės žinios" (Official Gazette), 2002, No. 64-2569).

\(^3\) 01 07 2003, NO. IX-1672 ("Valstybės žinios" (Official Gazette), 2003, No. 70-3170).
LABOUR POLICY

MORBIDITY OF OCCUPATIONAL DISEASES IN 1997-2003

[Bar chart showing the number of cases of occupational diseases from 1997 to 2003.]

Data provided in the State Labour Inspectorate Annual Report for 2003

NUMBER OF CASES OF EAR DISEASES AND VIBRATION DISEASE IN 1998-2003 (PER CENT)

[Bar chart showing the number of ear diseases and vibration disease cases from 1998 to 2003.]

Data provided in the State Labour Inspectorate Annual Report for 2003
of Knowledge of the Construction Safety and Health at Work Coordinators, the List of Special First Medical Aid Measures in Cases of Acute Health Disorders Caused by Dangerous Chemical Substances, Preparations and Biological Substances, Criteria and Procedure for Shortening Working Time in Observance of the Working Environment Factors.

The Lithuanian hygiene norms regulating work with video terminals and thermal conditions in working premises were also amended. The hygiene norm establishing principal requirements for design, installation and operation of smoking premises (places) in the institutions, enterprises and organisations was approved. The hygiene norm regulating acoustic noise levels in working premises was recognised as invalid.

In observance of the European Union directive, the legal act governing the protection of workers against risk caused by vibration was drafted. The drafting of a new legal act regulating the protection of workers against risk caused by noise is pending by the end of 2004.

**Conclusions**

During the year 2003, inspectors of the State Labour Inspectorate revealed almost 50 thousands of violations of legal acts on safety and health at work. In 2003, compared with 2002 and 2001, the number of hired workers working under conditions deviating from the normal working conditions reduced in the inspected enterprises and affiliates thereof.

Too little attention in enterprises was paid to the prevention of accidents at work and occupational diseases, in particular to the safety and health of workers who have just started working – almost half of fatal and serious accidents at work happened to workers during the first year of their work in enterprises.

In 2003, compared with 2001 and 2002, the number of fatal accidents at work per 100 thousands of workers increased. The number of occupational diseases registered in Lithuania in 2003, compared with 2002, practically did not change. Like in the previous years, the largest number of recorded cases of occupational diseases comprised vibration disease and ear diseases. Percentage share of the cases of vibration diseases in the total number keeps reducing since 2001, and in 2003 it was the smallest during the period since 1998.

During the second half-year of 2003 and the first half-year of 2004, the legal base of the safety and health at work was continuously improved: amendments were introduced to the Law on the State Labour Inspectorate and the Law on Maintenance of Potentially Dangerous Equipment, and also to applicable legal acts, new legal acts implementing the Law on the Safety and Health at Work and one legal act regulating the protection of workers against risk caused by vibration were drafted and adopted.

**2.6. DEVELOPMENT OF HUMAN RESOURCES**

One of the key priorities of Lithuania is increasing investments into people and education. Lithuania is implementing its employment policy in observance of the Lisbon strategy objectives, emphasising the importance of more effective investments into human resources with a view to improving work quality and productivity. For the purpose of implementing these objectives, the Human Resources Development Division set up at the Ministry of Social Security and Labour in 2003 is responsible for the enforcement of the labour market vocational education and training (VET) policy of the Government of the Republic of Lithuania, functioning of the labour market VET system, preparation and implementation of the strategy of the labour market human resources policy and participation in pursuing the Republic of Lithuania Government policies in the field of free movement of individuals.

In 2003, like previously, the Lithuanian Labour Market Training Authority at the Ministry of Social Security and Labour worked in the field of imple-
mentation of the human resources’ policy. Therefore, the Social Report of this year contains material about activities of this Authority in the aforementioned field. In future, the role of the Human Resources Development Division under Ministry of Social Security and Labour will gradually increase.

The Lithuanian Labour Market Training Authority has 7 territorial labour market training and counselling services in the largest towns and 3 offices in other regions. Their activity covers the entire territory of the country. In 2003, the work with individuals with special needs – prisoners, disabled, victims of trafficking in people and prostitution, etc. was developed. The Lithuanian Labour Market Training Authority, while being responsible for the labour market vocational training, guidance and counselling, in 2003 drafted labour market integration, career planning, social adaptation, vocational and personal development programmes, adapted, standardized and implemented diagnostic methods, carried out consistent skills upgrading programmes for consultants, developed and implemented labour market integration programmes aimed at individuals with special needs.

### 2.6.1. Vocational Training, Counselling and Guidance. Psychological Measures of Adaptation in the Labour Market

In 2003 the Lithuanian Labour Market Training Authority provided training and counselling to nearly 100000 of individuals – the largest number throughout the entire period of its activities (see Chart 2.6.1-1).

#### Vocational training

In 2003 vocational qualification or new skills were acquired by 28485 individuals, of whom 8321 were long-term unemployed.

The bulk of the unemployed was referred for training by the labour exchange and employers, and a smaller number of these individuals trained on their own initiative.

8887 individuals improved their professional qualification. 11277 people were retrained or acquired primary qualification.

54,5 per cent of pupils studied under formal training programmes (77,0 per cent, excluding measures for the long-term unemployed), whereas the
share of participants in the non-formal training programmes accounted for 45.5 proc. (23.0 per cent). Formal training programmes (including large number of safety at work programmes) are the most popular among individuals referred for training by employers, and least popular – among those training on their own initiative (see Chart 2.6.1-2).

Formal and non-formal training programmes, according to which the largest number of unemployed was trained are presented in Annexes 6.3.-1 and 6.3.-2.

Safety and health at work training programmes were completed by 4558 individuals who were issued certificates recognised by the state. Safety at work programmes according to which the great majority of individuals was trained are presented in Annex 6.3.-3.

**Vocational Counselling and Guidance.**

**Measures of Psychological Adaptation in the Labour Market**

In 2003, territorial services provided counselling to 70176 individuals, mostly to the unemployed and secondary school pupils (see Chart
The extent of these counselling services are the largest throughout the entire period since 1995. Compared with 2002, the scope of counselling increased by 4843 individuals, or by 7.4 per cent (Annex E).

36070 people benefited from individual counselling. They benefited from 42804 consultations. Group counselling was attended by 34106 individuals (see Charts 2.6.1.-4 and 2.6.1.-5).

The Programme of Employment Opportunities was newly implemented widely applying the group counselling form – exercises aimed at increasing motivation (Job Search Clubs).

**2.6.2. Labour Market Integration of Different Social Demographic and Marginalised Groups**

The Lithuanian Labour Market Training Authority mostly works with the unemployed. They account for the major part all trained or counselled individuals – 73122 or 74 per cent (see Chart 2.6.2.-1).

Great attention is paid to work with marginalised groups and individuals with special needs (see Chart 2.6.2.-2). The Authority has considerable experience of work with such groups. Almost every year work a new group of socially vulnerable
individuals is involved in this work. In 2003, the Programme of Psychological Rehabilitation, Vocational Guidance and Employment of Victims of Trafficking in People and Prostitution for 2003 – 2004 was launched.

**Victims of Trafficking in People and Prostitution**

In June 2003, the Programme of Psychological Rehabilitation, Vocational Guidance and Employment of Victims of Trafficking in People and
Prostitution for 2003 – 2004 was prepared. Implementation of this Programme is financed with State Budget funds. A training seminar was organised for consultants psychologists from territorial services involving representatives of NGOs – Women’s Crises Centres, Social and Psychological Assistance Centres, Lithuanian Caritas participated as social partners. For Programme implementation purposes cooperation trends were discussed and cooperation agreements signed in Vilnius and Klaipėda regions. Territorial services and partners were provided with the copies of the video film “Girls” to be applied for the purposes of prevention and counselling. Psychological and special literature on prostitution prevention and victim psychology subjects was acquired.

Victims of trafficking in people and prostitution make up a new group of consulted customers. Consulted women who have suffered from sexual abuse expressed their willingness to acquire an occupation and to work. The social situation of women customers was ascertained in the course of individual consultations (whether they have minors, are deprived of the permanent source of subsistence) deliberating the plan of action with each woman individually.

The information leaflet was prepared to inform victims of trafficking in people and prostitution about services rendered by territorial services and training centres.

Vilnius LMTA participated in the Project “International Initiatives for Girls” of the Charity and Support Fund “Initiatives of Lithuania and USA” aimed at the prevention of trafficking in people and prostitution.

Long-term Unemployed

Last year great efforts were devoted to labour market integration of long-term unemployed (36070 individuals). 10358 individuals benefited from training, and 25712 – from counselling.

In one year the Authority developed 5 training measures (programmes) for long-term unemployed (2 introductory and 5 – of refreshment of knowledge and skills). By the year-end these individuals were offered 35 training measures (programmes) – 15 introductory and 20 of refreshment of knowledge and skills.

In implementing the “Measures of Refreshment of Professional Knowledge and Practical Skills of Long-term Unemployed” long-term unemployed attended training aimed at increasing motivation, were selected for training courses aimed at refreshment of knowledge and skills as well as introductory courses s. During training the unemployed obtain the most recent theoretical and practical knowledge, learn how to better introduce themselves to the employer, adapt more quickly in the new workplace, acquire elementary communication skills (see Chart 2.6.2.-3).

Surveys show that the bulk of unemployed positively assess applied measures. A great majority of those who attended the introductory training course continued training under vocational training programmes.

Work was also carried out in correcting and supplementing the Procedure for Organising and Implementing the Measures of Refreshment of Professional Knowledge and Practical Skills of Long-term Unemployed.

During implementation of the Lithuanian–Netherlands Matra Project “Support to Long-term Unemployed in Developing Local Networks in Lithuania”, in 2003, the Employment Opportunities Programme training was attended by 171 long-term unemployed in three territorial services (Alytus, Panevėžys, Klaipėda). After implementation of this project, by the year-end, the Employment Opportunities Programme was implemented in all territorial services, followed by training commenced with 88 long-term unemployed.

Having implemented the Project, Employment Opportunities Centres were set up in Klaipėda, Tauragė, Alytus and Panevėžys.

The Employment Opportunities Programme methodical material (CD) was prepared, the booklet “Employment Opportunities Programme” was issued.
for the final conference of the Project, and project results were introduced through mass media (see Chart 2.6.2.-4).

**Young Unemployed**
Consultations were provided to 11021 and training – to 2959 young unemployed – 13980 individuals in total.

The group counselling programme “Self-cognition and Positive Self-assessment” was developed specially for unqualified youth.

Vilnius Žirmūnai LMTC is implementing the Project “Addressing Unemployment Problems of Youth in Vilnius City and Vilnius County Teaching them New Professions Corresponding to the Identified Labour Market Needs”.

**Pupils from Schools of General Education**
Consultations provided to 11519 pupils from schools of general education, 631 parent of the pupils and 877 pedagogues.
As a rule, majority of pupils applied in order to find out what training profile to choose, to get information about their professional motivation, general abilities, personal characteristics, educational establishments, university entrance competitions. They are familiarised with the professional career planning principles, etc.

Work during individual vocational consultations is carried out in the following main directions: application of occupational aptitude diagnostics for vocational counselling purposes and selection of profiled training. Part of pupils participated in adaptive behaviour formation groups.

Pupils participated in a group counselling programme “Look at the Future”, the programme of “First Step to the World of Occupations” intended for pupils from grades 9 and 10, the programme of “Professional Career Planning” intended for 11 and 12 – graders, and 6-hours duration exercise on the subject of “Development of Self-confidence”.

New programmes are being prepared for work with pupils. Work under the programmes is carried out in the form of group work, discussions, performance games, psychological methodologies, individual interview, and discussion. Envisaged outcomes of the programme: adequate self-respect, understanding and assessment of own capacities, providing information about new specialities and educational establishments.

Pedagogues teaching pupils participate in the following counselling programmes: “Development of Creativity”, “Teacher’s Competence and Self-assessment”, “Video Exercise”.

Disabled Vocational Counselling and Training

During the year consultations were provided to 952 disabled. 26 disabled individuals studied under formal and non-formal education programmes.

As a rule, disabled individuals applying for individual consultations fail to find a job. Over 60 per cent of disabled were counselled in groups, the largest number – under the programmes of strengthening motivation and increasing activity in the labour market. Counselling is usually based on application of support therapy. Group training participants are taught relaxation exercises, active position towards own health, and ways of positive thinking. Disabled are also counselled in joint groups with healthy people.

Vilnius service counselled members of the Association of Lithuanian Disabled in groups of “Development of Self-confidence”, “Development of Communication Skills”, organised the seminar for disabled “Self-cognition and Self-help”. Klaipėda service renders counselling to disabled in Tauragė county centre of social support and rehabilitation of disabled. Panevėžys service engaged in counselling of members of summer camp of the blind and visually impaired “Eyesight”. Alytus service in cooperation with Alytus school of dressmakers implementing Phare 2001 Project “Vocational Rehabilitation and Social Integration of Disabled”, worked with the group of disabled women according to the Programme “Development of Self-confidence and Active Job Search Skills”.

Implemented international projects related with labour market integration of disabled:

• Joint Project of TDO, Disability Information Bureau and LLMTA “Development of Entrepreneurship of Disabled Women” was launched. The Project is aimed at promoting integration of disabled women into small and medium-sized business.

• PHARE ACCESS Project “Labour Market Reintegration of Disabled Women and Women Nursing the Disabled” was completed.

• SOCRATES ADIS Project “Integration of Individuals with Physical Disability Using Open and Distance Training” was completed. Two modules of open and distance training programmes were developed. EC approved these programmes as conforming to the EU standards.
In 2003 Klaipėda LMTC completed PHARE 2000 Programme Project “Training and Labour Market Integration of Disabled”. Special training programmes and modules were developed and adapted to disabled, educational base (facilities, adaptation of environment) was created, and the database about training and employment needs of disabled was compiled.

Kaunas Petrašiūnai LMTC participated in Leonard da Vinci Programme Project for labour market integration of mentally disableds “Improvement of Employment Opportunities of Disabled Pupils (cook and light clothes-maker’s occupations)”. Dissemination Project “Disability Etiquette” was launched. It comprises training programmes aimed at developing social skills of communication with disabled.

PHARE ACCESS Project “Social Enterprise Model Development”. Project results are generalised in the publication “Social Enterprises – Which Way to Choose?”, the Internet website www.artogama.lt was created.

Dissemination Project “Disability Etiquette” was launched. It comprises training programmes aimed at developing social skills of communication with disabled.

Offenders
257 convicted women in Panevėžys general regime women’s reformatory (executors – Panevėžys LMTA and Panevėžys Šermukšnių LMTC) participated in exercises of “Psychological Intervention Probationary Programme for Convicted Women”, after which 241 women attended vocational training programmes (see Chart 2.6.2.-5). 210 of convicts were consulted during group exercises under “Self-cognition Portraits” and “Correction of Inadaptable Behaviour”.

Pravieniškės treatment and corrective labour colony (executor Kaunas LMTA) provided consultations to 263 convicts and 51 staff. Organised group exercises included “Active Job Search and Preparation for Life Changes”, “Management of Stress and Conflict Situations”, vocational counselling on occupational aptitude, training on “Revealing Individual Capacities and Internal Reserves”, interviewing convicts through questionnaires. Psychological evaluation of candidates to security staff posts was carried out.

In concert with Leonard da Vinci Fund the publication “How to Return to the Society and Labour Market” was issued.

The Authority also works with ex-offenders. They benefit from group counselling programme

<table>
<thead>
<tr>
<th>Vocational Training of Convicts by Training Programmes (Number of Individuals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic computer skills</td>
</tr>
<tr>
<td>Dress-maker - operator</td>
</tr>
<tr>
<td>Afforestation specialist</td>
</tr>
<tr>
<td>Florist - flower seller</td>
</tr>
<tr>
<td>Needlework</td>
</tr>
<tr>
<td>Light clothes-maker</td>
</tr>
</tbody>
</table>

Chart 2.6.2.-5
“Selecting the Occupation” developed specially for them. Comments and proposals were provided regarding the Project “Provisions of Training and Certification on Safety and Health at Work of Imprisoned Individuals Operating Potentially Dangerous Equipment”.

Marginalised
Unemployed Women

40 women participated in psychological training organised for wives (Russian language speakers) of Visaginas Nuclear Power Plant employees.

Vilnius Žirmūnai LMTC commenced implementation of PHARE 2001 Programme Project “Social Integration of Marginalised Unemployed Women (age 16-25; single mothers raising children under 18 years; women after childcare leave) through Professional Rehabilitation”.

Klaipėda LMTA participated in SOCRATES Grundtvig Project DELOE aimed at marginalised rural women (of poor education) in Skuodas and Tauragė districts.

Individuals Age 50
and Over

Vocational training programmes were attended by 2783, and counselling was provided to 6724 individuals age 50 and over. Many old age unemployed were referred for “Measures of Refreshment of Vocational Knowledge and Practical Skills of Long-term Unemployed”. Work was carried out under the working group which prepared the “Old Age Individuals Training Programme”.

Roma (Gypsies)

According to the Vilnius City Roma Job Training and Employment Programme and Programme Implementation Measures for 2003-2004, the Authority prepared 3 non-formal education programmes for this group of individuals: dressmaker, pavement-layer and simple concreting works. In addition, in the previous years 7 formal training programmes were adapted to Roma.

2.6.3. Improving the System of Vocational Counselling and Enhancing the Quality and Accessibility of Labour Market Training and Counselling Services

Improving the System of VET

Single Programming Document

Proposals have been prepared for the Single Programming Document. Heads of the Authority, its territorial units and training centres were familiarised with this document and measures provided in the field of human resources development.

Vocational Guidance Strategy

By the end of 2003, the Minister of Social Security and Labour and the Minister of Education and Science approved the “Vocational Guidance Strategy” drafted by the Working Group comprising representatives of institutions of the two Ministries supported by the EU consultant. The purpose of this Strategy is to create the national system of vocational guidance and the environment for the development of vocational guidance services in Lithuania. The Strategy envisages developing the network of vocational guidance and counselling establishments, creating the system of training of counselling and guidance specialists, updating and creating new information systems of vocational guidance and counselling adapting them to analogous systems of the EU.

The action plan for implementation of this Strategy is under preparation.

Draft Strategy of Lifelong Learning

The Working Group was involved in drafting the Lifelong Learning Strategy. Its draft was worked out under support of the European Commission rapid Twinning Programme “Strengthening Administrative Capacities of Vocational Training Seeking Economic and Social Cohesion”.

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The Project elaborates on the following matters of organisation of lifelong learning:

- employment strategy requirements for vocational training and continuous vocational education;
- accessibility of training;
- infrastructure of training and education;
- management of education and coordination of VET policy;
- financing;
- training staff qualifications;
- regional disparities;
- monitoring and quality assurance.

Several sections of the Chapter “VET Influence on Employment Strategy” of this document were written by specialists of the Authority. The most important of these Chapters include “Vocational Guidance and Counselling” and “Recognition of Non-formal and Self-education”.

**Concept of the Law on VET**

The Draft Law on Vocational Education and Training was developed in concert with the specialists from the Ministry of Education and Science. The concept envisages that the Law on VET will enforce the main objectives and tasks of vocational education and training, as well as the ways of their implementation.

The Law will define the structure of the system of VET, its main players, their rights and duties, VET management, monitoring and financing.

The Law will establish:

- the system of national qualifications based on vocational concepts, the principles of its formation and management
- the principles and participants of the process of guaranteeing internal and external quality of the process of education
- the principles and structures guaranteeing the quality of assessment of qualifications
- purposes of activities of vocational guidance and counselling participants and their responsibilities

In addition, it is envisaged to establish a competent authority responsible for the national system of qualifications and for its quality.

Such reorganisation of the system of VET will facilitate in implementing the provisions of the Memorandum on Lifelong Learning and of the Development of Vocational Training Policy approved by the European Commission – Directorate General for Education and Culture in 2002 in Brussels.

**Preparation of Vocational Training and Counselling Programmes, Changes in Training and Counselling Methods. Vocational Training Programmes**

**Formal training**

During the year 36 formal training programmes were prepared and inscribed on the State Register of Studies and Training Programmes (14 programmes entitling to carry out certain works or functions, 8 programmes awarding professional qualification of the first level and 14 – of the second level). Supply of formal training programmes per year increased from 358 to 376.

The work was carried out in the working group preparing a new version of the Register of Studies and Training Programmes.

**Modules of training programmes**

During the year 105 modules of training programmes were prepared. By the year-end, 22 modular training programmes awarding professional qualification of the first and second levels were developed and prepared in full.

Seminars were organised for working groups and employers’ representatives of separate sectors to deliberate modular structures of programmes.

**Non-formal training**

During the year 152 non-formal training programmes were developed. By the year-end, the Authority was ready to offer 203 non-formal training programmes.
All formal and non-formal training programmes are managed in computer databases and accessible to all users in the Internet (www.darborinka.lt).

Counselling Programmes and Methods

Have been developed in observance of general requirements for labour market training programmes: programme title, brief description, acquired competence, conditions necessary for training, training plan, final verification and assessment of knowledge and skills. The collection includes the Programme of Introductory Psychological Education aimed at profession teachers who deal with adults. The electronic version of the collection was prepared and distributed to territorial services.

Draft group work assessment questionnaire was prepared and delivered to all services.

The work regarding group training programmes covers preparation (adaptation) of new programmes and improvement of the existing ones in view of the needs of individuals concerned – long-term unemployed benefit from the employment opportunities programme for ex-offenders – “Selecting the Occupation”, for pupils – “Look at the Future”. New programmes prepared for pupils include the programme of “Development of Creativeness”, “Teacher’s Competence and Self-assessment”, “Video Training”, for those willing to improve in the field of career planning – “Development of Career Planning Skills”.

Preparatory work was commenced with regard to the “Collection of Diagnostic Methods in Labour Market Vocational Counselling”. It will comprise five parts: professional interests and mainstreaming, understanding of individual characteristics, general and special abilities’ assessment methods, methods applied in group work programmes. The uniform scheme of description of methods has been developed: 1 – title, 2 – designation, 3 – sources of literature, 4 – theoretical basis, structure, description of indices, principles of interpretation, 5 – questionnaire, tasks, protocol of answers, 6 – management of results, 7 – requirements for surveyor. Descriptions of the first part of the collection – Descriptions of Professional Interests and Mainstreaming Methods – were prepared.

Territorial services were provided with psychological assessment methods in the Russian language prepared for them: Profile of Interests, the test on personality and environment structure, IST – the test of assessment of the structure of abilities and intellect. These methods were necessitated by work commenced with offenders and work developed with long-term unemployed, part of whom have little knowledge of the state language.

In implementing Phare 2001 Project “Assistance in Implementing and Developing the Strategy of the National Career Counselling System” methodologies were prepared on the subject of Development of Career Planning Skills intended for training of pedagogues and profession consultants.

Distance Training

The Authority has prepared 37 programmes of distance non-formal training. In 2003 their application was started in Klaipėda and Utena LMTC.

International projects that are being presently implemented include:

• PHARE 2001 Project “Development of Regional Distance Vocational Training System in Utena District”. Work carried out under it covers the establishment of the distance training system, programmes, training base.

• PHARE 2000 Project “Training and Labour Market Integration of Disabled”. Work carried out under it covers creation and adaptation of special training programmes and modules for disabled, establishment of training base (equipment, environmental adaptation), establishment of database about training and employment needs of disabled.

• PHARE 2000 Project “Creation of Distance Training System in Klaipėda-Tauragė District”. Work carried out under it covers the establishment of
the system of distance training and training programmes, opening of 15 classrooms and 2 training centres adapted for distance training.

- Three-year duration ADIS Project “Labour Market Integration of Individuals with Physical Disability Through Open and Distance Training” implemented under SOKRATES Programme. Work carried out under it covers preparation of two modules of open and distance training programmes. These programmes were approved by the EC.

Programmes Aimed at Training of Disabled

18 vocational training programmes were developed for disabled, 10 of which – in 2003. They include:

formal training programmes (8) – manufacturing of ceramic articles, weaving from twigs, weaving-machine operator, manufacturing of fine leather articles, knitting-machine operator, dressmaker – operator, manufacturer of hand-made timber articles, assistant kitchen worker;

non-formal training programmes (10) – cleaning, making-cutting of individual light clothes, needlework, weaving from twigs, jewellery, basic computer skills, development of the Internet website, accounting, manufacturing of works of art from leather, wood design fundamentals.

Taking Examinations without Attending Lectures

Legal basis has been developed for selecting labour market vocational training establishments and enterprises for taking examinations without attending lectures. The Order on Selection of Educational Establishments and Enterprises Engaged in Labour Market Vocational Training Willing to Apply Examination Procedure without Attending Lectures” was published in “Valstybės žinios” (Official Gazette).

In 2003, the right to apply examination procedure without attending lectures was granted to 8 vocational training establishments and enterprises under 71 training programme. According to the plans for the nearest future such rights will be granted to 3 more vocational training establishments and enterprises under 15 training programmes. Training establishments and enterprises are selected by territorial services.

Training on Safety and Health at Work

Improvement of training programmes

In implementing the requirements of the “Regulations for Instruction, Training and Certification on the Matters of Safety and Health at Work” recommended practical training and practical exercise subjects have been prepared for 18 training programmes.

Representatives of the Authority participated in the meeting of the RL Safety and Health at Work Commission which deliberated the provisions of the Draft Law on Safety and Health at Work. The Authority was tasked with coordination of revision of training programmes prepared before adoption of the Law on Control of Toxic Substances, with a view to avoiding double training.

Drafting legal acts

Drafted legal acts include General Regulations for Training and Certification on the Matters of Safety and Health at Work”, “Procedure of Training and Examining the Knowledge of Construction Safety and Health Coordinators”, “Draft Procedure of Selection of Educational Establishments Competent to Train Employers on Occupational Risk Assessment Matters”, supplements thereof, the Authority Director’s Order on Approving the List of Members of the Commission for Selecting Educational Establishments Competent to Train Employers on Occupational Risk Assessment Matters”.

Comments and proposals were submitted regarding drafts of the “Procedure of Certification of Workers Constructing and Operating Energy Objects, “Procedure of Certification of Individuals Entitled to Operate Energy Objects”, “Regulations for Training and Certifying Offenders Operating Potentially Dangerous Equipment on the Matters of Safety and Health at Work”.

58
Proposals were submitted regarding the RL Chief State Labour Inspector’s Order on Approving the Procedure for Drafting and Providing the Safety and Health at Work Instructions related with the application of the Lithuanian Classification of Occupations in developing the safety and health at work instructions.

Training organisation

The meeting of representatives of the Ministry of Social Security and Labour, the Ministry of Education and Science, the State Labour Inspectorate, employees and employers organisations was convened on the matters of organisation of training on safety and health at work.

Proposals were provided to reorganise training on safety and health at work, its management in the labour market VET system at the national level taking it over by the Ministry of Social Security and Labour.

Participation in activities of working groups

The Working Group run by the Authority developed the General Qualification Requirements for Individuals Operating and Maintaining Potentially Dangerous Equipment. Qualification Requirements were agreed with the State Labour Inspectorate and approved.

Work was carried out in working groups drafting the “Requirements for the Competence of Institutions Providing Training and Other Services to Enterprises in the Sphere of Safety and Health at Work” and “Qualification Requirements for Employees Operating Potentially Dangerous Equipment, Performing Routine Running Maintenance Thereof during Operation (by categories of potentially dangerous equipment)“.

Seminars, conferences, visits, international relations

Trilateral seminar (with Denmark) on “Safety and Health at Work on Construction Sites”, the meeting on the possibility to certify high school graduates on the subject of safety and health at work were attended.

Participation also takes place in the work of the Lithuanian Contact Point of the participants of the safety and health at work information network of the European Safety and Health at Work Agency. Translation into the Lithuanian language of the book “Your Body at Work” published in Sweden and elaborating on the effects of hazardous substances on human organism was approved.

Visits to Estonia and Latvia allowed accumulating and generalising information on practices of these countries in the sphere of organisation of training in the field of safety and health at work. The study visit to Poland and consultations on “Risk Assessment in Enterprises: Participation of National Authorities in Risk Assessment” were attended.

Work was carried out in preparing Leonard da Vinci Fund’s international project “Management of Safety and Health at Work in Small and Medium-sized Enterprises”.

Other activity

Selection of educational establishments competent to train employers on occupational risk assessment matters was coordinated. In 22 selected educational establishments 45 employers were trained during the year.

The video film “Dangerous Daily Routine” was created about failures and accidents which happened in 2003. The purpose of this film is to improve prevention of accidents at work and occupational diseases, to draw attention of employers to the need to assess occupational risk in enterprises, compulsory training of workers and occupational safety instructions, promote adequate organisation of internal control over safety and health at work. The film was shown by Vilnius TV, disseminated to enterprises and labour market vocational training establishments.

Proposals were provided regarding “Draft Explanatory Dictionary of Terms of Safety and Health at Work”.

59
Reports were delivered concerning application of the “Regulations for Instruction, Training and Certification on the Matters of Safety and Health at Work”.

Preparation and Distribution of Teaching and Methodical Aids
In 2003 the following teaching aids were published: “Waist Articles”, “Cashier’s Guide”, “Flower Composition Fundamentals”. Preparation of the teaching aid on floriculture for publishing is being finalised. Teaching aids have been developed for these training modules: Introduction to the Hairdresser’s Profession and Initial Training, Hair Dyeing, Hair Cuts. Presently these aids are being revised and corrected.

Preparation of four other teaching aids will soon be completed. They will be ready for publishing in the form of an electronic book (CD-R), because such form increases both teachers and trainees’ possibilities to use it. Teaching aid “Production of Sawn Wood and Equipment” was prepared.

During the year educational establishments were provided with 16,421 teaching aid of which 11,739 – in construction and engineering, 1,888 – materials (timber), 1,294 – textile, clothes, footwear, leather, 0,903 – handicrafts, 0,783 – hair and body care.

Guaranteeing the Quality of Labour Market Vocational Training and Counselling

Licensing Labour Market Vocational Training
In observance of the decision of the Expert Working Group and the Expert Commission Chairman, 136 recommendations were prepared to the Ministry of Education and Science concerning issuance of teaching license to enterprises, organisations and educational establishments:
• 34 – for obtaining a license for teaching under labour market VET programmes;
• 89 – for renewal of the teaching license;
• 13 – for re-registration of the teaching license.

2 recommendations were prepared to the Ministry of Education and Science to refuse license issuance.

18 approvals of teaching at the particular address were granted to 5 enterprises holding teaching licenses without specifying the address of training unit.

By the end of 2003, the license to teach according to the labour market vocational education and training programmes was held by 266 enterprises, organisations and educational establishments: labour market training centres – 14, educational establishments – 91, state enterprises – 8, public companies – 20, private companies – 53, general partnerships – 3, individual enterprises – 36, organisations – 41.

All educational establishments possessing licenses to teach under labour market vocational education and training programmes are included in the computerised database and available to all users in the Internet (www.darborinka.lt).

Conclusions drawn after having analysed and generalised training activities of enterprises holding licenses to teach without specifying the training unit, were submitted to the Ministry of Education and Science. This form of training was used only by 5 of 20 enterprises holding such license. In 2003, when the Minister of Education and Science issued the new order, the issuance of licences to teach without specifying the training unit will cease.

Work was carried out in working groups involved in preparation of the “Draft Regulations for Issuing Teaching Licenses” and in the development of the “Draft Procedure of Assessment of Expertises Performed in Assessing the Submitted Training Programmes and Readiness to Implement them in Order to Obtain a Teaching License”.

The draft Order of the Authority’s Director on Updating the List of Experts for Carrying out the Expertise of Documents Submitted by Enterprises, Organisations, Educational Establishments and of the Logistics".
Labour Market Training and Counselling

Quality Control

In 2003, territorial services examined the quality of training in 81 vocational training establishment according to 202 training programmes. Control Commissions experts who evaluated activities of vocational training establishments took decisions on:

- repeat checks over implementation of 60 training programmes
- time designated for 93 training programmes during which vocational training establishments are required to eliminate irregularities and notify to the effect territorial labour market training and counselling services
- proposals to suspend validity of licenses of 4 vocational training establishments
- proposals to revoke validity of licenses of 4 vocational training establishments.

Repeat checks revealed that training establishments eliminate practically all irregularities established during checks. They paid more attention to training logistics, updates of methodical material, preparation of training-studies packages. Heads of educational establishments, in view of observations, are paying more attention to skills upgrad-ing and certification of profession teachers.

The drafting of the Regulations for Guaranteeing the Quality of Labour Market Vocational Training was commenced. They will cover the principles of formation of the labour market system of professional qualifications, assessment of the quality of training programmes, control over quality of programme implementation and guaranteeing the quality of assessment (awarding) of individual qualifications. The Regulations are being prepared in observance of the EU vocational training policy and best practices of the EU countries.

Activities of territorial services’ career planning units were checked. The purpose of these checks was to ascertain the scope of consultants, the required working time, problems, and to prepare the optimal model of the workload falling on consultants. Conclusions drawn and recommendations prepared cover recommendations to apply a weekly model of the work of consultants.

LLMTA Reorganisation Projects

Prepared strategic document – “Strategic Plan on Improvement of the LLMTA Infrastructure for 2004 – 2009” envisages reorganising the Authority’s system as a whole, as well as its development using EU structural funds. Based on this plan the Project “Restructuring of the Existing System of the Labour Market Training Centres and Vocational Counselling Services into Regional Labour Market Training and Counselling Centres Improving Occupational Mobility and Social Cohesion” was prepared and the tender application was completed for PHARE Project Preparation Facility financing aimed at facilitating preparation of the project for the European Regional Development Fund. After winning the tender, preparation of technical documentation was commenced.

The envisaged project might contribute to material reorganisation of the system of vocational training of adults – the existing 15 training centres and 6 territorial services will be reorganised and developed into 5-7 Regional Labour Market Vocational Training and Counselling Centres (training and counselling services) and 10 Regional Human Resources Counselling Services (licensing, supervision, methodical management functions). This would facilitate in attaining several important goals – increasing accessibility of training, guaranteeing the required quality, using the funds more effectively.

Establishment of the System of Occupations and Qualifications

Updating the Lithuanian Classification of Occupation

Lithuanian Classification of Occupation is being regularly updated. Classification updating projects are prepared according to applications of
public authorities, enterprises and their associations as well as in observance of applicable legal acts. Supplements and amendments to the Classification of Occupation approved by the RL Commission of Experts for Updating the Data in the Classification of Occupation and Assessing New Occupation Data are entered into the database.

Amendments introduced in 2003:

<table>
<thead>
<tr>
<th>01 01 2003</th>
<th>Registered</th>
<th>01 01 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New entries</td>
<td>Corrected entries</td>
</tr>
<tr>
<td>BASIC OCCUPATION GROUPS</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>BASIC OCCUPATION SUBGROUPS</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>OCCUPATION GROUPS</td>
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<td>2</td>
</tr>
<tr>
<td>OCCUPATION SUBGROUPS</td>
<td>406</td>
<td>17</td>
</tr>
<tr>
<td>OCCUPATIONS</td>
<td>5358</td>
<td>297</td>
</tr>
</tbody>
</table>

Descriptions of 943 occupations were prepared.

Main changes made in the Classification concerned classification of training, health care, pharmacology and public administration specialists as well as the names of occupations. A great majority of database amendments comprises correction of entries made when updating the names and descriptions of occupation groups and occupations, and also when supplementing database with new descriptions.

The status of the Lithuanian Classification of Occupation as of 1 January 2004:

<table>
<thead>
<tr>
<th>Basic groups</th>
<th>ISCO qualification level</th>
<th>Basic groups</th>
<th>Subgroups</th>
<th>Subgroups</th>
<th>Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 LEGISLATORS, SENIOR OFFICERS AND MANAGERS</td>
<td>-</td>
<td>3</td>
<td>8</td>
<td>41</td>
<td>352</td>
</tr>
<tr>
<td>2 PROFESSIONALS</td>
<td>4</td>
<td>4</td>
<td>20</td>
<td>78</td>
<td>1232</td>
</tr>
<tr>
<td>3 TECHNICIANS AND ASSOCIATE PROFESSIONALS</td>
<td>3</td>
<td>4</td>
<td>19</td>
<td>71</td>
<td>604</td>
</tr>
<tr>
<td>4 CLERKS</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>23</td>
<td>211</td>
</tr>
<tr>
<td>5 SERVICE WORKERS AND SHOP AND MARKET SALES WORKERS</td>
<td>2</td>
<td>2</td>
<td>9</td>
<td>23</td>
<td>208</td>
</tr>
<tr>
<td>6 SKILLED AGRICULTURAL AND FISHERY WORKERS</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>17</td>
<td>172</td>
</tr>
<tr>
<td>7 CRAFT AND RELATED TRADES WORKERS</td>
<td>2</td>
<td>4</td>
<td>16</td>
<td>70</td>
<td>1402</td>
</tr>
<tr>
<td>8 PLANT AND MACHINE OPERATORS AND ASSEMBLERS</td>
<td>2</td>
<td>3</td>
<td>20</td>
<td>70</td>
<td>1121</td>
</tr>
<tr>
<td>9 ELEMENTARY OCCUPATIONS</td>
<td>1</td>
<td>3</td>
<td>10</td>
<td>26</td>
<td>217</td>
</tr>
<tr>
<td>10 ARMED FORCES</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>28</td>
<td>116</td>
<td>420</td>
<td>5520</td>
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</tr>
</tbody>
</table>
Full Lithuanian Classification of Occupation is placed and managed in computerised database. This database can be used by each user of the Internet at the address: www.darborinka.lt.

Enterprises, institutions and organisations are consulted on application of the Lithuanian Classification of Occupation when preparing the safety and health at work instructions, carrying out statistical surveys, integrating the Classification into the open system of counselling and information AIKOS. Individuals are provided with different information about occupations. The article “Review of Application of the Lithuanian Classification of Occupation” was prepared for the publication “Labour Market Vocational Training and Counselling Practices”.


Establishment of Competence-based System of Qualifications

The Project “Preparation of Competence-based System of Qualifications” is being implemented with specialists from Finland. The purpose of this Project is to ensure the opportunity first of all to adults to acquire a nationally recognised qualification, to establish closer relationships between primary and continuous VET systems, to facilitate cohesion of primary and continuous VET, to promote lifelong learning and to prepare for the EU membership. Activities in this sphere include participation in 6 seminars and preparation of 5 modules of the new training programme for chambermaids, defining their qualification requirements and establishing evaluation criteria.

The Project CBQS Lithuania is related with the Twinning Light project of vocational training coordinated by Irish FAS International and Project PHARE 2001 sponsored by it, EUC Programme and its composite structure of qualification standards.

The “Guide to Qualification Analysis” which has been prepared covers recommendations for gradual performance of effective analysis of qualifications and describes the model of qualification analysis. Systematic approach to qualification analysis enables the Lithuanian labour market VET system to train staff of required qualifications, to organise effective training and counselling services, improve training contents, measures and methods, to help individuals in developing their professional career, and to strengthen social partnership.

Recognition and Assessment of Professional Qualifications

Implementation of “Recognition and Assessment of Professional Qualifications” which is a part of the EU PHARE Project “Employment and Social Policy, Free Movement of Workers” is in process now. The project involves the Ministries of Education and Science, Health Care, Environment, and Justice, the State Food and Veterinary Service, the Centre of Quality Assessment in Higher Education. The Project is aimed at facilitating improvement of recognition and assessment of professional qualifications and covers the following spheres of activity:

- Analysis of existing legal base of Lithuania in line with requirements of EU regulations and directives.
- Training, conferences, seminars for teachers, lawyers, engineers and representatives of the sector of health care; probation and individual studies’ material.
- Implementation of administrative procedures, IT and databases.
- Public awareness raising.

The Report on implementation of Lithuania’s negotiation obligations in the field of mutual recognition of professional qualifications and diplomas was submitted to the Government of the Republic of Lithuania.

The meeting of experts in Brussels, in which the Authority’s representatives participated, deliberated the status of transposition and implemen-
tation of EU Acquis in the field of recognition of professional qualifications in Lithuania, legal and administrative changes that have taken place and progress attained in the field of recognition of professional qualifications.

During the meeting of EU Commission Group of Coordinators of the General System Directives 89/48/EEC, 92/51/EEC and 99/42/EC held in Brussels, new Member States, including Lithuania, informed about respective amendments introduced to legal acts.

During the meeting set up under Article 15 of the Directive 92/51/EEC held in Brussels amendments to Annexes C and D of the Directive 92/51/EEC were deliberated having regard to proposals submitted by Member States.

In implementing the measures of the law approximation and Acquis implementation action plans for 2003 under the Lithuania’s EU Accession Programme (LEUAP-NPAA) falling within the competence of the Ministry of Social Security and Labour and the Lithuanian Labour Market Training Authority, drafts of the Resolution of the Republic of Lithuania Government and of the regulations of statutory professional qualifications have been worked out (Measure 3.2-T34 of the Law Approximation Action Plan). The Project was translated into the English language and submitted to PHARE experts from Germany and Holland for expertise as well as to experts from the EU Directorate General for Internal Market.

Work was carried out during three meetings of the European Union Council experts in Brussels within the Working Group on establishment and services (recognition of diplomas). The Working Group is deliberating a new directive on recognition of professional qualification which will cover the former directives adopted in this field and will simplify the recognition of professional qualification as well as provision of respective services in the EU.

Information for the Internet website concerning authorities of the EU Member States engaged in recognition of professional qualifications was revised and updated.


**Vocational Training Standards**

Work was carried out in preparing and assessing VET standards drafted by the Methodical Centre for Vocational Education and Training of Lithuania (sectors of construction, transport services, metal works and mechanics).

**Upgrading Skills of Labour Market Profession Teachers**

For skills upgrading purposes of pedagogical staff of training centres the tender was organised under the Project “Profession Teacher in the Process of Continuous Training (Learning)”. Pedagogues from numerous training centres participated in the tender. 5 best projects selected out of 16 submitted projects were announced in the publication “Labour Market Training and Counseling Practices”. One project was issued in a separate publication as a teaching aid.

Labour market profession teachers participated in the national exhibition of methodical aids for training of educators organised by the Lithuanian Centre of the Professional Development of Pedagogues. The organisation commission proposed to the State Teachers Certification Commission to recognise the teacher methodologist’s qualification category to four out of ten profession teachers who participated in the exhibition and for two – the teacher expert’s qualification category.

Having assessed practical performance of the labour market profession teachers and methodical material submitted to the Labour Market Profession Teachers’ Certification Commission, qualifica-
tion categories were awarded to 6 profession teachers, 7 senior profession teachers, 4 profession teachers methodologists, and 2 profession teachers experts.

In 2003, the “Pedagogical Minimum” Programme involved over 90 engineers without professional qualification. They were issued Pedagogical Minimum Knowledge Certificates entitling to teach in the labour market VET establishments.

The uniform system of methodical activities of labour market VET establishments has been created. 11 methodical circles functioning in the country were formed based on the principle of economic activity, having prepared methodical work organisation recommendations, providing consistent training for the heads of methodical circles and coordinating exercises of circles. Events are organised for improving the competence of teachers. Customers positively assessed the 14-hour seminar “Improvement of Professional Competence of Labour Market Educators” delivered by qualified external lectors. 31 labour market profession teacher, deputy directors of training establishments or their employees in charge of training organisation attended the seminar. The seminar “Application of Modern Technique and Innovation Technologies in Training on Manufacture of Food Products in Klaipėda Labour Market Training Centre” which was attended by ten labour market teachers of the food products manufacturer’s profession.

In 2003, 41 general pedagogical and professional qualification improvement certificate was issued to profession teachers of the labour market training establishments.

95 profession teachers attended three introductory courses on psychology.

The database on labour market pedagogues, which is being accumulated now, was presented to the training establishments’ deputy directors or staff responsible for training organisation as well as to the labour market training centres’ profession teachers.

### 2.7. TECHNICAL SAFETY

With a view to approximating the national legislation with legal acts of the EU regulating free movement of goods and services, the Government of the Republic of Lithuania authorised the respective ministries to approve technical regulations covering mandatory safety requirements for goods and products and the procedure for assessing conformity to these requirements. The Ministry of Social Security and Labour was obligated to establish mandatory safety requirements and the procedure of setting such requirements in observance of the New Approach Directives with regard to the following goods:

- Personal protective equipment – PPE (Directive 89/686/EEC),
- Machinery (Directive 98/37/EC),
- Lifts (Directive 95/16/ES),
- Wire-ropes, chains and hooks – lifting equipment (Directive 73/361/EEC),
- Cableway installations designated to carry people (Directive 2000/9/EC).

The great majority of goods regulated under the New Approach Directives are used at the workplace. Directive concerning the minimum safety and health requirements for the use of work equipment by workers at work (89/655/EEC, as amended by Council Directive 95/63/EC), based on Article 138 of EC Treaty imposes obligations on the employer to take measures ensuring that work equipment accessible to workers (e.g., machinery and apparatus) is suitable for work performed and that the worker is able to use it without endangering his safety or health.

In 2003, a new subdivision – the Technical Safety Division was established within the Labour Department of the Ministry of Social Security and Labour. Technical safety means the entirety of technical services, legal and organisational measures established in normative legal acts on the manufacturing, operation and maintenance of equipment and in the technical documents submitted by the manufacturer with a view to guarantee-
ing the safety of equipment without posing danger to human beings and environment. The functions of the Division cover provision of proposals in implementing the policy of the free movement of goods, establishment of mandatory safety requirements for them and assessment of conformity to such requirements as well as the technical safety policy of work equipment, including potentially dangerous equipment.

2.7.1. Free Movement of Goods

The single market is one of the great achievements of our time. This economic space, where goods, services, capital and labour circulate freely, provides a foundation for prosperity in the European Union. The European Union has developed original and innovative instruments to remove the barriers to free circulation of goods. Among these the New Approach to product regulation and the Global approach to conformity assessment take pride of place. These two approaches are widely described by the European Commission Directorate-General for Enterprise. The common thread between these complementary approaches is that they limit the intervention of public authorities to what is essential and leave business and industry the greatest possible choice on how to meet their public obligations.

The New Approach entailed refining conformity assessment in such a way as to allow the Community legislator to evaluate the consequences of the utilisation of different conformity assessment mechanisms. The objective was to provide flexibility of conformity assessment over the entire manufacturing process in order for it to be adapted to needs of each individual operation. The Global Approach introduced a modular approach, which subdivided conformity assessment into a number of operations (modules). These modules differ according to the stage of development of the product (for example, design, prototype, full production), the type of assessment involved (for example, documentary checks, type approval, quality assurance), and the person carrying out the assessment (the manufacturer or a third party).

The New Approach directives apply to products which are intended to be placed (or put into services) on the Community market. Usually, such products are ready for use or require only adjustments that can be performed in view of their intended use, which can be carried out having regard to their use. Further, the directives apply to only when the product is placed (and put into service) on the Community market for the first time. Consequently, the directives apply also to used and second-hand products imported from a third country when they enter the Community market for the first time, but not to such products already on the Community market. The objects submitted to the directives are referred to, for instance, as products, equipment, apparatus, devices, appliances, instruments, material, assemblies, components or safety components, units, fittings, accessories or systems. It is the responsibility of the manufacturer to verify whether or not the product is within the scope of a directive.

The objective of the New Approach directives is to protect the public interest (for example, health and safety of persons, consumer protection, protection of business transactions, environmental protection). Thus, they intend to prevent, as far as possible, the placing on the market and putting into service of unsafe or otherwise non-compliant products. The Directive on product liability (85/374/EEC), which is applicable to all products covered by New Approach directives, provides a powerful incentive to guarantee the safety of products. It is the interest of the manufacturer, importer and the distributor to supply safe products in order to avoid the costs that liability places on them for defective products causing damages to individual or property. Consequently, New Approach directives and the Directive on product liability are complementary elements in ensuring an adequate level of protection.

1 The Guide to the Implementation of Directives based on New Approach and Global Approach
New Approach directives are created to ensure free movement of products that comply with the high level of protection laid down in the applicable directives.

On 1 September 2002 the Protocol to European Agreement establishing an Association between the European Communities and their Member States of the one part, and Republic of Lithuania, of the other part, on Conformity Assessment and Acceptance of Industrial Products entered into force ("Valstybės žinios" (Official Gazette, 2002, No.75-3213). In 2003, the benefits of the Protocol were firstly enjoyed by those Lithuanian manufacturers whose products are not subject to mandatory conformity assessment by a third party, and for whom the manufacturer’s conformity declaration is sufficient. In order to enable the country’s manufacturers to carry out the procedures aimed at assessing conformity of manufactured products’ safety and main consumption characteristics to the established requirements in conformity assessment bodies (test laboratories, bodies of certification and control) which have professional competences defined in the EC legal acts and accredited according to the European EN 45000 series standards or LST EN ISO/IEC 17025 Standard, and to obtain test protocols or conformity certificates, respective conformity assessment infrastructure is necessary (notifies conformity assessment bodies). The existing infrastructure must be developed with a view to guaranteeing that the level of technical competence of bodies involved in conformity assessment process satisfies the requirements established by the European Union. In such a way the manufacturers and designers will be provided with the possibility to assess the safety and the main consumption characteristics of new products during pilot planning works.

Notified bodies are designated to assess the conformity with the essential requirements, and to ensure consistent technical application of these requirements according to the relevant procedures in the directives concerned. The Notified bodies must have appropriate facilities that enable them to carry out technical and administrative tasks related to conformity assessment. They must also apply appropriate procedures of quality control in relation to such services provided. Member States shall assume final responsibility for the competence of notified bodies vis-à-vis other Member States and Community authorities. Therefore, they must examine the competence of bodies seeking notification.


2.7.2. Potentially Hazardous Equipment

Directive concerning the minimum safety and health requirements for the use of work equipment by workers at work (89/655/EEC, modification by Council Directive 95/63/EC) specifies that the employer must take measures to ensure that the work equipment accessible to workers (for example, machinery and apparatus) is suitable for the work being performed, and that the worker can use it without any exposures to his safety or health. The employer shall ensure that where the safety of work equipment depends on the installation conditions, it shall be subject to an initial inspection (after installation and before first being put into service) and an inspection after assembly at a new site or in a new location by competent persons within the meaning of national laws and/or practices, to ensure that the work equipment has been installed correctly and is operating properly.
In implementing provisions of the Directive 95/63/EC, a separate Law on the Supervision of Potentially Hazardous Equipment was drafted, which establishes the system of maintenance of such equipment and defines equipment covered by such system, as well as competence requirements for institutions carrying out assessment of technical condition of such equipment. Provisions of the Law on the Supervision of Potentially Hazardous Equipment are consistent with practices of the European Union Member States, where the mandatory examination of technical condition of equipment is treated as the service, which under market conditions is provided not by state authorities, but by competent controlling bodies competing with each other.

In 2003, the Law Amending Law on the Supervision of Potentially Hazardous Equipment (“Valstybės žinios” (Official Gazette), 2003, No. 119-5404) was adopted. For the purpose of implementing this Law, the Government of the Republic of Lithuania and state authorities responsible for organising control over separate categories of equipment are required to draft respective secondary legislation. At the same time, the list of potentially hazardous equipment needs to be newly compiled concurrently revising the list of equipment included in the State Register.

During 2003, the State Labour Inspectorate checked 2260 enterprises, which use potentially hazardous equipment (hereinafter – PHE). Nearly in each fifth enterprise out of those checked 657 violations of the use of PHE were established, in every seventh enterprise 625 workers working with PHE were not certified on safety and health at work matters. The number of established violations was by 2,5 times smaller than the respective figure of 2002, and they account for 1,34 per cent of all violations of safety and health at works.

According to the data of PE Lifting Equipment Supervision Service and PE Technical Supervision Service – bodies authorised by state authorities to inspect the technical condition of potentially hazardous equipment, during 2003, 18670 units of potentially dangerous equipment were checked, of which 3,55 per cent were recognised as unsuitable for use. Out of 2746 lifts examined by the Lifting Equipment Supervision Service 18 per cent were in use for 25 – 30 years, and 15,8 per cent – for over 30 years. Out of 428 examined cranes, 18,7 per cent have been using for more than 25 years.

During 2003, enterprises implementing the Republic of Lithuania Government Resolution No. 645 of 9 May 2002 on Setting up the State Register of Potentially Hazardous Equipment and Approving the Regulations of the State Register of Potentially Hazardous Equipment (“Valstybės žinios” (Official Gazette), 2002, No. 48-1844) registered 9013 units of equipment, including: 5 entertainment facilities; 32 escalators; 450 steam boilers; 2004 cranes; 1998 lifts; 1 funicular; 3607 pressure vessels; 737 reservoirs; 179 pipeline and steam lines. Enterprises are obliged to register with the State Labour Inspectorate potentially hazardous equipment controlled and registered before enactment of the aforementioned Resolution and used by them until the nearest examination of their technical condition provided for in legal acts on control of such equipment, and no later than by 1 January 2006.

The most active in registration of equipment are enterprises of Kaunas county. Distribution of potentially hazardous equipment by county differs greatly. It mostly depends upon the country’s industrial development and applied technologies. The number of such equipment in Kaunas county exceeds by more than ten times the respective number in Alytus and Tauragė counties.

Enforcement of legal provisions in local documents of enterprises and conformity of used equipment to the technical safety requirements are continuously improving. More than half of all enterprises checked in 2003 by the State Labour Inspectorate, had all documents on the use of equipment established by the manufacturer: 53 per cent of small enterprises, 59 per cent of medium-sized enterprises and 72 per cent of large enterprises. In nine tenths of enterprises control systems of used equipment are in place enabling full and safe switching off of such equipment, the required protective measures are provided to ensure safe operation of equipment, and safety and safeguarding devices conform to the established requirements.
During 2003, inspections were carried out in 2260 enterprises using potentially hazardous equipment with 657 violations of the use of equipment established nearly in every fifth inspected enterprise, in every seventh of such enterprises 625 workers operating such equipment and not certified on the safety and health at work matters were identified. Part of operated equipment is unsafe, therefore, in 2003, the State Labour Inspectorate prohibited the use of 285 work equipment.
According to the data of the State Labour Inspectorate, 7 fatal and 6 serious accidents at work occurred in 2003 while working with potentially hazardous equipment. 3 workers died and 5 people were seriously injured working with lifting equipment, 2 fatal accidents happened and 1 serious injury was sustained while working with reservoirs. In the aforementioned cases equipment used were technically in good order, but the requirements for safe use of such equipment were violated. 2 people carrying out maintenance of pressure vessels died when using such vessels because maintenance works were performed in the wrongful manner and pressure vessels used were of poor technical condition (the output release cover could be removed under pressure). The inspection revealed that these pressure vessels were not registered in the State Register.

During the past three years the number of accidents at work manifests the decreasing tendency, whereas the number of fatal accidents is growing. Lifting mechanisms, in particular cranes cause greatest problems. Practically all such facilities are old, their useful life specified by the manufacturer is expiring or has already expired and therefore there is a need to carry out a thorough examination of their techni-
SERIOUS AND FATAL ACCIDENTS AT WORK (N-1 FORM CERTIFICATES) AND THEIR SHARE RELATED TO OPERATION OF PHE AND DANGEROUS WORKS IN 2002-2003

Chart 2.7.2.-1

SERIOUS AND FATAL ACCIDENTS AT WORK (N-1 FORM CERTIFICATES) RELATED TO OPERATION OF PHE IN 2002-2003 (%)

Chart 2.7.2.-2
NUMBER OF ACCIDENTS AT WORK (N-1 FORM CERTIFICATES) 
BY TYPE OF ECONOMIC ACTIVITY IN OPERATING RELATED TO OPERATION OF PHE, IN 2003

Per cent from all serious and fatal accidents at work in Lithuania related to operation of PHE

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total accidents at work</th>
<th>Serious accidents at work</th>
<th>Fatal accidents at work</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTRUCTION Cranes</td>
<td>6 (7%)</td>
<td>1 (4%)</td>
<td>4 (67%)</td>
</tr>
<tr>
<td>Other equipment</td>
<td>2 (4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MANUFACTURING INDUSTRY Cranes</td>
<td>8 (15%)</td>
<td>1 (14%)</td>
<td></td>
</tr>
<tr>
<td>Steam and water boilers</td>
<td>3 (6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment facilities</td>
<td>3 (6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dangerous substances pipelines, supply of</td>
<td>2 (4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pressure steam lines and hot water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other equipment</td>
<td>3 (6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSPORT Cranes</td>
<td>3 (6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dangerous substances reservoirs</td>
<td>1 (2%)</td>
<td>1 (14%)</td>
<td></td>
</tr>
<tr>
<td>Other equipment</td>
<td>1 (2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGRICULTURE, FORESTRY, FISHERIES</td>
<td>4 (7%)</td>
<td>1 (28%)</td>
<td></td>
</tr>
<tr>
<td>Pressure vessels</td>
<td>2 (28%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cranes</td>
<td>1 (2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRADE Dangerous substances reservoirs</td>
<td>2 (4%)</td>
<td>1 (17%)</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>1 (2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cranes</td>
<td>1 (2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other activities</td>
<td>9 (17%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chart 2.7.2.-3
cal condition. In case of those PHE the useful life of which according to the manufacturer’s instructions has already expired, separate special programmes on assessment of technical condition should be worked out. Such diagnostic programmes should be developed by expert groups from authorised bodies carrying out inspection of technical condition. This provision is of importance from the point of view of guaranteeing safety of workers operating potentially hazardous equipment as well as in economic terms (having completed a thorough inspection of equipment and confirmed that it satisfies the established requirements, the useful life of equipment might be extended after expiration of the useful life period identified by the manufacturer).

Total serious and fatal accidents at work related with performance of dangerous works 14 per cent account for works with PHE, 12 per cent – for works in explosive environment, 8,8 per cent – wood preparation works and works in wells and excavations, 7 per cent – building demolition works and works in ships. With a view to precluding accidents at work and making it easier for employers and employees to understand formal requirements of the General Regulations on the Use of Work Equipment, the State Labour Inspectorate envisages preparing methodical recommendations on safe use of work equipment by individual types of such equipment.

### 2.8. EUROPEAN UNION STRUCTURAL FUNDS

**EUROPEAN SOCIAL FUND AND ITS SUPPORT TO LITHUANIA**

#### 2.8.1. EU structural funds and planning of their support in Lithuania

European Union (EU) structural funds are financial instruments of regional policy whose principal objective is to narrow the gap between the development levels of the various regions and to help areas lagging behind in their development. EU regional policy means the entirety of measures targeted towards the development of underdeveloped areas and promotion of cohesion between regions aimed at more rapid general economic growth of the country and improvement of the quality of life of social groups.

At present, implementation of the EU regional policy in the EU Member States is financed from appropriations allocated from the four Structural Funds of the European Union the names and spheres of intervention of which are provided in the table below:

<table>
<thead>
<tr>
<th>EU STRUCTURAL FUNDS</th>
<th>Spheres of intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)</td>
<td>PRODUCTION SECTOR, INFRASTRUCTURE, LOCAL DEVELOPMENT AND TECHNICAL SUPPORT</td>
</tr>
<tr>
<td>EUROPEAN SOCIAL FUND (ESF)</td>
<td>DEVELOPMENT OF HUMAN RESOURCES. IMPLEMENTATION OF NATIONAL ACTION PLANS FOR EMPLOYMENT, INCLUDING ACTIVE LABOUR MARKET POLICY MEASURES, SOCIAL INTEGRATION, EDUCATION AND TRAINING, MEASURES AIMED AT CREATING INFORMATION SOCIETY AND ENSURING EQUAL OPPORTUNITIES</td>
</tr>
<tr>
<td>EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND (EAGGF – GUIDANCE SECTION)</td>
<td>RURAL DEVELOPMENT MEASURES (REORGANISATION OF HOLDINGS, TRAINING, PROCESSING AND MARKETING)</td>
</tr>
<tr>
<td>FINANCIAL INSTRUMENT FOR FISHERIES GUIDANCE (FIFG)</td>
<td>RESTRUCTURING MEASURES OF THE FISHERIES SECTOR</td>
</tr>
</tbody>
</table>

Table 2.8.1.-1.
Being a full member of the EU, Lithuania is eligible to receive considerable financial support from the Structural Funds of the EU\(^1\) and the Cohesion Fund\(^2\).

Since Lithuania is considered a single area for the purpose of the EU Structural Funds, in 2004-2006 Lithuania will receive support from all of the four EU Structural Funds under one programme of the so-called Objective 1 (for the purpose of this Objective appropriations at present are allocated to regions with gross domestic product (GDP)s below 75% of the Community average).

The Single Programming Document of Lithuania for 2004-2006 is a strategic document drafted by Lithuania and approved by the European Commission, which sets out the objectives of actions of the EU Structural Funds and of Lithuania, specifies contributions from the EU structural funds and from other sources of financing.


The Ministry of Social Security and Labour is responsible for three measures of the European Social Fund and for one measure of the European Regional Development Fund. Envisaged appropriations from these Funds are described in other chapters.

### 2.8.2. The European Social Fund and utilisation of its appropriations in Lithuania

One of the key priorities of the Single Programming Document is the Development of Human Resources. Investments into the development of human resources, improvement of qualification and competence of employed individuals, strengthening social integration are key factors guaranteeing the increase of employment, sustainable economic development and improvement of social welfare. Development of human resources is financed from the European Social Fund. (More information about the development of human resources in Lithuania is provided further in this chapter).

The European Social Fund (ESF) – one of the four structural funds – the main financial instrument of the European Union employment policy aimed at the implementation of the European Employment Strategy through promotion of employment and development of human resources. ESF support is firstly aimed at preventing and combating unemployment, developing human resources and promoting integration into the labour market, reducing social exclusion, increasing employment level, strengthening equality between women and men.

Investments envisaged under the Single Programming Document of Lithuania (SPD) into this sphere will support and supplement employment policy strategy pursued by the Government seeking the following objectives:

- promote workforce competences and abilities to adapt to labour market needs;

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\(^1\) European Union (EU) structural funds are financial instruments of regional policy whose principal objective is to reduce imbalances between regions and promote development of underdeveloped areas (European Regional Development Fund, European Social Fund, Agricultural Guidance and Guarantee Fund (EAGGF – Guidance Section) and Financial Instrument for Fisheries Guidance).

\(^2\) Cohesion Fund’s objective – to contribute to strengthening economic and social cohesion within the European Union. Fond appropriations are used for the financing of transport and environmental protection infrastructure development projects.
- improve quality and accessibility of education and vocational training;
- reduce social exclusion and guarantee wider social integration.

European Social Fund’s appropriations may be allocated to the following spheres:

* developing active labour market policy and preventing and combating unemployment, ensuring prevention of long-term unemployment, creating favourable conditions for the long-term unemployed to return to the labour market and supporting occupational integration of young persons and persons returning to the labour market after a certain period;
* equal opportunities in accessing the labour market, in particular for socially excluded groups;
* vocational training, education, counselling, lifelong learning policy factors aimed at facilitating and improving access and integration into the labour market, improving and maintaining ability to guarantee employment for oneself and promoting workforce mobility;
* promoting qualified, skilled and adaptable workforce, streamlining of work organisation, development of entrepreneurship and conditions for job creation, boosting abilities and human potential in the field of scientific research, science and technology;
* specific actions to improve women’s access to, and participation in, the labour market, including their career, opportunities to create new jobs and start up own business, and to reduce vertical and horizontal segregation on the grounds of gender in the labour market.

ESF financial support allocated for the development of human resources in those fields of activity, which are part of integration into the labour market:

* education and vocational training, including vocational training of the level of compulsory education, industrial practice, introductory training, developing and improving general abilities in
* the first instance, regaining employment, actions aimed at promoting employability, guidance, counselling and continuous vocational training;
  * subsidies to individuals working under employment contracts and to self-employed;
  * second level studies in the field of scientific and technological development as well as training of managers and technicians in the institutions of scientific research and enterprises;
  * creation of new sources of employment, including social economy.

With a view to increasing effectiveness of the aforementioned fields of activity, financial appropriations may also be allocated to the following structures and systems:

* development and improvement of vocational training, education, and skills promotion, including training of teachers, instructors and staff, as well as improvement of the access of staff to measures of acquisition of vocational training and qualification;
* modernisation of employment services and improvement of their effectiveness;
* development of links between spheres of employment, education, vocational training and scientific research;
* creating systems of envisaged employment developments and demand for qualifications related with new types of employment and work organisation, in view of the need to reconcile family life with the nature of work as well as to assist old workers to engage in jobs which give satisfaction to them until they reach retirement age. Excluding, however, financing of the system of younger retirement age.

The following supporting actions may also qualify for the allocation of financial support:

* support in rendering services to the recipients of benefits, including provision of care and creation of necessary conditions for dependants;
* promotion of social education development with a view to supporting gradual integration into the labour market;
• knowledge improvement, information and dissemination.

European Social Fund’s appropriations will be used for the implementation of 5 measures:

1. Development employability. The purpose of this measure is to increase employability of unemployed, improve their integration into the labour market, and carry out unemployment prevention. The main focus will be on young people and long-term unemployed, unemployed people without required professional qualification, as well as those threatened by long-term unemployment. Support will be provided for training and skills upgrading of unemployed people, in particular in the field of such basic knowledge likewise development of language and information (ITT) literacy, vocational guidance and counselling, training and support to those who are starting up their own business. Institutional capacities of the Lithuanian Labour Exchange will be enhanced, introducing new services to the unemployed and employers, developing staff qualifications.

2. Development of labour force competencies and the ability to adapt to changes. Support provided in implementing this measure will be allocated for training specialists that are on demand in the country’s economy and business, training of management and employees of enterprises in which introduction of new technologies or new products is envisaged, training of management and employees in small and medium-sized business, re-training of individuals or upgrading their skills in areas undergoing essential restructuring of economic activity and privatisation of state enterprises. The great majority of the country’s population still lack computer literacy skills, therefore, priority in this field is given to the development of information literacy (ITT), as well as of entrepreneurship of individuals who start up their own business.

3. Prevention of social exclusion and social integration. This measure is aimed at providing social risk groups with wider opportunities to integrate into the labour market reducing their social exclusion. Investments will be made into such fields like vocational training and promotion of employment, vocational guidance and counselling, development of the system of distance training. In order to guarantee accessibility of labour market for all, special needs of these groups will be taken into consideration through additional measures facilitating the acquisition of the necessary skills and integration into the labour market: developing system of occupational rehabilitation for disabled people, encouraging employers to organise practical training and employ people with disabilities, developing a new initiative in Lithuania – social enterprises (for disabled people and other socially vulnerable groups). Other trend of actions supported under this measure covers establishment of equal opportunities for men and women and support of women’s reintegration into the labour market.

4. Development of conditions for lifelong learning. ESF investments in this field will be used for creating the system of lifelong learning (and its promotion), improving the quality of education and training, and for upgrading skills of teachers/instructors. Considerable attention will be devoted to the opportunities opened by information technologies in order to make it easier for the population to acquire know-how and qualification, to upgrade and develop them, to adapt themselves more successfully to life and work under rapidly changing conditions of information society. As a result, individuals will have the possibility to avail themselves of the system of distance studies, urban and rural inhabitants will have opportunities to use advantages provided by information technologies thereby contributing to the promotion of social integration.

5. Improvement of human resources quality in scientific research and innovations. Support under this measure will be allocated for training and development of competence of scientists satisfying the needs of economy and business, imple-
mentation of scientific research and experimental development (SRED) projects, improvement of the quality of scientific activity, development of information system and its databases in the institutions of science and studies. This type of support will facilitate in reducing emigration of young and highly qualified specialists and scientists improve prestige of science, strengthen science and business links.

The European Social Fund’s appropriations to Lithuania in 2004-2006 in the field of human resources development will amount to about EUR 163,8 million. Appropriations from the EU structural funds in all cases are allocated as additional support to financing available for the national projects. Even if this support accounts for as much as 75 per cent, the national co-financing accounting for up 25 per cent of appropriations must be guaranteed. Therefore, national co-financing necessary fore the implementation of 5 measures under SPD priority of Human Resources Development would amount to about EUR 49 million, or LTL 172,5 million.

2.8.3. The European Regional Development Fund and its appropriations to Lithuania

The European Regional Development Fund’s (ERDF) Measure “Development of infrastructure of labour market, education, vocational training, research and study institutions and social services” is very closely related with ESF and supplements. Implementation of this measure in cooperation with the Ministry of Education and Science will facilitate in strengthening and modernising labour market, education and training institutions, updating technical and technological base of institutions, developing diversity and quality of social services.

Two types of actions are eligible to receive financial support under Measure 5 “Development of infrastructure of labour market, education, vocational training, research and study institutions and social services” of SPD priority I “Development of social and economic infrastructure”:

1.1. Development of the infrastructure of occupational rehabilitation of the disabled;
1.2. Development of the infrastructure of non-stationary social services.

The Action “Development of the infrastructure of occupational rehabilitation of the disabled”

The main objective of occupational rehabilitation of the disabled is restoration or improvement of the disabled person’s workability, professional competence and ability to participate in the labour market, with a view to promoting their employment and equal opportunities to participate in the labour market. For the purpose of attaining this objective the following is envisaged:

- to set up or develop occupational rehabilitation centres for the disabled in the country’s regions in order to ensure logistics conforming to the needs of occupational rehabilitation;
- to increase the number of employed people with disabilities through coordination of occupational rehabilitation measures with demand in the labour market;
- to improve the disabled individuals’ access to occupational rehabilitation of and improve the quality of these services through development of the infrastructure and scope of occupational rehabilitation of the disabled.

The following activities will be supported in developing the infrastructure of occupational rehabilitation of the disabled:

- establishment or development of occupational rehabilitation centres of the disabled: construction, reconstruction, environmental adaptation;
- development and improvement of logistics in the institutions which render, or are planning to
render, occupational rehabilitation services: acquisition of equipment intended for identification/restoration/development and training of working and occupational skills (including information telecommunication technologies); installation of classrooms and workshops for studies; acquisition of vehicles adapted to the disabled; adaptation to the disabled of the workplace intended for their practical training; acquisition of job search aids and managerial support for employed disabled people (computer hardware and software).

Adaptation of environment, reconstruction of buildings, without planning to render occupational rehabilitation services to the disabled, establishment of social enterprises, employment in in-patient and outpatient institutions (e.g., day centres, boarding houses) are not eligible for support. It means that projects of renovation of buildings and adaptation of environment will not be financed, unless evidence is provided that renovation is necessary for the purpose of occupational rehabilitation of the disabled, other than for the general renovation of the condition of a building with a view to guaranteeing the functioning of the institution.

The Action “Development of the infrastructure of non-stationary social services”.

The main objective of the development of the infrastructure of non-stationary social services is improvement of non-stationary social services’ communal infrastructure, while reducing disparities between municipal and regional infrastructure of social services, deconcentrating and decentralising organisation and provision of social services, diversifying them, modernising logistics base of social services institutions and facilitating reintegration into the labour market of family members of individuals who benefit from social services.

The following activities will be supported in developing the infrastructure of non-stationary social services:

• establishment or development of social care services of day social care institutions rendering short-term (from 24 hours to six months) or daily (up to 8 hrs. per day) social care services (employment and labour therapy, social rehabilitation, social work and other social services to individuals who need regular care of specialists and complex assistance): construction, reconstruction, installation. Institutions of this type comprise, for example: day centre for mentally retarded children; day centre for old people suffering from Alzheimer’s type illnesses, old age dementia; social rehabilitation and employment centre for the disabled, etc.;

• establishment or development of mixed care institutions rendering miscellaneous social services to different social groups on the base of the same institution: construction, reconstruction, installation. Institutions of this type may comprise, for example, several subdivisions, e.g., subdivision of care for old people providing daily, short- or long-term social care; subdivision of self-dependent life home; subdivision of temporary accommodation providing women victims of violence with services of development of social skills and social therapy; family support subdivision rendering mediation and counselling services to social risk families; social home support service; community centre rendering free time services, etc. Activities of establishment or development of community centres aimed exclusively at the provision of free time organisation services to the community for preventive purposes are not eligible for support;

• establishment or development of self-dependent life homes (group life homes) providing accommodation and social skills’ development, employment services or social care services to old and disabled people who are fully or partially unable to take care of themselves and need partial or regular care of specialists and complex support: construction, reconstruction, installation. Institutions of this type create conditions similar to home environment and develop self-dependent life skills with the help of professional specialists;
• establishment or development of social adaptation services and temporary accommodation institutions providing labour therapy, employment or social care services to social risk groups: construction, reconstruction, installation. Establishment or development of institutions intended for providing only day (night) shelter to risk groups (homeless, alcohol and drug addicts) without labour therapy, employment, development of social skills, mediation or social care services are not eligible for support;
• adaptation (reconstruction, installation) of in-patient social services’ institutions engaged in permanent social care of children, old and disabled people to the activities of day social care institutions, mixed care institutions, self-dependent life homes (group life homes) described in previous items.

2.8.4. System of administration of the EU Structural Funds in Lithuania

Rules on administration of the EU Structural Funds in Lithuania were approved by the Republic of Lithuania Government Resolution No. 649 of 31 May 2001 on Division of Responsibility among Public Authorities for the Implementation of Support from the European Union Structural Funds (“Valstybės žinios” (Official Gazette), 2001, No. 48–1676; 2003, Nr. 88–3999). Institutional system is also based on the provisions of the EC Council Regulation No. 1260/99 and relies on the assumption that Lithuania, which from the point of view of the EU Structural Funds is considered as a single area, will receive support from these funds under one programme, the so-called Objective I programme, i.e., of the already mentioned Single Programming Document.

On the basis of the above-referred Resolution of the Government, the Ministry of Social Security and Labour and the Ministry of Education and Science were designated as responsible interim authorities under SPD Priority of the Development of Human Resources. The Fund in Support of Human Resources Development Programmes is the implementing authority responsible for these measures. The Ministry of Social Security and Labour and the Ministry of Education and Science set up the Fund in Support of Human Resources Development Programmes on 22 August 2002.

The Ministry of Social Security and Labour is responsible for:
• Measure 2.1 “Development of Employability”;
• Measure 2.2 “Development of Labour force competence and the ability to adapt to changes”;
• Measure 2.3 “Prevention of social exclusion and social integration”.

The Ministry of Education and Science is responsible for:
• Measure 2.4 “Development of conditions for lifelong learning”;
• Measure 2.5 “Improvement of human resources quality in scientific research and innovations”.

In observance of this Resolution, the interim authority is responsible for planning appropriations from the Structural Funds and co-financing under the SPD measure assigned to it, as well as for the implementation and supervision of the measure, whereas the implementing authority is responsible for the administration of projects under the same SPD measure and supervision of their implementation.

The Ministry of Finance designated as the managing authority performing all of the functions assigned to it by virtue of the EU and Lithuanian legal acts, is responsible for the management of support of structural funds under the regulations of structural funds.

The Minister of Finance Order No will provide support for projects in observance of the Rules for Administration and Financing of Measures of the Single Programming Document of Lithuania for 2004-2006 and Projects Financed in implementing these Measures approved. 1K-204 of 31 May 2004 (“Valstybės žinios” (Official Gazette), No.19-599;
These Rules establish general procedures of the submission, evaluation, selection of projects, project cost financing and implementation of projects, also the procedure of planning appropriations for SPD measures and reporting on the procedure of their utilisation.

2.9. EUROPEAN COMMUNITY INITIATIVE EQUAL AND ITS IMPLEMENTATION IN LITHUANIA

2.9.1. What is the European Communities EQUAL initiative and its purpose

EQUAL – is the European Communities initiative, which tests new ways of tackling discrimination and inequality, experienced by those in work and those looking for a job. It is implemented through mobilisation of local partners into development partnerships and international cooperation. EQUAL is financed from the European Social Fund.

EQUAL is integrated in the European Employment Strategy and the European Strategy for Combating Discrimination and Exclusion.

EQUAL objective is to provide evidence of successful results of activities, which might influence future policies and practices and promote effective changes. This objective should be attained through implementation of development partnership action programmes; therefore EQUAL is designated so as to guarantee the best possible outcomes of programmes. The main point is to create and test new methods facilitating labour market integration of marginalised social groups.

2.9.2. System of administration of the European Communities EQUAL initiative in Lithuania

With a view to ensuring proper preparation for implementing the European Communities EQUAL initiative in Lithuania, the Government of the Republic of Lithuania passed the Resolution No. 427 of 8 April 2003 on Administration of D the European Communities EQUAL initiative in Lithuania by virtue of which the Ministry of Social Security and Labour was assigned the functions of the managing authority of the European Communities EQUAL initiative responsible for reliable and effective management of support under this initiative.


MSSL as a managing authority:
• organises and manages the drafting of the European Communities EQUAL initiative Single Programming Document and its annex and supervision of their implementation;
• assumes responsibility for reliable and effective management of support;
• plans appropriations necessary for the implementation of the European Communities EQUAL initiative;
• in concert with other responsible authorities prepares the European Communities EQUAL initiative procedural manuals;
• examines and approves payment applications for the State Treasury prepared by the imple-
menting authority and submits them to the paying authority for collection.

The Fund in Support of Human Resources Development Programmes performing the functions of the implementing authority:

- carries out the administration of the European Communities EQUAL initiative and supervision of their implementation;
- announces invitations to submit project applications;
- evaluates applications;
- concludes project financing agreements;
- performs public information actions.

In December 2003, the Government approved EQUAL SPD project prepared by the Working Group and designated the Ministry of Social Security and Labour to represent Lithuania during negotiations with the European Commission.

Ms. Anna Diamantopoulou, the European Commissioner, in her letter to the Ministry expressed gratitude for successful cooperation during negotiations on EQUAL SPD.

In March 2004, negotiations with the European Commission on EQUAL SPD were completed. On 29 June 2004, the European Commission approved the Single Programming Document of EQUAL initiative.

2.9.3. Goals and principles of EQUAL in Lithuania. How will EQUAL help to tackle unemployment problems?

EQUAL initiative is based on several principles and implementation measures common for the entire programme. It applies a new approach to addressing these problems based on the following outstanding principles: impact on national policy; thematic priorities; partnership principle; innovativeness; equal opportunities and international cooperation.

International cooperation should be developed so as to create value-added for the participating development partnerships and tasks performed by them. Each development partnership should establish close cooperation with at least one development partnership in another Member State of the European Union. Implementation of the EQUAL programme is based on the general rule – cooperation with other development partnerships. International cooperation calls for preparing, comparing and testing ideas, methods and measures. This activity can take the form of joint seminars, training, development of joint products, exchanges of experts and project managers as well as hiring of experts.

Development partnerships, which will be selected for participation in stage one, will be supported in finding and selecting international partners. Selected development partnerships will be able to use the European database administered by the European Commission. The database will comprise data about development partnerships from other Member States of the European Union. Having found a partner (-s), the development partnership will have to sign the agreement on international cooperation.

Lithuania, likewise all countries of the European Union, in implementing the European Communities EQUAL initiative, aims at promoting new methods and practices (also including cooperation of different organisations of the EU Member States) in combating discrimination and exclusion in the labour market. Part of the programme is devoted to preparatory measures aimed at the integration of asylum seekers into the society or helping them to return to their countries of origin.

Lithuania is pursuing the common goal to create labour market free from discrimination through establishment of equal opportunities and equality. Such labour market respects competences of all people irrespective of their sex, age and sexual orientation or disability.

Having created and tested innovative measures, good practices will be disseminated in order
to enable all organisations responsible for tackling unemployment problems to apply these methods. The term of “innovation” should also be understood in the national context, i.e. Lithuania might consider as innovative the practices that are common in other countries, if Lithuania has not tested them yet.

2.9.4. EQUAL themes in Lithuania

At the European level EQUAL supports nine thematic priorities. On recommendation of the Commission the Member States were free to select two out of eight themes. The ninth theme “Helping the integration of asylum seekers” is mandatory for all Member States.

In observance of analysis of inequality and discrimination in the labour market, identification of employment policy priorities of Lithuania and EU and having regard to the results of consultations with institutions and organisations concerned, Lithuania selected the following priority themes of support:

Theme A
Facilitating access and return to the labour market for those who have difficulty integrating or reintegrating.

According to Theme A the following objectives will be implemented:

Objective 1. Increasing access to the labour market combating discrimination faced by social risk groups and promoting equality.

Objective 2. Establishment, testing and adaptation of support mechanisms for integration or reintegration into the labour market.

Theme G
Reconciling family and professional life, as well as the reintegration of men and women who left the labour market, by developing more flexible and effective forms of work organisation and support services.

Objective 1. Developing and testing family and professional life reconciliation measures.

Objective 2. Creating possibilities to interrupt one’s professional career and supporting reintegration into the labour market.

Theme I
Helping the integration of asylum seekers.

2.9.5. Target groups

Having regard to the general economic context and employment analysis provided in the EQUAL Single Programming Document, the main groups which face inequality and have difficulty integrating into the labour market:

- disabled;
- pre-pensioners;
- youth;
- ex-offenders;
- drug addicts;
- ethnic minorities;
- people of untraditional sexual orientation;
- women (with a view to strengthening their position in the labour market and enforcing the principles of gender equality);
- long-term unemployed;
- victims of trafficking in people;
- asylum seekers.

Project activity may cover one or more aforementioned target groups. It should be noted that the list of target groups is incomplete.

2.9.6. Who is eligible to file applications?

All legal persons operating and registered in the Republic of Lithuania are eligible to file applications: public entities, regional or local authori-
ties, agencies, institutions and enterprises subordinate to public, regional or local authorities, social partners, NGOs, private business enterprises and non-profit organisations.

Application for obtaining EQUAL financing must be filed by at least three partners who will form a development partnership and undertake to participate in its activities.

Application on behalf of the development partnership is filed by one of the partners – the principal applicant. However, the application must be signed by all partners willing to set up the development partnership.

2.9.7. Financing of European Communities EQUAL initiative

For the purpose of implementing the European Communities EQUAL initiative in Lithuania the budget of EUR 15,82 million is provided for the 2004-2006 programming period which comprises EUR 11,87 million appropriations from the European Social Fund and EUR 3,95 million of the national co-financing. The national co-financing is allocated from the State Budget, therefore the funds of the European Communities EQUAL initiative can be used for the financing of all project costs, i.e. 100 per cent, with appropriations from the European Social Fund accounting for 75 per cent and the national co-financing – for 25 per cent.

Recommended average project amount EUR 400 000 – 500 000.

Therefore, appropriations from the EU Structural funds in the field of social security and labour are allocated for promoting employability and labour market integration of unemployed individuals with a view to contributing to unemployment reduction and preventing long-term unemployment, reducing social exclusion, carrying out its prevention and guaranteeing equal opportunities in the labour market.
The State Social Insurance Fund finished the year 2003 without budget deficit. This is a favourable precondition for discharging the assumed obligations and reducing the State Social Insurance Fund budget debts accumulated during the previous years. As a result of improved economic situation of the country, Sodra budget revenues already for the second consecutive year (2003) exceed budget expenditures. 2002 budget revenues exceeded expenditures by LTL 109 million, in 2003 – by LTL 183 million.

During 2003, Sodra budget received about LTL 4840,8 million revenues, i.e. by LTL 71,7 million more than planned. The largest share – 98,3 per cent of the total revenues or LTL 4759,7 million, comprised compulsory social insurance contributions of the insurers and the insured, exceeding planned revenues by LTL 174,5 million. Social insurance contributions of self-employed individuals accounted for LTL 55,6 million. Their amount was by LTL 1,7 million larger than envisaged. (Self-employed individuals were allowed to pay by November 2003 contributions for the supplementary part of the pension from income declared in 2002).

During 2003, Sodra budget expenditures stood at LTL 4659,8 million, i.e. were by LTL 18,1 million smaller than planned. The 2003 amount of actual monetary expenditures was increased by amounts of repaid loans and funds intended for establishment of uniform payment procedure, as well as by amounts of reduction of other credit obligations. Therefore, in 2003, the State Social Insurance Fund budget revenues exceeded incurred monetary expenditures by mere LTL 28 million.

Estimated pension insurance expenditures attributable to the year 2003 were lower than planned amount of LTL 21,5 million, and compared with the respective period of 2002, went up by LTL 203,2 million. Expenditure increases were as follows: after having lifted pension limitations previously imposed on employed pensioners expenditures increased by almost LTL 84,6 million, the growth of base pension increased expenditures by nearly LTL 80,1 million, recalculation of small pensions – by about LTL 22,8 million, and as a result of the increase in the current year’s insured income from 1 July 2003 up to LTL 901 – expenditures augmented by LTL 15,7 million.

Sickness and maternity social insurance benefits calculated during 2003 were by LTL 6,7 million smaller than planned. Calculated amount of unemployment insurance by LTL 7,2 million ex-
ceeded the amount envisaged. Amount used for payment of occupational accidents and occupational diseases social insurance benefits was by LTL 3.7 million smaller than projected. Calculated transfers to the compulsory health insurance fund by LTL 10.8 million exceeded the envisaged amount.

During 2003, Sodra budget revenues by LTL 183,0 million exceeded estimated monetary expenditures (revenues were forecasted to exceed expenditures by LTL 0.8 million).

Sodra budget approved for the year 2004 was non-deficit. In 2004, Sodra budget revenues are expected to reach LTL 5,250 billion, and expenditures – LTL 5,227 billion. The forecasted number of insured individuals for the year 2004 was LTL 1,316 million, or 70.7 per cent of the country’s population able to work. It was planned that 87 per cent of all insured will benefit from all types of social insurance.

Pension allocations in Sodra budget for 2004 accounted for 73.2 per cent, or LTL 3,827 million, of total expenditures. It is expected that in 2004 there will be 618 thousands of old age pensioners. This figure is by 0.7 per cent smaller than in 2003. According to the forecasts, the average old age pension in 2004, compared with 2003, will go up by some LTL 23.27 and eventually will amount to LTL 365.37.

It was projected that 7.7 per cent, or LTL 402,919 million, of the total expenditures of Sodra will be allocated for payment of sickness and maternity social insurance benefits. It was forecasted, that the average number of paid sickness days per capita will not change as compared with 2003, and in 2004 will be 5.07 days.

For the purpose of Sodra budget it was planned that only about 300 thousands of insured individuals will participate in pension accumulation funds. In view of such projections, Sodra planned to incur loss of about LT 110 million; whereas Sodra budget allocations planned for covering losses amount to LT 55 million. Additional LT 55 million for the financing of the new pension accumulation system will be allocated to Sodra from the State Budget. However, active participation of the insured in the new pension system (440 thousands of individuals) by the end of 2003 allowed to believe that unearned revenues of Sodra, which will be transferred to the private pension funds, will exceed projected amount. Therefore, these changes were taken into account in amending budget of Sodra for 2004. The amending budget of Sodra envisaged allocating from the State Budget the amount of LT 89,45 million, instead of LT 55 million.

Payment of advance old age pensions is envisaged as from 1 July 2004. According to the forecasts these pensions should be paid to about 14.9 thousands of individuals. The amount of LT 26,512 million is planned for payment of these pensions in 2004.

3.2. POLICY IMPLEMENTATION IN THE FIELD OF SICKNESS AND MATERNITY SOCIAL INSURANCE

In the beginning of 2003, the Seimas established that individuals dismissed from work due to enterprise bankruptcy or liquidation qualify for receiving maternity social insurance benefit for the period of pregnancy and childbirth leave and maternity (paternity) benefit for childcare leave.

The Law on Sickness and Maternity Social Insurance approximated with the provisions of the Enterprise Bankruptcy Law stipulates that maternity and maternity (paternity) benefit should be paid to women dismissed from work during pregnancy as a result of enterprise bankruptcy or
liquidation, also other individuals dismissed from work due to enterprise bankruptcy or liquidation and therefore deprived of the possibility to take a childcare leave until the child reaches the age of one year. These benefits shall be allocated and paid only to those individuals who have sickness or maternity social insurance period of the established duration.

In mid-2003, amendments to the Law on Sickness and Maternity Social Insurance and the Law on State Social Insurance Pensions were referred to the Seimas for consideration, offering to start paying sickness benefits from Sodra funds from the first day.

According to the applicable procedure, the employer shall pay sickness benefit for the first two days of disability to individuals who are temporarily deprived of workability. Sodra commences payment of sickness benefits only from the third day of disability.

Initiators of amendments to this Law believed that it is additional social insurance payment which complicates business conditions and competitiveness, because it requires quite large additional costs. Whereas the established global practice of social insurance shows that there is no such country in which employees do not receive any sickness benefits from their employer.

If employers are not bound by payment of sickness benefits, in such situations when there is no work or in order to save enterprise money employers would encourage their employees to go on sick leave for a couple of days on account of Sodra. When employer is financially interested in controlling morbidity of employees, the latter don’t dare to take a chance and pretend sick to earn money elsewhere or to have a rest.

According to the data of Sodra for 2002, insured individuals did not work on average for 7,06 days due to sickness, including two disability days compensated by the employer covering about 28,3 per cent of the employee’s disability period.

As estimated by initiators of the Draft Law, employers annually pay about LTL 75 million for the first two disability days. The Tripartite Council comprising representatives of the Government, employers and trade unions organisations disagreed extending up to 5 days the term of payment of sickness benefits from employer’s funds, when consideration this possibility in the Tripartite Council some two years ago.

In mid-2003, the Government submitted to the Seimas for deliberation amendments to the Law on Sickness and Maternity Social Insurance aimed at increasing payable maternity, maternity (paternity) benefits providing for the possibility to pay maternity, maternity (paternity) benefits to individuals whose wage exceeds 3,5 insured income amounts of the current year, if the amount maternity, maternity (paternity) benefit depends upon such income.

In observance of applicable provisions, the average compensated wage of the recipient of the maternity, maternity (paternity) benefit used for calculating such income may not exceed 3,5 insured income amounts of the current year approved by the Government. The Ministry of Social Security and Labour proposed to increase this threshold to 5 insured income amounts of the current year.

Maternity (paternity) benefit paid to eligible individuals accounted for 60 per cent of the amount of compensated wage of the benefit recipient. Therefore it was proposed to increase this amount up to 65 per cent. Applying insured income of the year 2004 (LTL 901) it was forecasted that Sodra will need about LTL 15,7 million for payment of increased benefits.

However, after prolonged discussions and deliberations, the Seimas decided to increase only maternity (paternity) benefits from 60 to 70 per cent without lifting the threshold of 3,5 insured income amount used for calculating such benefits. This procedure came into effect as from 1 March 2004.
3.3. CHANGES IN SOCIAL INSURANCE OF OCCUPATIONAL ACCIDENTS AND OCCUPATIONAL DISEASES

By the end of 2003, a new version of the Law on Social Insurance of Occupational Accidents and Occupational Diseases was passed. This Law establishes that individuals benefiting from social insurance of occupational accidents and occupational diseases will qualify as recipients of insurance benefits regardless of the fact that their occupational disease was recognised after dismissal from work. Moreover, an accident will also be recognised as insurance event in cases where an employee having received a notice of termination of his employment contract was looking for a job after working hours and received remuneration for that period.

The newly adopted Law regulates the procedure of recognition of insurance events in more clear and stringent manner, approximating provisions of compulsory social insurance of occupational accidents and occupational diseases with documents establishing labour relations and conditions. The Law also aims at strengthening motivation of employers and employees and their responsibility for guaranteeing and observing safe working conditions and investing funds for the prevention of occupational accidents and occupational diseases.

The Law envisages to recognise as insurance events occupational accidents occurring at a workplace and while being solely engaged in work specified in the employment contract. The presently applicable law does not contain clear provisions pertaining to occupational accidents occurring when being engaged in other work on employer’s instruction or working in the workplace after business hours or on days off, etc.

The provision of the previously applied Law which stipulates that a person who has contracted an occupational disease qualifies for payment of benefit only if on the day of establishment of the occupational disease he is able to work, was too stringent and restricted the rights to receive benefits.

The new version of the Law more precisely defines occupational accidents and occupational diseases that qualify as insurance events. The new version of the Law is more precise about establishing application of insurance to work on days off, holidays and missions.

For the purpose of stimulating employers to pay more attention to working conditions of employees, the newly adopted Law provides for differentiated tariff of occupational accident social insurance contributions. This tariff will be set for each insurer having regard to the number and degree of occupational accidents occurring in the given workplace. Enforcement of the provisions of this Law regulating tariffs of occupational accident social insurance contributions is pending on 1 January 2005.

By virtue of the adopted Law, insurance benefits in cases of chronic occupational disease will be calculated from income earned during the period before establishment of the occupational disease. Coefficients of individual insured income applied in computing social insurance pensions are proposed for the calculation of these benefits.

3.4. PENSION SYSTEM CHANGES

Increase of small social insurance old age and disability pensions as from 1 January 2003.

The Law amending and supplementing certain Articles of the Republic of Lithuania Law on State Social Insurance Pensions passed on 10 December 2002 was enacted as from 1 January 2003. From this date small (up to LTL 325) social insurance old age and disability pensions were increased to recipients who have the service record of sufficient length.
For the purpose of increasing small social insurance old age and disability pensions as from 1 January 2003 the two main criteria were taken into account:

1. the amount of pension received by the individual (for those receiving more than one pension – sum total of all such pensions, i.e. adding up all pensions received and afterwards deciding whether or not the resulting sum is small). The pension (or sum total of more than one pension) no larger than LTL 325, i.e. smaller than the average old age pension paid in Q4 2002 was recognised as a small pension;

2. the total duration of service of the person, because short service record also can be the reason for receiving small pensions. Old-age pensions were increased only for persons who have insurance (service) period of at least 25 years acquired before 1 January 1995, i.e. enactment of the Law on State Social Insurance Pensions. Such decision is reasonable, because the main purpose of increasing pensions was to increase pensions to those individuals who have insurance period of sufficient duration but receive small pensions. The great majority of such people in the soviet times worked in the spheres of agriculture, culture, education or health care, receiving unreasonably small wages.

Having regard to the specifics of allocation of disability pensions (insurance period requirements are set according to the age of people), disability pensions were increased applying insurance period requirements different from those applicable to old age pensioners.

Pensions (disability and old age) assigned without having acquired the compulsory insurance period (the so-called partial pensions) were not increased.

Increase of such pensions was discussed in the Council of Pensioners Affairs at the Ministry of Social Security and Labour. Proposal to take into account the acquired insurance period was given by pensioners.

Increase of small pensions covered one third of all old age and disability pension recipients: about 255,5 thousands of individuals out of nearly 800 thousands of pension recipients. The average pension increase was LTL 8.

**Increase of social insurance pensions as from 1 March 2004**

Another increase of small old age and disability pensions took place from 1 March 2004. The main purpose of increasing both, the old age and disability pensions from 1 January 2003 as well as from 1 March 2004 was to support low-income pensioners. Therefore, the increase enforced as from 1 March 2004 again affected old age and disability pensions smaller than LTL 325 (for recipients of more than one pension the total sum of all pensions smaller than LTL 325). Such decision resulted in a more considerable increase of the smallest old age and disability pensions. Procedure of the second increase of small pensions was the same, i.e. these pensions were increased according to the formula already enforced by virtue the Law on Pensions. However, conditions for increasing pensions were slightly amended. Insurance period requirements established for the increase of pension were reduced: old age pensions were increased to those individuals who before 1 January 1995 worked under employment contracts and have acquired on the grounds of membership or service: at least 25-year insurance period in case of men and at least 20-year insurance period – in case of women. Therefore, the reduced insurance period requirement in order to make the old age pension received by the individual eligible for increase was applied to women. Such decision is reasonable, because pensions are increased for insurance period acquired before 1 January 1995. Before that date women and men were subject to dif-
ferent insurance period requirements to become eligible to full amount of the old age pension: for men – 25 years, for women – 20 years. In view of the above, it was decided to apply these insurance period requirements to increase the smallest old age pensions in 2004. Moreover, the amount of maximum pension increase was established larger, also stipulating that individual pension increase may not be less than LTL 1. This decision facilitated in avoiding the cases when pensions are increased only by several cents.

The increase of the smallest old age and disability pensions was different. The increase of smaller pensions was larger, and that of larger pensions – smaller. Attempts were made to maintain certain differentiation of pensions. Social insurance pensions should not be equal to all individuals, they should depend upon the former wage and compulsory social insurance period – people who used to pay larger contributions should continue to benefit from payment of larger pensions. Pensions allocated without having the compulsory insurance period (so-called partial pensions) were not increased.

Additional appropriations of about LTL 32 million from SSIF budget are envisaged in 2004 for increasing the smallest old age and disability pensions.

Social insurance orphans’ pensions were also increased as from 1 March 2004 (from 25 to 30% of the amount of pension to which the diseased was, or could have been, entitled). For this purpose allocations of LTL 5 million are planned from SSIF budget.

**Other Changes in the Field of State Social Insurance Pensions**

By virtue of amendment to the Republic of Lithuania Law on State Social Insurance Pensions enforced on 10 December 2002, as from 1 January 2003:

1. disabled individuals who have worked 3 years after allocation of the disability pension become eligible to repeat allocation of the disability pension on the basis of new data about insurance period and wage (earlier such right was enjoyed only by old age pensioners);

2. widows (widowers) growing children of the diseased person benefit from extended duration of payment of social insurance survivor’s pensions. Previously these persons received survivor’s pensions until children reached the age of 18. As from 1 January 2003, widows (widowers) growing children of the diseased person who study at general education and vocational schools are paid survivor’s pensions until children graduate from such schools, but no longer than until they reach the age of 19;

3. guardians raising children of the diseased person age under 18 are entitled to survivor’s pensions (previously survivor’s pensions were paid only to guardians raising children of the diseased person age under 14).

The new procedure of payment of old age and disability pensions was approved as from 1 November 2003. On 29 October 2003, the Government passed Resolution No. 1343 establishing that old age and disability pensions which were (are) allocated after 1 January 1995 (after enforcement of the Law on State Social Insurance Pensions), as well as pensions allocated before this date should be paid for the current month. The new procedure of payment of old age and disability pensions (for the current month) applies to unemployed recipients of these pensions. Employed individuals continue to receive these pensions for the previous month. Having stopped working, payment of old age or disability pension for the current month is commenced from the first day of the month following the month during which a person stopped working. Therefore, unemployed recipients of old age or disability pensions who previously received
pensions for the previous month were concurrently paid pensions due for November and December. In December 2003, about 300 thousands of individuals received two pensions. The new pension payment procedure required over LTL 100 million of additional expenditures from SSIF budget.

On 18 November 2003, the Seimas of the Republic of Lithuania passed the Law on Advance Payment of State Social Insurance Old Age Pensions, No. IX-1828 (enacted on 1 July 2004).

The main purpose of this Law is to support unemployed pre-pensioners through payment of advance pensions to them.

Advance old age pensions are allocated to individuals who on the day of applying for this pension satisfy all of the following conditions:

1) have reached the age which is by five years younger than the established old age pension age (men – 57.6 years, women – 55 years);
2) have pension insurance period of 30 years (this requirement corresponds to the compulsory insurance period for receiving full amount of the old age pension);
3) during the last 12 months before application for advance old age pension in the manner established by laws were enrolled as unemployed with territorial labour exchanges of the Lithuanian Labour Exchange;
4) don’t receive any other pensions, a regular pension-type payment depending upon nature of individual work, e.g.: compensations for exceptional working conditions, social compensation, unemployment benefit, or any other benefits;
5) individuals, other than those who are employed under employment contract, on the grounds of membership or service; or are owners of individual enterprises; or are engaged in other individual business; or other than individuals possessing business certificates; also other than farmers or partners of holdings thereof;
6) satisfy other conditions established in the Law on State Social Insurance Pensions for receiving the old age pension, excluding the requirement for the retirement pension age.

Women who gave birth and raised five and more children until they reached 8 years, also individuals who for at least 15 years nursed at home their disabled children or children attributed to disability Groups I or II recognised as individuals disabled from childhood, or totally disabled, receive advance pensions if such women or individuals nursing the disabled have at least 15-year pension insurance period and satisfy other conditions specified above.

In observance of the provisions of the Law on Advance Payment of State Social Insurance Old Age Pensions, advance old age pensions are calculated likewise social insurance old age pensions and reduced by 0.4 per cent for each entire month remaining until retirement age of the individual. Such reduced pension should be paid to individuals both, before and after reaching the retirement age.

In 2004, about LTL 26.5 million will be additionally required from the State Social Insurance Fund budget for allocation and payment of advance old age pensions.

Reorganisation of the system of social pensions

In the end of 2003 the Draft Law on Amendments to the Law on Social Pensions was deliberated. The Seimas of the Republic of Lithuania passed this Law on 20 January 2004. Amendments to the aforementioned Law came into force on 1 April 2004.

From the aforementioned date:

1. the amounts of social pensions paid to disabled children were differentiated according to the degree of disability of such children, whereas social pensions to disabled children suffering from serious disability were increased twice;
2. Conditions restricting the right of disabled young persons to social pensions were lifted (the requirement at the time of recognition of disability to be a pupil, student, or unemployed enrolled with Labour Exchange, etc.). Social pensions are allocated to all individuals recognised as disabled until they reach the age of 24 (in separate cases – the age of 26), provided they are not entitled to social insurance disability pensions or state pensions;

3. Social pensions were increased to individuals attributed to disability Groups I, II or III until they reach the age of 24 (in separate cases – the age of 26), including individuals disabled since childhood;

4. The right to receive social pensions was granted to orphaned children not eligible to social insurance orphan’s pensions because their diseased parents (one of the parents) had not acquired the compulsory pension insurance period;

5. Social pensions allocated according to pensions laws applicable before 1 January 1995 were indexed according to the ratio of amounts of the newly approved pension and the base pension applied before approval. It means that those pensions, which have not been increased since 1994 (at present they are paid in the amount of December 1994) will grow after approval of the new base pension amount.

3.5. INCREASE OF SOCIAL INSURANCE AND SOCIAL BENEFITS

When in the beginning of 2003 the Government approved insured income in the amount of LTL 886 for the year 2003, it did not reject the possibility of their revision. Therefore, as from 1 July 2003, the insured income of the current year was increased from LTL 15 to LTL 901. Having increased the insured income of the current year, old age, disability and orphans’ pensions were increased as well as pensions for the duration of service and survivor’s pensions allocated according to the previously applied pension laws. Insurance benefits and compensations paid by Sodra in case of sickness, maternity (paternity), occupational accidents or occupational diseases the amounts of which are linked with the amount of the current year’s income were also increased.

Insured income are used for calculating pensions together with other indicators of the individual’s pension, and in the first instance, with his insurance period and income coefficient. Therefore, the increase of pensions depends not only upon the growth of insured income, but also upon the insurance period and income. In 2003 Sodra spent LTL 15.8 million for the increase of insured income.

In addition, the improving condition of the State Social Insurance Fund budget allowed increasing the state social insurance base pension from LTL 147 to LTL 152.

The increase of base pension and insured income in 2003 touched all beneficiaries of social insurance pensions (about 844 thousands of individuals), of whom about 608 thousands of old age pension recipients, 199 thousands of disabled and 37 thousands of orphans.

Moreover, the increase of base pension involved about 52 thousands of recipients of social pensions and social compensations. Amounts of these benefits paid to disabled children, individuals disabled from childhood, individuals nursing the disabled and women raising many children, are also linked with base pension. Social benefits paid to totally disabled individuals were also increased (11 thousands of recipients).
As from 1 April 2004, base pension was again increased by LTL 20.

As from 1 July 2004, increased nursing benefits are paid to totally disabled individuals (from the amount of base pension to 1.25 base pension, and from 1 January 2005 – up to the amount of 1.5 base pension).

### 3.6. OTHER CHANGES IN SOCIAL INSURANCE POLICY

From April 2003, farmers are no longer required to obtain compulsory social pension insurance cover. They are free to decide, whether or not to participate in social insurance and to obtain voluntary insurance. Such decision was legalised by the Seimas upon adoption of Amendments to the Laws on the Farmer’s Holding, State Social Insurance and the Structure of the State Social Insurance Fund Budget.

Feeling sceptical about this provision, some members of the Seimas feared that in future farmers will not receive old age pensions. It is possible, that farmers will not hurry to obtain voluntary insurance cover. Being able today to save about LTL 70, in future they might be left without any pension.

The Ministry of Social Security and Labour also recognises that farmers who do not pay contributions and do not obtain voluntary insurance will not acquire the social insurance period and the right to social insurance disability or old age pension. Therefore, it is likely that the number of individuals eligible to social support will grow because of farmers.

The State Social Insurance Law amended in the end of 2003 established that spouses of professional military servicemen temporarily residing abroad but not working there will be provided with compulsory state social insurance from the State Budget. They will be insured only until expiration of the term of military service abroad of their spouse – military attaché or employee of Lithuanian Embassies at the international military organisations. Compulsory state social insurance to spouses of professional military servicemen temporarily residing abroad but not working there will commence as from 1 January 2004.

In mid-2004, the Government submitted to the Seimas for deliberation the new version of the Law on Social Insurance. On the initiative of the Ministry of Social Security and Labour and the Ministry of Culture, the Law contains provisions on granting the right to the creators of art to pay only part of the contribution to Sodra, covering the other part from the State Budget, when the amount of earned annual income of these individuals is less than 12 minimum monthly wages (in 2003, this amount stood at LTL 5 160). The Draft Law proposes that individuals engaged in individual creative work or performance should obtain insurance cover for base pension only if the amount of their income calculated from taxable income estimated according to the Law on Income Tax of Individuals by deducting the amount of income tax of the taxable year is equal or exceeds 6 minimum monthly wages. Individuals who have acquired the status of the creator of art, whose annual amount of income is less than 12 minimum monthly wages, in the manner established by the Government will have the right to pay part of the state social insurance contribution. The other part of the contribution will be paid from the State Budget. According to the data of the Ministry of Culture, in 2003 about 1,3 thousands of artists worked under author’s contracts or...
did not receive any regular income and did not pay social insurance contribution.

In 2004, the Seimas enforced the new system of unemployment insurance, according to which the amount of unemployment social insurance benefit will depend upon service record. The Law on Unemployment Social Insurance which will be enforced since 2005 envisages increasing insurance benefits and relating them with the previous wage, also reducing from 24 to 18 months the required compulsory service record of the last three years for receiving unemployment insurance benefit. More information about innovations of this type of social insurance is provided in Chapter 2.

### 3.7. APPLICATION OF SOCIAL INSURANCE CONTRIBUTIONS TO MISSION EXPENSES

In the beginning of 2003, the Government adopted the decision according to which employees whose employment contract establishes that their work is related with journeys, but mission expenses are not compensated to them, will be entitled to receive compensations for extra costs resulting from nature of their work – up to 50 per cent of monthly wage or tariff payment for actually worked hours.

This compensation, however, may not exceed the standard amount of daily subsistence allowances for business trips abroad approved by the Ministry of Finance for individuals working abroad, or the standard amount of daily subsistence allowances for official missions in Lithuania. The particular compensated amount of extra costs should be established in the collective agreement or employment contract and paid out to employees together with wages.

Employees whose mission expenses are not compensated receive such payments. The latter are excluded from the employee’s average wage and are not subject to deduction of social insurance contributions. Moreover, the income tax of individuals is not levied on these compensated payments.

In September 2003, the Government supplemented the applicable mission expenses’ deduction procedure with the provision according to which taxes shall not be levied on daily subsistence allowances if their sum total per month does not exceed 50 per cent of the employee’s wage. Taxes on the amount exceeding this sum will be levied in accordance with the same procedure likewise other labour relations-related income.

These measures were taken with a view to precluding tax evasion, distortion of competition, and also having regard to observations of businessmen. It is expected that this amendment will clearly regulate the amounts of tax-exempt daily subsistence allowances and eliminate the presently existing incentive instead of normal wages to pay to employees’ tax-exempt daily subsistence allowances also called mission expenses.

Analysis of evasion of certain taxes carried out by the Ministry of Finance revealed that in order to avoid payment of income tax of individuals enterprises establish the systems of wages in which the larger part of wage comprises tax-exempt daily subsistence allowances.

Data provided by tax administrators show that in certain enterprises daily subsistence allowances account for 90 per cent of employees’ income. Analytical work performed by tax administrators revealed that daily subsistence allowances have become one of the most widespread forms of “shadow” wages, a certain variation of wages paid in “envelopes”. Such manipulation with different forms of wages, which do not correspond to the nature of work, incurs losses on the State, munici-
“shadow” activity of enterprises evading taxes, which are otherwise paid by other business entities, distort competitive environment and deteriorate the status of fair businessmen. On the other hand, the interests of recipients of “shadow” wages are also infringed, because amounts of social insurance contributions depend only upon taxable wage.

3.8. DISCUSSIONS CONCERNING ESTABLISHMENT OF CEILINGS ON SOCIAL INSURANCE CONTRIBUTIONS

In 2003, discussions concerning limitation of income from which social insurance contributions are calculated were again resumed. On the initiative of the Lithuanian Confederation of Industrialists, proposals were submitted to the Government and the Seimas to discontinue calculation of contributions to Sodra from wages exceeding the amount of five average monthly wages of the country (over LTL 5 thousands).

Implementation of this proposal as from 1 July 2003 was hardly feasible, because planned revenues of Sodra budget, likewise planned budget surplus, were allocated for increasing small pensions and for discharging the Constitutional Court’s obligation to pay full pension to employed pensioners. Establishment of ceiling in 2004, after commencement of the pension reform, might seriously affect Sodra budget. Meanwhile, investors’ representatives and tax experts of private companies believe that in the long run the State will benefit from this limitation of social insurance contributions. In their opinion, this measure is likely to reduce emigration of large numbers of young people and they will stay in Lithuania, and employers will not have to look for other ways how to cancel part of wages. This will increase Lithuania’s competitiveness, because such limitations are already applied in many neighbouring countries. The analogous limitation of contributions was already applied in Lithuania in 1999, however, under influence of Russian crisis in 1998-1999 it was refused.

3.9. THE PROBLEM OF REALLOCATION OF SOCIAL INSURANCE CONTRIBUTION TARIFF AS A RESULT OF THE PENSION REFORM

In the beginning of 2003, the Tripartite Council was deliberating the possibilities of reallocation of the tariff of Sodra contributions. The final reallocation of the tariff of Sodra contributions – reducing the employer’s share by 3 per cent and increasing the employee’s share by the same amount – depends upon agreement of social partners within the Tripartite Council. The settlement of this matter is rather complex, because opinions of social partners differ or are controversial – employer’s representatives agree with reallocation of the tariff, whilst trade unions oppose transferring the tax burden on the employee’s shoulders. If 3 per cent tariff is increased, the employee will have to pay larger amount from his wage. Meanwhile, if the employer fails to respectively increase the wage, the employee’s wage will reduce. This is the problem to be settled between trade unions and employers’ organisations.

Tariff reallocation is related with the pension reform launched in 2004, according to which the insured’s contribution to the pension accumulation system accounting for 2.5 per cent of wage will be
gradually increased by 1 per cent every year until it reaches 5.5 per cent in 2007.

The Ministry of Social Security and Labour proposed to establish that pension accumulation contribution is part of the insured's contribution tariff, and as a result until the year 2007 the share paid by the insured to Sodra should be increased from 3 to 6 per cent, adding to it 1 per cent every year and respectively reducing the contribution share paid by the employer from 31 to 28 per cent in 2007. The tariff of contribution paid to Sodra will remain equal to 34 per cent.

The Tripartite Council decided to continue discussions on allocation of the state social insurance contribution tariff in the Standing Commission on Wages and Salaries.

### 3.10. ORGANISATIONAL CHANGES OF SODRA AND IMPROVEMENT OF ITS ACTIVITIES

In 2003, organisation of the main fields of Sodra activities was improved. With a view to guaranteeing effective work of Sodra, the State Social Insurance Fund's vision and strategic goals were prepared, organisational structure of Sodra and customer servicing was improved, management of processes and finances was optimised, and the general management of the system was improved. When the State Tax Inspectorate took over part of the functions pertaining to the collection of social insurance contributions, the State Tax Inspectorate and Sodra signed agreements on the provision of data and obtaining information from the State Tax Inspectorate.

In 2003, the information system was further developed. In observance of legislative amendments and information needs of Sodra, more than 100 units of IS software were replaced during 2003. Great attention was also paid to the management of the records on insurers and registration of the insured. Compulsory State Social Pension Insurance Regulations have been developed or amended with regard to unemployed spouses of civil servants during the period of their stay abroad together with the civil servant working on diplomatic or consular missions of Lithuania; Regulations on Application for State Social Insurance Pensions by Unemployed Parents, or Parents Who are not Granted a Childcare Leave and Grow Children Aged under Three Years; Regulations on the Provision of Data About Childcare Leave Granted to Parents until Children Reach the Age of Three Years; Regulations on Enforcement of Compulsory State Social Pension Insurance of Parents during Childcare Leave until Children Reach the Age of Three Years, if during that period Parents don’t Receive Insured Income and on the Calculation of State Budget Funds Necessary for Parents Granted a Childcare Leave until Children Reach the Age of Three Years, if during that Period Parents don’t Receive Insured Income; Regulations on Submission of Information about Allocation of Annual Amounts of Income of Individual Enterprises and Partnerships Road Owners (Co-owners) and on Completion of Form 3c-SD; Regulations on Continuous Issuance of the State Social Insurance Certificate.

In 2003, with a view to improving customer servicing, the drafting of the Customer Servicing Statute, the Customer Servicing Standards and the System of Evaluation Indices in Territorial Divisions of the Fund Board was commenced. The development of the Customer Servicing Strategy was also started.
During 2003, Sodra Internal Audit Service carried out 28 audits, of which 9 audits of annual financial reports of territorial divisions and financial audits of 16 territorial divisions. 3 audits of activities were conducted in the Fund Board. Audit material is summarised and submitted to the audited division and management of Sodra alongside recommendations to eliminate irregularities and proposals on how to improve operating efficiency and prevention of irregularities.

Since 2003, the Internal Audit Service is engaged in determining feasibility of manifestations of corruption in Sodra. In addition, the Manual of Financial Audit of Sodra Territorial Divisions was prepared. The Manual deals with preparation, execution and classification of internal audit working documents in observance of international internal audit standards and experience of global external audit companies.

3.11. ACCUMULATION OF PENSIONS
(INTRODUCTION OF ACCUMULATION OF PART OF THE STATE SOCIAL INSURANCE CONTRIBUTION)

On 3 December 2002, the Seimas of the Republic of Lithuania adopted the Law on the Pension System reform, and on 4 July 2003 the Law on the Accumulation of Pensions and the Law on the Supplementary Voluntary Accumulation of Pensions, defining conditions of participation in the accumulation of pensions. These Laws establish that each permanent or temporary resident of Lithuania who is employed and has full social insurance or at least full social insurance pension cover, is free to choose participation in the accumulation of pensions. 

Having selected participation in the accumulation of pensions and signed the agreement with the pension accumulation company, as from 1 January 2004, part of social insurance contributions allocated for the old-age pension is transferred to the individual account with the pension fund of the selected pension accumulation company. In order to minimise the impact of the pension system reform on balancing the budget of the existing pension system the cumulative share of pensions will be gradually increased: in 2004 – by 2,5 per cent, in 2005 -3,5 per cent, in 2006 – 4,5 per cent and as from 2007 – 5,5 per cent from gross wage. Every year from 1 January till 1 July individuals who don’t participate in the accumulation of pensions may join it from 1 January of the next year. Individuals who choose participation in the accumulation of pensions have no right to leave it remaining solely with the system of social insurance.

The State Social Insurance Fund (SODRA) transfers pension accumulation contributions to the account of the selected pension fund: a pension accumulation company, which concludes agreements on accumulation of pensions, is obligated to register such agreements in Sodra. Social insurance contributions transferred by the employer (or owner of a sole proprietorship) are reallocated in Sodra – the fixed part of contributions is directed to the individual’s account with the pension fund selected by him (her), but when a person reaches retirement age the supplementary part of the old-age pension paid by Sodra will be reduced by a respective portion for the pension accumulation period. Therefore being deprived of part of the presently received contributions Sodra reduces its future commitments regarding the old-age pension amount. Resulting changes of Sodra
budget were discussed in the Social Report for 2001.

Under exclusive procedure established for 2003 – the first year of the pension system reform – by 1 December 2003 individuals could choose participation in the accumulation of pensions as from 1 January 2004. In July – August 2003 pension accumulation companies were busy with founding arrangements and registration of pension funds regulations, therefore, they started registering the first pension accumulation customers only in September 2003. Throughout the entire period of the first stage of signing the agreements the number of pension accumulation participants concluding agreements per day kept gradually increasing. This can be explained by active promotional activities of the pension accumulation companies and human inclination to postpone important decisions or works (until the last day). During the last days of November 2003, i.e. before the end of the aforementioned stage, the number of individuals concluding pension accumulation agreements in one day reached 25 thousands. (See Chart 3.11.-1)

During the first stage of accumulation of pensions 441 755 agreements were concluded, i.e. 36.6 per cent of the total number of individuals paying social insurance contributions. The largest numbers of pension accumulation agreements were concluded in the largest towns, however, the intensity of entry into these contracts was not the same in the country’s regions given the ratio of the number of pension accumulation agreements to the number of employed individuals (See Chart 3.11.-2). The most active in terms of concluding pension accumulation agreements were Vilnius, Alytus, Kėdainiai, Anykščiai, Joniškis and Skuodas districts. Such distribution of the reference amount of pension accumulation agreements correlates with the distribution of the workforce activity level (correlation coefficient is +0.26) and also reflects activity of pension accumulation companies and their agents in districts with regard to concluding pension accumulation agreements.

**DYNAMICS OF CONCLUDING PENSION ACCUMULATION AGREEMENTS**

Data of the State Social Insurance Fund

Chart 3.11.-1
Implementation of the pension system reform is aimed at achieving miscellaneous objectives of which the most important are the following:

- increasing the amount of old-age pensions, because usually return on financial investments exceeds both, the rates of growth of wages and of social insurance pensions;
- reducing state obligations to forthcoming old-age pension beneficiaries, by transferring part of obligations to present pension accumulation participants.

Effective accumulation of pensions depends upon several factors: expected return on pension fund investments, amount of administration fees (See Table 3.11.-1), amount of cumulative contributions and duration of accumulation.

Return on investments depends upon type of the pension fund selected by the pension accumulation participant. Conservative pension funds investing into the most reliable securities are exposed to low investment risk, but at the same time their profitability is also the lowest. The most profitable are pension funds investing in shares of enterprises, however they face the highest short-time risk. Possibly, these are the reasons why the great majority of pension accumulation participants select conservative and mixed investment pension funds (See Charts 3.11.-3 and 3.11.-4).
<table>
<thead>
<tr>
<th>Pension accumulation company</th>
<th>Pension fund</th>
<th>Administration fees provided for in Pension Fund Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSC “VB INVESTICIŲ VALDYMAS” (HEREINAFTER-VB)</td>
<td>VB PENSION 1 (CONSERVATIVE)</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>VB PENSION 2</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td>JSC “FINASTA INVESTICIŲ VALDYMAS” (HEREINAFTER – FINASTA)</td>
<td>CONSERVATIVE INVESTMENT</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td></td>
<td>INCREASING YIELD</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td></td>
<td>ACTIVE INVESTMENT</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td></td>
<td>REASONABLE RISK</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td>JSC „HANSA INVESTICIŲ VALDYMAS“ (HEREINAFTER – HANSA)</td>
<td>PENSION 1 (CONSERVATIVE)</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>PENSION 2</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>PENSION 3</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td>JSC „NORD/LB INVESTICIŲ VALDYMAS“ (HEREINAFTER – NORD/LB)</td>
<td>NORD/LB 1 (CONSERVATIVE)</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>NORD/LB 2</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>NORD/LB 3</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td>JSC „MEDICINOS BANKO INVESTICIŲ VALDYMAS“ (HEREINAFTER – MEDICINOS B.)</td>
<td>CONSERVATIVE INVESTMENT</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td></td>
<td>PENSION 1</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>MIXED INVESTMENT PENSION 2</td>
<td>UP TO 0.99 %</td>
</tr>
<tr>
<td>JSC „COMMERCIAL UNION LIETUVA GYVYBĖS DRAUDIMAS“ (HEREINAFTER – CU)</td>
<td>EUROPENSION</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>EUROPENSION PLUS</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td>JSC „LIETUVOS DRAUDIMO“ GYVYBĖS DRAUDIMAS (HEREINAFTER – LDGD)</td>
<td>CONSERVATIVE</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>ACTIVE</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td></td>
<td>BALANCED</td>
<td>UP TO 1 %</td>
</tr>
<tr>
<td>Pension accumulation company</td>
<td>Pension fund</td>
<td>Administration fees provided for in Pension Fund Regulations</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>From assets</td>
<td>From contributions</td>
</tr>
<tr>
<td></td>
<td>(max 1 %)</td>
<td>(max 10%)</td>
</tr>
</tbody>
</table>

| JSC „SAMPO GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – SAMPO) | CONSERVATIVE MANAGEMENT | SAMPO PENSION | UP TO 1 % | UP TO 10 % |
| JSC „SAMPO GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – SAMPO) | | SAMPO PENSION 50 | UP TO 1 % | UP TO 10 % |
| JSC „SAMPO GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – SAMPO) | | SAMPO PENSION 100 | UP TO 1 % | UP TO 10 % |
| JSC „ERGO LIETUVA GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – ERGO) | ERGO CONSERVATIVE | UP TO 1 % | UP TO 10 % |
| JSC „ERGO LIETUVA GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – ERGO) | ERGO BALANCED | UP TO 1 % | UP TO 10 % |
| JSC „LINDRA – GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – LINDRA) | LINDRA CONSERVATIVE | UP TO 1 % | IN THE FIRST ACTIVE YEAR |
| JSC „LINDRA – GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – LINDRA) | LINDRA BALANCED | UP TO 1 % | IN THE FIRST YEAR UP TO 5,5 %, SECOND – UP TO 5 %, THIRD – UP TO 3,5 % |
| JSC “PAREX INVESTITIŲ VALDYMAS“ (HEREINAFTER – PAREX) | PAREX PENSION 1 | UP TO 1 % | UP TO 1,5 % |
| JSC “PAREX INVESTITIŲ VALDYMAS“ (HEREINAFTER – PAREX) | PAREX PENSION 2 | UP TO 1 % | UP TO 1,5 % |
| JSC “SEESAM LIETUVA GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – SEESAM) | SEESAM BONDS | UP TO 0,99 % | UP TO 3 % |
| JSC “SEESAM LIETUVA GYVVĖS“ DRAUDIMAS“ (HEREINAFTER – SEESAM) | SEESAM OPTIMAL | UP TO 0,99 % | UP TO 3 % |

Data of the Securities Commission (30 06 2004) Table 3.11.-1.

These data are in compliance with the stereotypes as regards larger inclination of men towards risk-related actions. However, it is more difficult to explain the data on the breakdown of participants by age and gender (See Chart 3.11.-5). In case of conclusion of agreements in 2003, the middle-age women (between 30-45) were more active than men of the same age. In 2004 (See Chart 3.11.-10) the activity of men aged between 20-30 has considerably increased, whereas the activity among men and women aged between 30-45 was the same.

According to statistical data, the average female life expectancy exceeds that of men, whereas the retirement age established by virtue of the Law on State Social Insurance Pensions for women is younger than for men. Gender is not taken into consideration when calculating the amount of pen-
SELECTION OF THE TYPE OF PENSION FUNDS BY WOMEN- PENSION ACCUMULATION PARTICIPANTS

Chart 3.11.-3

Data of the State Social Insurance Fund

SELECTION OF THE TYPE OF PENSION FUNDS BY MEN- PENSION ACCUMULATION PARTICIPANTS

Chart 3.11.-4

Data of the State Social Insurance Fund

RATIO OF THE NUMBER OF INDIVIDUALS INSURED WITH FULL PENSION INSURANCE (+) AND OF ACCUMULATION PARTICIPANTS TO GENDER AND AGE

Chart 3.11.-5

Data of the State Social Insurance Fund
Data of the State Social Insurance Fund

Chart 3.11.-6

**PENSION ACCUMULATION PARTICIPANTS – RISK GROUP**

*The figure indicated next to each column shows the number of participants attributed to the risk group in a pension accumulation company, whereas the size of the column designates the ratio of the number of persons attributed to the risk group to the number of pension accumulation participants in a given pension accumulation company expressed in per cent.*
sion for the purpose of the state social insurance system. The amount of old-age pension depends only upon social insurance period (service record) and the amount of salary from which social insurance contributions were paid. Pension accumulation system relies on two main figures: amount accumulated by a person and the average length of period during which the pension (annuity) will be paid. Thus, women whose average service record is shorter but life expectancy – longer than those of men, will receive annuities longer, however they will be smaller in amount. Due to that, there should be less old age women choosing accumulation of pensions, compared with men. Distribution of data in Chart 3.11.-5 shows that the choice of pension accumulation is not always based on reasonable arguments.

Another segment of individuals whose participation in the accumulation of pensions might be irrational comprises people receiving small wages and in particular, pre-pensioners. (See Charts 3.11.-6 and 3.11.-7). Attribution to risk groups is relative and relies on two criteria:

1) small wage (smaller than minimum wage) received by a person who has concluded a pension accumulation agreement. It means that if return on investment of a pension fund at all times exceeds pension indexation coefficient, the absolute amount of Sodra pension and annuity will be practically equal to unreduced amount of Sodra pension,

2) pension accumulation agreement is concluded by a pre-pensioner receiving small wage. Pension assets accumulated by such individuals will be small and, moreover used as short-time investments, i.e. they will yield low investment interest.

Participation in the accumulation of pensions is related with likely investment risk and the resulting reduction of accumulated amount. Individuals attributed to risk groups are likely to incur investment risk likewise other participants, however, the expected benefits are minor.

The figure indicated next to each column in Charts 3.11.-6 and 3.11.-7 shows the number of participants attributed to the risk group in a pension accumulation company, whereas the size of the column designates the ratio of the number of persons attributed to the risk group to the number of pension accumulation participants in a given pension accumulation company expressed in per cent. The total number of participants attributable to the risk group exceeds 95 thousands. Persons falling within this group, as well as within other groups, might have been mistaken or inadequately informed about the system of accumulation of pensions, therefore, after completion of the first stage of signing pension accumulation agreements, the Seimas of RL received and approved amendments to the Law allowing individuals who conclude a pension accumulation agreement to change their mind within is 30-days period and to terminate the agreement.

As a result of competition, various pension accumulation companies offered practically the same conditions, however, there are obvious leaders among them – pension accumulation companies established by the largest banks and insurance companies. (See Chart 3.11.-8). JSC “Hansa investicijų valdymas” of “Hansabankas” after acquisition of the life assurance subdivision of “Lietuvos draudimas” occupied nearly half of the pension accumulation market. We can assume that in selecting a pension accumulation company people took into account its popularity, infrastructure, amount of capital in its possession, amount of administration fees, and other criteria. In future the decisive factor will be profitability and sustainable profit, therefore distribution of participants in the pension accumulation companies is likely to change considerably, because a pension accumulation participant will be free to select another pension accumulation company (or another pension fund within the same company) after three years of entry into a pension accumulation agreement.
Chart 3.11.-8, 3.11.-6 and 3.11.-7 also reflect distribution of pension accumulation companies by type of customers: pension accumulation companies representing banks are more oriented towards active, independent and well-paid customers. Whereas pension accumulation companies representing life assurance companies and having networks of insurance agents cover wider range of customers; therefore, this group of companies covers larger numbers of customers attributed to risk groups and the relative number of such customers is smaller than relative pension assets possessed by these companies.

114 998 new agreements were concluded in the second stage of signing pension accumulation agreements between 1 January 2004 and 1 July 2004. General tendencies of 2003 also persisted in 2004, but distribution of pension allocation participants by age (Chart 3.11.-9) as well as by wage and risk group shows that in the second stage of signing pension accumulation agreements there were less people the expediency of whose participation in the accumulation of pensions might be doubtful.

In 2004, the largest number of pension accumulation agreements, i.e. 47 per cent of all agreements, was concluded with JSC “HANSA investicijų valdymas”. The other three pension accumulation companies: JSC “COMERCIAL UNION Lietuva gyvąjės draudimas”, JSC “VB investicijų valdymas” and JSC “NORD/LB investicijų valdymas” account for another 48 per cent of agreements. Other pen-
Pension accumulation companies cover the remaining 5 per cent of pension accumulation market.

In 2004, two more companies, i.e. JSC “PAREX investicijų valdymas” and JSC “SEESAM Lietuva gyvybės draudimas” joined pension accumulation companies established earlier.

Pension system reform was successfully completed in 2003-2004. The reformed pension system based on the principle of contributions-benefits lost part of social insurance contributions paid to it and was supplemented with the stage of accumulation of pensions which was selected already by more than 500 thousands of people (48 per cent of social insurance contribution payers). In addition, legal acts were prepared and adopted which enable supplementing the system of pensions with pension funds to which contributions can be paid on a voluntary basis and with pension funds to which contributions for employees are paid by employers.
4.1. SOCIAL SUPPORT TO FAMILIES AND CHILDREN

This section deals with social support to families and children and with cash social assistance to low-income families (single individuals), having regard to income received and property possessed by the family, and covers statistical information about such support and its beneficiaries. Since social support is directly related with the population policy, this section also provides a brief description of the National Demographic (Population) Policy Strategy, its objectives and envisaged influence on demographical behaviour of the population and its wellbeing.

4.1.1. Benefits to Children

In 2003, in implementing the Programme of the Government of the Republic of Lithuania for 2001-2004, the concept of the Law on Chid Benefits was developed. This concept was aimed at carrying out the complex reform of the system of state benefits to families, guaranteeing social security to all families growing children, tightening liability of parents for utilisation of benefits and granting more powers to institutions paying benefits in their work with social risk families. Reorganisation of state benefits to families growing children was conditioned by different social and demographical actions (higher poverty level among families growing children age below 18, increasing numbers of social risk families and children deprived of parental care, continuously reducing birth rate which fails to ensure rotation of generations). The Law on State Benefits to Families Growing Children passed in 1994 and amended for 7 times already, did not provide definitions of terms, institutions administering benefits, terms of application, provisions on allocation and payment of benefits and on lodging complaints, and did not establish obligations for the Government to develop secondary legislation, and the rights and limits of competence of the institutions paying benefits, the duties of individuals receiving benefits, and did not regulate the possibility to allocate benefits using alternative forms of allocation of support.

On 18 May 2004, the Republic of Lithuania Law on Chid Benefits was passed (hereinafter – Law), which came into effect on 1 July 2004, seeking the following main objectives:

1) encouraging families to grow and maintain their children, providing support to every child from his birth until majority;

2) protecting children from social risk families and guarantee utilisation of benefits for the needs of children: strengthening responsibility of parents for maintaining their children; developing
social services to families and organising preventive work with social risk families; extending powers granted to municipalities replacing benefits with alternative forms of support;

3) increasing support to pregnant studying women;

4) guaranteeing uniform administration of benefits through municipalities.

By virtue of this Law the family benefit paid for children age below 3 and family benefit paid to families raising 3 and more children were reorganised introducing payment of support for each child in the family until he (she) attains majority.

In observance of the aforementioned Law, a family raising one or two children receives a monthly benefit of 0,75 MSL (LTL 93,75) for a child age below 3, and a monthly benefit in the amount of 0,4 MSL (LTL 50) for a child age between 3 and 7. For senior children the payment of such benefit will be continued in observance of financial possibilities and in the manner and within the terms established by the Government, but no later than from 1 January 2009.

A family raising three and more children receives a monthly benefit of 1,1 MSL (LTL 137,5) for a child age below 3, and a monthly benefit of 0,4 MSL (LTL 50) for a child age between 3 and 18 and over until he (she) graduates from the day-time educational institution, but maximum until 24 years.

Families receive child benefits irrespective of their income (before enactment of the new Law families raising 3 children and receiving monthly income of LTL 405 per family member were not eligible to receive state benefits). Before 1 July 2004, family benefits were not paid to a family receiving maternity (paternity) benefits until the child reached the age of one year. Presently, working mothers (fathers) receive compensations for unearned wage and also the child benefit.

The Law establishes additional one-time financial support of 2 MSL (LTL 250) for pregnant unemployed women with 70 days remaining until delivery. Earlier, a little smaller financial support was rendered only to students of day-time departments during academic leave. The list of reorganised benefits to families and children under care as well as the amount of such benefits are indicated in Table 4.1.1.-1.

The new Law did not change the amounts of previously paid benefits:

- one-time childbirth benefit of 8 MSL (LTL 1000);
- benefit of 1,5 MSL (LTL 187,5 per month) for a child of mandatory military serviceman;
- childcare (guardianship) benefit of 4 MSL during care period and studies;
- one-time benefit of 50 MSL (LTL 6250) to children deprived of parental care for acquisition of a dwelling or for settlement.

Seeking to guarantee maximum purposive utilisation of benefits in social risk families, the Law establishes that on the basis of assessment of family needs and condition of children, and in observance of the procedure approved by the municipality, allocation of benefits should be organised using alternative forms of allocation of support (in kind or in services). In such a way municipalities will expand work with social risk families.

Establishment of the uniform administration of benefits through municipalities guarantees effective implementation and administration of the Law. From 1 January 2005, the orphan’s grant to studying orphans will be paid not in educational establishments, but in municipal social support divisions. This will prevent schools from avoiding admittance of individuals placed into care, because orphans’ benefits to such children in the amount of 4 MSL are paid from the general fund of study grants.

Participation of society in co-financing of each child’s maintenance expenses will make the system of support to families raising children more expeditious, reduce the poverty level of families with
### BENEFITS TO FAMILIES AND CHILDREN UNDER CARE

<table>
<thead>
<tr>
<th>Seq. No.</th>
<th>Types of benefits</th>
<th>Benefit amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ONE-TIME CHILDBIRTH BENEFIT</td>
<td>8 MSL (LTL 1000)</td>
</tr>
<tr>
<td>2</td>
<td>CHILD BENEFIT TO FAMILIES GROWING ONE OR TWO CHILDREN:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- FOR EACH CHILD AGE UNDER 3;</td>
<td>0,75 MSL (LTL 93,75) PER MONTH</td>
</tr>
<tr>
<td></td>
<td>- FOR EACH CHILD AGE BETWEEN 3 AND 7.</td>
<td>0,4 MSL (LTL 50) PER MONTH</td>
</tr>
<tr>
<td>3</td>
<td>CHILD BENEFIT TO FAMILIES GROWING THREE AND MORE CHILDREN:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- FOR EACH CHILD AGE UNDER 3;</td>
<td>1,1 MSL (LTL 137,50) PER MONTH</td>
</tr>
<tr>
<td></td>
<td>- FOR EACH CHILD AGE BETWEEN 3 AND 18 AND OVER,</td>
<td>0,4 MSL (LTL 50) PER MONTH</td>
</tr>
<tr>
<td></td>
<td>STUDYING IN DAY-TIME SCHOOL OF GENERAL EDUCATION,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DAY-TIME DEPARTMENT OF A VOCATIONAL SCHOOL, COLLEGE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OR UNIVERSITY, BUT MAXIMUM UNTIL HE (SHE) REACHES THE AGE OF 24 YEARS.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>BENEFIT TO THE CHILD OF A COMPULSORY MILITARY SERVICEMAN</td>
<td>1,5 MSL (LTL 187,5) PER MONTH</td>
</tr>
<tr>
<td>5</td>
<td>ONE TIME BENEFIT TO A PREGNANT WOMAN</td>
<td>2 MSL (LTL 250)</td>
</tr>
<tr>
<td>6</td>
<td>CARE (GUARDIANSHIP) BENEFIT IN CASE OF PAYMENT OF ORPHANS PENSION AND (OR) ALIMONY, THE BENEFIT EQUALS TO THE DIFFERENCE BETWEEN THE AMOUNT OF 4 MSL AND THE AMOUNT OF SUCH BENEFITS</td>
<td>4 MSL (LTL 500) PER MONTH</td>
</tr>
<tr>
<td>7</td>
<td>ONE TIME BENEFIT FOR ACQUISITION OF A DWELLING OR FOR SETTLEMENT 50 MSL (LTL 6250)</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1.1.-1.

Children, improve material condition of many families earning income lower than average subsistence level and the quality of life of children. Support to families irrespective of their income helps in retaining motivation of parents to look for sources of living and to maintain their children. Support to families with children is also expected to positively influence certain social–economic processes: solidarity of the society, liquidity of demand for indispensable articles, and the country’s demographic development. Model of the system of support to families will be brought closer to the social support systems existing in the countries of the European Union. Having regulated and expanded social work with social risk families at the municipal level, and organising allocation of benefits to such families in kind and the provision of social services directly to children will guarantee the targeted utilisation of state benefits for the needs of children.

Proposed introduction of benefits in the amount of 0.4 MSL (LTL 50) for each child until he (she) attains majority (as of 1 January 2003, in Lithuania there were 802,3 thousands of children age below 18) will annually require additional state budget appropriations of about LTL 300 million. Given the absence of such possibilities and upon gradual implementation of this provision (this year – for children age below 7) additional appropriations allocated from the state budget for H2 2004 amounted to LTL 44,6 million.
4.1.2. Cash Social Assistance to Low-income Families and Single Individuals

After enforcement of the Republic of Lithuania Law on Cash Social Assistance to Low-income Families (Single Individuals), which came into effect on 1 April 2004, implementation of the uniform system of cash social assistance provided on the basis of the principle of assessment of income and property, guaranteeing minimum income for low-income families for living and payment for indispensable communal services was started in the country. The new Law did not change the amounts of social benefits and of compensations for cold and hot water.

The right to receive a social benefit, like previously, is granted to families and single individuals, whose income per family member does not exceed the level of supported income established by the Government, i.e. LTL 135 per individual per month. The amount of the benefit is equal to 90 per cent of the difference between the state supported income and family's (single individual's) monthly income.

The family (single individual) pays for cold water maximum 2 per cent, and for hot water – maximum 5 per cent of its income.

With a view to unifying the level of income which entitles a low-income family (single individual) to cash social assistance, the compensation for heating of the dwelling, likewise social benefit, is calculated using the amount of state supported income established by the Government instead of the minimum subsistence level. In such a way minimum income of the family entitling it to compensation is calculated as the difference between family's (single individual's) available income and 90 per cent of the state supported income (LTL 121,5 per family member). For heating of the dwelling the family pays maximum 25 per cent of its remaining income. Therefore, the share of income from which compensation for heating of the dwelling calculated according to the new Law increased per family member by LTL 3,5 (LTL 125 – 121,5), and compensation for heating expenses – by LTL 0,875 respectively.

Nevertheless, the procedure of compensation for heating of the dwelling is more favourable with regard to low-income families because they are protected from larger payments resulting from the increase in prices for energy and utilities.

For the purpose of calculation of hot and cold water compensations, the normative quantities were fixed having regard to the average quantity of water actually consumed by one individual. The new Law establishes payment of monthly compensations for 1 cubic meter of hot water and 2 cubic meters of cold water per family member. (According to the procedure applicable before enactment of the new Law, the normative quantity of cold and hot water per individual was established by municipalities). By virtue of the new Law, municipalities retain the right to allocate on their own discretion support to families and single individuals also in other cases not covered by the Law, including payment of compensations for expenses on consumed quantity of water exceeding the normative quantity.

The cash social assistance is provided to individuals who due to the objective reasons are deprived of the possibility of earning sufficient funds for subsistence on their own (when family members able to work and are active engaged in job seeking through state territorial labour exchanges), and also when they don't receive support from other sources, or when such support is insufficient, in particular when it is received from the system of social security (payment of pensions, social benefits, compensations, provision of services, etc.). Therefore, the family (individual) applying for social support in the first instance is
required to firstly receive all income which it (he or she) is able to receive on his (her) own, i.e. all benefits due to them, family members able to work are required to be active in job seeking through state territorial labour exchanges, the requirement to establish or recognise paternity of children from families of unmarried individuals, and also the requirement that such children and children of divorced parents are provided with maintenance according to the agreement approved by court or established by court decision, etc.

In such a way, cash social assistance is rendered to all families (single individuals) earning low income due to objective reasons, including families of unemployed individuals enrolled with labour exchanges for at least 6 months.

Before enactment of the new Law, the families of unemployed individuals received social benefit only until they were entitled to receive unemployment or training benefits, or until they were engaged in public works and for six months after expiration of these periods. According to the new Law, having commenced supporting families of the long-term unemployed, additionally about 63,000 individuals should become entitled to social benefit. The amount of LTL 20 million appropriations will be additionally allocated from the state budget every year for the purpose of established support to families of the long-term unemployed.

One of the most urgent problems related with the provision of social support was the fact that only the available income of the family is taken into account (working income, pensions, benefits, etc.), and the property possessed is not given consideration. Official income of family members, as a rule, did not reflect material condition of families.

When individuals conceal illegally earned income, it is very difficult to avoid cases of abuse of state support, and, as a result, part of support is paid to families which are not in great need for it.

According to the procedure established in the new Law, the right to cash social assistance is enjoyed by family members or people living alone, when the value of property possessed by them does not exceed the average property level established for their residential area.

In order to determine the size of property which might be possessed by the family or a single individual, which may not be exceeded in order to become eligible to cash social assistance, the normative value of property is calculated for cities, municipal centres and districts of Lithuania. This normative value comprises: the normative dwelling value (60 square metres per one of the family members plus 15 square metres per each family member), the land plot value (holdings – 6 ares in urban territories and 25 ares in rural areas or up to 1 ha of the land plot of agricultural designation), and the moveable property normative (per family member age over 18 (single individual) equals to 45 amounts of state supported income, per each other family member age over 18 – 30 amounts of state supported income, and per each child age over 18 – 15 amounts of state supported income. The following types of property are excluded from the family's (individual's) property, if the value of each type does not exceed LTL 2000: shares, bonds, notes, and other securities and contributions; works of art and jewellery; monetary funds, obtained (outstanding) loans; monies lent (and not repaid) to other individuals.

Where the family or a single individual apply for cash social assistance, the value property specified in their request – application is summed up. The family or a single individual according to the size of their property are entitled to social support, if the value of the whole property possessed does not exceed the normative property value calculated for the city, municipal centre or district where they reside.

For the purpose of determining the size of property of the family or a single individual, low-
value property is entirely excluded. The value of animals, poultry, small animals and bees families, and also the value of property acquired during the declared period is included in the total value of property only if it exceeds the sum of 30 amounts of state supported income (LTL 4050), and the value of the works of art and jewellery – when it exceeds the sum of 15 amounts of state supported income (LTL 2025).

The United Nations Convention on the Rights of the Child and the national legislation of the Republic of Lithuania enforce the child’s right to know his (her) parents and to be looked after by them. In the first instance the responsibility for the maintenance of their minor (minors) rests upon both parents, irrespectively of whether or not they are married. Therefore, the Law establishes that cash social assistance to unmarried individuals who are raising their children alone will be allocated if the paternity is recognised or established for the child and if the court has awarded maintenance for the child.

When there is no possibility to establish paternity (maternity) of the child, social support to the family is also allocated. Support will also be provided to those women, who do not satisfy the established requirements. Municipalities are entitled to render social benefit to such families in services.

In order to reduce social exclusion of beneficiaries of cash social assistance, the rights of municipalities were extended in the field of social support and the following obligations were established for beneficiaries:

- family members enrolled with the state territorial labour exchanges (single individuals) are subject to the requirements to discharge obligations established in the individual employment plans of the state territorial labour exchanges, whereas unemployed family members able to work – the obligation to participate in public works organised by the municipality;

- in case of families (single individuals) defaulting on their obligations, municipalities are entitled to render services instead of cash social assistance (purchasing foodstuffs, organising free meals, etc.)

- if there are doubts as to the correctness of data on property and income earned specified in the request – application, or in case of suspicions which arise during inspection that information provided is misleading or that it was concealed, municipality is authorised to examine the family’s (single individual’s) living conditions, possessed property and employment, to draw up the household inspection certificate on the basis of which municipality takes the decision on the family’s (single individual’s) right to cash social assistance, and also to require the declaration of property and income from family members (single individual) in accordance with the procedure established in the Law on the Declaration of Property of individuals.

In addition, it was envisaged that municipalities in accordance with their established procedure may allocate part of their budget funds to families (single individuals) cash social assistance in other cases not covered by the Law (to allocate a one-time allowance, social benefit, to compensate dwelling costs, other than those indicated in the Law, to compensate expenses for heating of the useful space of the dwelling the normative of which exceeds that established by this Law, to cover the debt for a dwelling, etc.).

Responsibility for allocation of benefits provided for by Law rests upon municipalities. In order to guarantee proper servicing of social support to applicants, the adequate number of staff, and supply of divisions with the required computer hardware and software, the amount of up to 4 per cent from funds allocated for these benefits is designated for the purpose of administration of this support.
4.1.3. Changes in the Amount of Financing of Monetary Social Support and in the Number of its Beneficiaries

As a result of reduction of birth rate during the past decade the amount of paid family benefits for children age below 3 in 2003, compared with 2002, was by 6.5 per cent smaller, and the number of families raising many children receiving family benefits reduced by 4.6 per cent. The one-time child-birth benefits paid in 2003 almost equals to the comparable figure of 2002, i.e. 30 benefits. The number of benefits paid to children deprived of parental care manifests the tendency of growth.

The average monthly number of individuals who received benefits in 2003, stood at 119 thousand (3.5 per cent of permanent residents of Lithuania). One family member per month received the benefit in the amount of about LTL 66. Compared with 2002, the number of individuals receiving social benefits increased inconsiderably (by 2 per cent).

During 2003, the average amount of LTL 470 million was spent for payment of benefits families bringing up children and compensations of dwelling heating and water expenses paid to low-income individuals, as well as in case of death, of which LTL 238 million (51 per cent of total allocations for the aforementioned support) – for child benefits, LTL 204 million (43 per cent of total allocations for the aforementioned support) – for social support to low-income families. Allocations for funeral grant paid in case of death during the aforementioned period made up LTL 28 million (6 per cent of total allocations for the aforementioned support).

In 2003, LTL 61 million of state budget funds was spent on free meals to pupils from low-income families in schools of general education. The maximum daily norm of meals established for pupils was as follows: for dinner per pupil – LTL 3, for breakfast – LTL 1.2 per day. Free meals were provided to about 27 per cent of all pupils in schools of general education, allocating about LTL 2.3 for free dinner per pupil, and LTL 1.1 for breakfast per day.

During 2003 summer holidays schools organised day summer camps, in which free meals were provided to 22 thousands of pupils (about 4 per cent of all pupils of Lithuania). About LTL 5 per day was allocated for meals per pupil. For this purpose LTL 1.1 million of state budget funds designated for free meals of pupils was used.

The 2004 state budget envisaged appropriations of LTL 61.1 million for organising free meals to pupils. In 2004, about 148 thousands of pupils (26 per cent of all pupils), receive free dinner and about 11 thousands of pupils (2 per cent of all pupils) – free breakfast. The average daily amount allocated per pupil’s dinner stands at LTL 2.3, and per breakfast – at LTL 1.1.

Recipients and costs of benefits and other support provided to families and children in 2003 are shown in Table 4.1.3.-1.


Though it is recognised that from the beginning of the previous decade demographical development of Lithuania is undergoing essential changes and that changes take place in all demographic processes (birth rate, family formation, mortality, migration) which manifest themselves through complex social and economic problems, the population poly strategy was not developed,

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1 Data provided by municipalities.
i.e. there was no official document generalising demographical condition of the country, formulating strategic goals of the population policy, its vision, state mission and future directions of actions.


The purpose of the Draft Resolution is to approve the National Demographic (Population) Policy Strategy (hereinafter – Strategy), formulating in it the objectives and tasks of priority component elements of the demographical (population) policy, its vision, state mission and implementation actions for the period until 2015, with a view to creating more favourable conditions for demographical behaviour and welfare of the population, reducing the depopulation level, and improving social-demographic development of the country.

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2 Data provided by Statistics Lithuania;
3 recipients of benefits paid to families growing many children (line 1.5) – average monthly number of families paid benefits in 2003;

one-time benefits (lines 1.1; 1.8; 2.3 and 3) – from the total number of benefits paid per year;
line 2.4 – average monthly number of children provided with free meals in schools in 2003;
the number of other recipients of benefits is calculated as the average number of benefits paid per month.
The National Demographic (Population) Policy Strategy has been developed in observance of the Draft Strategy worked out by scientists of the Institute of Social Surveys. While recognising that the most urgent present and future demographical problems are rapid and essential changes taking place within the family, quantitative reduction of population, low birth rate, high mortality rate, rapid rates of ageing of the population, intensive flows of migration, and in view of the fact that the issues of ageing of the population and elaborated in the National Strategy for Overcoming the Consequences of the Ageing of the Population, this Strategy covers the fields of family welfare, public health and migration. The Strategy describes situation in each sphere, analyses strengths, weaknesses, opportunities and threats, defines objectives, tasks and implementing actions.

It was envisaged that the Strategy will have decisive influence on the demographical behaviour and welfare of the population, will create more favourable conditions for the growth of the population numbers, improvement of social – demographical development of the country and situation in the sectors of public health and migration, development of support to families and children; and will have indirect influence on the development of production and services, increasing economic, innovative and competitive potential of the country. It will also facilitate in strengthening the family's prestige and safety, reducing the number of divorces, increasing birth rate, minimising poverty of children and the number of social risk families, improving the standard of life of old people, and will raise awareness of population regarding their responsibility for own health, reduce migration of the population, and increase the number of people returning to Lithuania.

The Draft Resolution proposes instructing the Ministry of Social Security and Labour and the Ministries of Health, Education and Science, the Interior and Finance to develop within 6 months of the enactment of the Resolution, the Plan of Measures for Implementation of the National Demographic (Population) Policy Strategy.

### 4.1.5. Improvement of Social Support

In observance of the Republic of Lithuania Government Resolution No. 360 of 9 May 1994 on the Concept of Social Support and other legal acts municipalities are responsible for the provision of social support in their territory. Divisions in charge of the administration and provision of social benefits and compensations are established within administrations of all municipalities. Organisation of this work in different municipalities differs.

Presently, municipalities carry out their functions in observance of Work Requirements for Social Workers approved by the Republic of Lithuania Minister of Social Security and Labour Order No. 38 of 5 April 2000. With regard to municipalities these requirements are of recommendatory nature, i.e. municipalities apply them in observance of the type of organisation of work in the municipality and neighbourhood, the existing structure of jobs, social needs of individuals, etc.

In implementing provisions of the Law on Public Administration ("Valstybės žinios" (Official Gazette), 1999, No. 60-1945), the same entity (a municipal division of social support or any other division) shall be prohibited from providing and at the same time administering the provision of public services. The main task of the municipality, as of the institution of public administration, is to provide individuals with opportunities to receive social support and to organise its provision to people residing in the municipal territory, other than to provide social services by itself. In view of the above, municipal administrations assign the
provision of social benefits and compensations to the municipal social support centres, established agencies or other institutions mainly engaged in the provision of social services. This conditioned changes in the organisation of work of municipalities and in the workload falling on the staff in the municipal social support divisions administering social support as well as in the institutions rendering social support. In the opinion of municipalities, requirements imposed on municipalities and staff of their institutions pursuant to the aforementioned Order do not conform to the existing scope of work and prevent from effectively discharging the established functions.

In observance of the Provisional Recommendations for the Calculation of the Republic of Lithuania Budget Funds Necessary for the Performance of State Functions (Assigned to Municipalities) approved by the Republic of Lithuania Minister of Finance Order No. 101 of 12 April 2001, the amount of 4 per cent of funds was allocated for the administration of social benefits and compensations established by laws. Executive municipal institutions apply the classification of revenues and expenditures of municipal budgets approved by the Republic of Lithuania Minister of Finance Order No. 1K-184 of 3 July 2003 to funds received from the state budget for the performance of state functions (assigned to municipalities). The aforementioned legal acts do not explicitly define what can be included in the expenses of administration of social benefits and compensations and do not define methodologies for calculating expenses of their administration and provision.

It is preparing the new Law on Social Support to Pupils in Schools of General Education. This Law envisages provision of the following social support to pupils from low-income families: free meals during the school year, and provision with indispensable individual training aids in the beginning of the school year. In observance of this Draft Law, social support to pupils will be allocated on the basis of assessment of property and income of families. The procedure applied in determining entitlement of pupils to social support are analogous to the uniform principle of assessment of the family’s property and income applied by virtue of the Republic of Lithuania Law on Cash Social Assistance to Low-income Families (Single Individuals) to cash social assistance.

For the purpose of analysing at the municipal level the administration and provision of social benefits and compensations established by law, also for carrying out assessment and providing proposals concerning establishment of administrative costs and staff workload necessary for performing the functions of administration and provision of social benefits and compensations in the municipalities, the Ministry of Social Security and Labour conducted a scientific survey “Defining the Structure and Work Requirements for Municipal Institutions Administering and Providing Social Support; Analysis of Utilisation of Costs of Administration and Provision of Social Benefits and Compensations Established by Law in the Municipalities and Developing Their Calculation Methods”.

This survey is aimed at:
- analysing the main models of administration and provision of social benefits and compensations in the municipalities, defining their structure, functions performed and resources used; assessing advantages and shortcomings of these models;
- analysing and assessing resources necessary for the administration and provision of social benefits and compensations (structure of administrative costs, methods (ways) of allocation of administrative costs at the municipal level; their utilisation and sufficiency of these costs of the established amount);
- developing the methods for calculating expenses pertaining to the administration and pro-
vision of social benefits and compensations established by Law;

- providing proposals on applicable models of implementation of social benefits and compensations at the municipal level on the basis of assessment of experience gained in the field of the administration and provision of social benefits and compensations established by Law and of progressive experience justified in practice.

Reform of Social Support to Pupils

As a result of the lack of responsibility at the municipal level for targeted and effective utilisation of state budget funds for free meals during the recent years, part of state budget funds are used not for the proper purpose and pupils are not provided with meals of the required nutritional value.

With a view to guaranteeing purposive utilisation of state budget funds and providing meals of full nutritional value to pupils from low-income families, the Ministry of Social Security and Labour developed the Draft Law on Social Support to Pupils in Schools of General Education regulating social support to pupils from low-income families and proposing that state budget funds are used for purchasing foodstuffs for the purpose of providing free meals. Contribution of municipalities to organisation of free meals for pupils from their own budgets will increase their responsibility and motivation to guarantee more effective organisation of social support allocated to pupils.

Social support to pupils will be allocated both, on the basis of assessment of family’s income and property, assigning the function of allocation of social support to municipalities engaged in administration of social support to low-income families. At present, assessment of income of families is carried out in schools.

Free meals to pupils will be provided on the basis of the list products necessary for preparing meals for breakfast and dinner by age groups of pupils thereby guaranteeing that pupils are provided with meals of full nutritional value.

Moreover, it is proposed to introduce a new type of social support – provision of pupils with indispensable individual teaching aids. Each pupil will provided with specially formed sets of individual teaching aids, in observance of the number of pupils growing in the family and teaching aids they have. The proposed price per set for one pupil does not exceed 120 per cent of MSL.

Enforcement of the aforementioned Draft law is envisaged on 1 September 2005.

Conclusions

For the purpose of complex reform of the system of state benefits to families and guaranteeing social security for all families with children, on 18 May 2004 the Republic of Lithuania Law on Child Benefits was passed (enacted on 1 July 2004) reorganising family benefits for children age below 3 and benefits to families with 3 children and more, providing social support to each child in the family until majority.

Upon enactment of the Republic of Lithuania Law on Cash Social Assistance to Low-income Families (Single Individuals) on 1 April 2004, implementation of the uniform system of cash social assistance provided on the basis of the principle of assessment of income and property, according to which social support is allocated in observance of both, income and property of the family.

In 2004, in realising the measures of implementation of the Government Programme for 2001-2004, the Ministry of Social Security and Labour drafted the Republic of Lithuania Government Resolution on Approval of the National Demographic (Population) Policy Strategy aimed at creating more favourable conditions for demographic behaviour and wellbeing of the population, reducing the level of depopulation and improving social – demographic development of the country.
4.2. PROTECTION OF THE RIGHTS OF THE CHILD

4.2.1. Child Care

4.2.1.1. General Situation

In 2003, number of social risk families registered in Lithuania was less than in the previous years. This resulted from social work with such families. In addition to involving children from social risk families attending the centre into purposeful activities, helping them to prepare lessons, social workers of day care centres of NGOs also carry out systematic work with parents of such children. Day care centres provide children with meals, develop their working, social and hygiene skills render social, pedagogical and psychological support to children and family. These efforts are aimed at reducing preconditions for placing the child into care (guardianship).

In 2002, having launched the National Programme for 2000–2004 of Children's Day Centres Organised by Non-governmental Organisations¹, the number of day centres started growing. Every year appropriations from the State Budget are allocated for NGOs' day centres winning tenders. These appropriations enable to involve children into useful and meaningful activity, help them to change their value system and to develop the range of their interests, to adapt to the society, and to distract them from dangerous street influence. Systematic and multifaceted work with children’s families improves relations between children and parents, and help families in settling their problems.

On the other hand, new social risk families appear every year². In some regions (in particular rural) the reason for that is sufficiently high unemployment rate or long-term unemployment of parents. Such families receive state provided social support in the amount which suffices to meet minimum subsistence needs of the family, but can’t guarantee such welfare likewise working income. Quite often social tension arising within the family, alcoholism, unstable family relations between spouses raising the children together are the main reasons for inadequate childcare, and as a result children don’t attend school, become vagrant, commit violations of law or offences. Many parents failing to take care of their children lack elementary skills of raising children: they are incapable of addressing arising communication problems, use physical power against children and against one another.

The state and municipalities provide social risk families with financial assistance within the limits of their possibilities. Such financial assistance

² for more information on social risk families see section 4.2.1.2 below.
includes miscellaneous benefits or social services. The largest numbers of social support beneficiaries in the total number of population were in Pagėgiai municipality (9.4 %), Šalčininkai (8.4 %), Šilalė (8.2 %), Šilutė (7.2 %), and Joniškis (7.0 %) districts.

Every year, care (guardianship) is instituted for about 3 thousands of children. During 2003, care (guardianship) was established for 3023 children deprived of parental care. According to the data provided in reports of municipal Child’s Rights Protection Agencies in 2003, the number of families willing to take care of children is reducing, because people are afraid of assuming responsibility for children, in particular for minors, because these children need greater attention and require more knowledge about how to treat young people of adolescent age. Available data show that the great majority of children placed into care (guardianship) are of school-age (between 7 and 17 years). Therefore, municipalities which have not developed the network of infrastructure of social services for children and, have nothing to do but to refer such children to institutions of childcare or education. Such situation obviates the need to develop social services for families, which could provide the municipal level, using all possible providers, such as non-governmental sector, also developing social and psychological services. A positive effect on the development of the network of non-stationary social services was made by the National Programme for 2000–2004 of Children’s Day Centres Organised by Non-governmental Organisations launched in 2002. In 2003, LTL 1 million 900 thousand state budget appropriations were distributed among 68 child day care centres of NGOs. These centres provided social services to 2152 children from social risk families and carried out social work with them.

### 4.2.1.2. Social Risk Families

**Raising Children**

Presently, a social risk family is defined as a family in crisis because one or several of family members abuse psychotropic substances; are involved in gambling; fail to take care of their children, allow them to be vagrant, and go begging; are incapable of taking care of their own children due to the disability, poverty, lack of social skills and special knowledge; manifest psychological, physical or sexual violence; use state support provided to them for the purposes other than the interests of their family.

In 2003, reduction in the number of social risk families reduced (see Table 4.2.1.2.-1). The National Programme of Children’s Day Centres Organised by Non-governmental Organisations launched in 2001 considerably contributed to the aforementioned reduction. This programme encouraged more active interest in problems of families of children attending day care centres and social work.

<table>
<thead>
<tr>
<th>SOCIAL RISK FAMILIES</th>
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<tr>
<td>NUMBER OF SOCIAL RISK FAMILIES</td>
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<tr>
<td>NUMBER OF CHILDREN IN SOCIAL RISK FAMILIES</td>
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Data provided by Municipal Child’s Rights Protection Agencies

As of 1 January 2004, 12824 social risk families growing 28336 children were entered into the list of families subject to control because of parents alcoholism or psychotropic substances abuse. These families accounted for as much as 71.8 per cent in the total number of social risk families, and children growing in them – for 72.2 per cent of the total number of children growing in social risk families. We can conclude that alcoholism is the main reason for including families in the list of families subject to control.
The largest number of children in the total number of children living in social risk families in 2003 were registered in Utena (6.5 %), Tauragė (5.9 %), and Panevėžys (5.3 %) counties. The smallest number – in Vilnius (3.6 %) and Telšiai (3.7 %) counties.

By municipalities, the largest number of children in the total number of children living in social risk families in 2003 was registered in Molėtai (11.8 %), Šakiai (11.2 %), Varėna (10.2 %), Kėdainiai (10.1 %), Pasvalys (10.0 %), and Širvintos (9.7 %) districts, and in Pagėgiai (10.1 %) municipality. The smallest share of children in the total number of children living in social risk families was in Alytus (1.3 %), Vilnius (2.2 %), Klaipėda (2.5 %), and Kaunas (2.7 %) towns, and in the municipality of Neringa (2.4 %). Part of children growing in such families later are placed into temporary care (guardianship), or, having restricted the rights to both, or one of, the parents a permanent care (guardianship) is established by court decision.

In our opinion, this list of social risk families is incomplete, because it depends upon the number of social workers and other social partners who may be involved by the child rights protection agencies for identifying social risk families.

4.2.1.3. Children Placed into Care

According to the data on children placed into care provided by municipal Child’s Rights Protection Agencies, as of 1 January 2004, there were 14081 children deprived of parental care in Lithuania: 7787 children were placed into care of 5954 foster families, 329 – into 42 family type foster care homes, whereas different childcare establishments and boarding houses took care of 5965 children. The total number of children deprived of parental care and living in foster families, family foster care homes, childcare establishments of all types and boarding houses stands at 14081.

Every year the care (guardianship) is established for some 3 thousands of children. During 2003, the care (guardianship) was established for 3023 children deprived of parental care. This is by 20 children more than in 2002.

Distribution by age of children placed into care (guardianship) in 2003 is as follows: 690 children age 0-3 years, 470 children age 4-6 years, and 1863 children age 7-17 years.

In 2003, in many towns and districts of the country childcare tendencies remained practically unchanged. This can be said about Alytus, Klaipėda, Vilnius, Palanga towns and Birštonas municipality, Skuodas, Kašiadorys, Kėdainiai, Prienai,
Raseiniai, Biržai, Kelmė, Radviliškis, Anykščiai, Molėtai, Širvintos, Ukmergė regions. A considerable increase in the number of children placed into guardianship (care), compared with 2002, was observed in Kaunas town, Šiauliai, Telšiai, Varėna, Utena, Vilkaviškis districts. In 2003, compared with 2002, the number of cases of establishment of childcare (guardianship) reduced in the districts of Ignalina, Klaipėda, Mažeikių and Šalčininkai.

Particular reduction was registered in Elektrėnai municipality, Tauragė district, and Šiauliai town. This reduction was influenced by intensive preventive social work with social risk group families.

**DATA ABOUT FAMILIES WITH CHILDREN PLACED INTO CARE (GUARDIANSHIP) IN 2003**

<table>
<thead>
<tr>
<th>Number of families</th>
<th>Number of children</th>
<th>Percentage from the total number of children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHILDREN RAISED BY BOTH PARENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>385</td>
<td>685</td>
</tr>
<tr>
<td><strong>ONE OF THE PARENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OF WHOM: WIDOWER (WIDOW)</strong></td>
<td>1255</td>
<td>1835</td>
</tr>
<tr>
<td><strong>DIVORCED</strong></td>
<td>249</td>
<td>384</td>
</tr>
<tr>
<td><strong>ONE OF COHABITERS</strong></td>
<td>293</td>
<td>430</td>
</tr>
<tr>
<td><strong>SINGLE MOTHER WHEN THERE IS NO DATA ABOUT FATHER</strong></td>
<td>83</td>
<td>148</td>
</tr>
<tr>
<td><strong>CHILD’S GRANDFATHER OR GRANDMOTHER</strong></td>
<td>205</td>
<td>276</td>
</tr>
<tr>
<td><strong>CHILD’S AUNT, UNCLE</strong></td>
<td>53</td>
<td>72</td>
</tr>
<tr>
<td><strong>CHILD’S BROTHER, SISTER</strong></td>
<td>32</td>
<td>46</td>
</tr>
<tr>
<td><strong>OTHER NATURAL PERSONS</strong></td>
<td>84</td>
<td>102</td>
</tr>
<tr>
<td><strong>TOTAL NUMBER OF CHILDREN DEPRIVED OF PARENTAL CARE</strong></td>
<td>2014</td>
<td>3023*</td>
</tr>
</tbody>
</table>

Data provided by Municipal Child’s Rights Protection Agencies

Table 4.2.1.3.-1.

22,7 per cent of children deprived of parental care before placement into care (guardianship) were grown by both parents, and the great majority of children in 2002 (62,5 %), likewise in 2003 (60,7 %), were raised by one of parents: single mother – 29 per cent, widowed father/mother – 12,7 per cent; one of cohabitants – 4,9 per cent; divorced person – 14,2 per cent in the total number of children deprived of parental care.

By type of established care (guardianship), in 2003, likewise in other years, the temporary care predominates. It accounts for 80 per cent of all cases.

Like in previous years, in 2003, the great majority, or 53,9 per cent, of children were deprived of parental care because parents or the single parent did not take care of their children, neglected them or educated them in the wrong manner. Such situation reveals indifference of parents towards their obligations to guarantee proper development and care for their children, take care of their health, maintain them, create favourable conditions in observance of children’s physical and mental state in order to guarantee full-fledged and harmonious development, so that the child is prepared for independent life in the society. If conditions of life deteriorate, parents start ignoring their obligations and fail to properly develop their children, take care and maintain them, begin using physical punishments and neglect their children in general.

* Out of 3023 children deprived of parental care 1160, i.e. 38,4 per cent were age below 7.
### NUMBER OF CHILDREN DEPRIVED OF PARENTAL CARE BY GROUNDS OF ESTABLISHMENT OF CARE (GUARDIANSHIP) IN 2003

<table>
<thead>
<tr>
<th>Parental care deprivation causes</th>
<th>Number of children</th>
<th>From the total number of children deprived of parental care (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>3023</td>
<td>100 %</td>
</tr>
<tr>
<td>BOTH PARENTS OR A SINGLE PARENT ARE (IS) DEAD</td>
<td>275</td>
<td>9,1</td>
</tr>
<tr>
<td>PATERNITY (MATERNITY) OR CLOSE FAMILY RELATIONSHIPS ARE NOT ESTABLISHED WITHIN THREE MONTHS OF THE DAY OF FINDING A CHILD</td>
<td>7</td>
<td>0,2</td>
</tr>
<tr>
<td>BOTH PARENTS OR A SINGLE PARENT ARE (IS) DECLARED BY COURT AS DEAD OR OF UNDETERMINED LOCATION</td>
<td>3</td>
<td>0,1</td>
</tr>
<tr>
<td>PARENTS OR A SINGLE PARENT ARE (IS) RECOGNISED AS LEGALLY INCAPABLE IN ACCORDANCE WITH THE ESTABLISHED PROCEDURE</td>
<td>16</td>
<td>0,5</td>
</tr>
<tr>
<td>PARENTS OR A SINGLE PARENT ARE (IS) MISSING AND BEING SEARCHED FOR</td>
<td>92</td>
<td>3,0</td>
</tr>
<tr>
<td>CHILD IS SEPARATED FROM HIS PARENTS IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED BY LAWS</td>
<td>521</td>
<td>17,2</td>
</tr>
<tr>
<td>PARENTS OR A SINGLE PARENT DO (-ES) NEGLECT (-S), IGNORE (-S), DO (-ES) NOT TAKE CARE OF THE CHILD AND EDUCATE (-S) HIM IN THE WRONG MANNER</td>
<td>1630</td>
<td>53,9</td>
</tr>
<tr>
<td>CHILD SUFFERS PHYSICAL AND PSYCHOLOGICAL VIOLENCE</td>
<td>72</td>
<td>2,4</td>
</tr>
<tr>
<td>PARENTS OR A SINGLE PARENT ARE (IS) TEMPORARILY UNABLE TO TAKE CARE OF THEIR CHILD</td>
<td>407</td>
<td>13,5</td>
</tr>
<tr>
<td>DUE TO ILLNESS OF BOTH PARENTS OR ONE OF THEM</td>
<td>160</td>
<td>5,3</td>
</tr>
<tr>
<td>DUE TO ARREST, SERVING A PUNISHMENT</td>
<td>89</td>
<td>2,9</td>
</tr>
<tr>
<td>DUE TO OTHER IMPORTANT REASONS</td>
<td>158</td>
<td>5,2</td>
</tr>
</tbody>
</table>

Data provided by Municipal Child’s Rights Protection Agencies

In 17,2 per cent of cases the care (guardianship) was instituted by reason of separation of children from parents in the manner established by laws. In 13,5 per cent of all cases parents, or a single parent was temporarily unable to take care of children due to illness or arrest, serving a sentence, and other reasons. In which case the establishment of care (guardianship) testifies to the lack of diversified services to families in particular when care (guardianship) is instituted as a result of illness or disability.

In some 40 per cent of cases temporary care (guardianship) terminates when the child is returned to his biological parents. In those municipalities where intensive social work is carried with social risk families, more children from temporary care are returned to their biological families. In 2003, children returned to their biological family exceeded by 90 the comparable figure of 2002. Quite often in the event of the failure to settle family problems, the child’s temporary care (guardianship) is replaced by permanent care, limiting parental authority. This again shows the lack of support and social services to families at the municipal level.

In 2003, 1150 children placed into care (guardianship) attained majority and were emancipated. Upon attaining majority these children are paid by municipalities the orphan’s settlement
benefit established by the state, which equals to 50 MSL (LTL 6250) and is aimed at the acquisition or rent of residential premises.

In 2003, there were 4 cases when child’s care (guardianship) ceased because of the death of the child placed into care (guardianship).

7.3 per cent of children placed into care (guardianship) were adopted.

### CESSATION OF CHILDCARE (GUARDIANSHIP) IN 2000-2003

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>1693</td>
<td>1874</td>
<td>1804</td>
<td>2129</td>
</tr>
<tr>
<td>RETURNED TO PARENTS</td>
<td>788</td>
<td>696</td>
<td>720</td>
<td>810</td>
</tr>
<tr>
<td>ATTAINED MAJORITY AND EMANCIPATED</td>
<td>636</td>
<td>773</td>
<td>967</td>
<td>1150</td>
</tr>
<tr>
<td>ADOPTED</td>
<td>38</td>
<td>67</td>
<td>109</td>
<td>156</td>
</tr>
<tr>
<td>MARRIED</td>
<td>12</td>
<td>4</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>TEMPORARY CARE REPLACED BY PERMANENT CARE</td>
<td>...</td>
<td>...</td>
<td>1192</td>
<td>1175</td>
</tr>
</tbody>
</table>

Data provided by Municipal Child’s Rights Protection Agencies

Table 4.2.1.3.-3.

In 2000, the orphan’s settlement benefit was paid to 703 orphans and children deprived of parental care, and in 2001 – already to 1,3 thousands, in 2002 – to as many as 1,5 thousands, and in 2003 – to 1,3 thousands.

In 2003, likewise in 2002, more than 70 per cent of children were placed for care (guardianship) into foster families. Most often children are placed into care of the families of their close relatives: grandparents – 40.3 per cent; senior brothers and sisters – 10.3 per cent; other relatives (uncles and aunts) – 21.2 per cent. 28.2 per cent of children were placed into care (guardianship) of other natural persons in 2003.

### FAMILY CARE (GUARDIANSHIP)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL NUMBER OF CHILDREN PLACED INTO FAMILIES</td>
<td>1287</td>
<td>1292</td>
<td>1359</td>
<td>1436</td>
</tr>
<tr>
<td>THEIR CARETAKERS (GUARDIANS)</td>
<td>920</td>
<td>898</td>
<td>965</td>
<td>1031</td>
</tr>
<tr>
<td>OF WHOM:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– GRANDFATHER OR GRANDMOTHER</td>
<td>486</td>
<td>524</td>
<td>581</td>
<td>579</td>
</tr>
<tr>
<td>– CHILD’S BROTHER OR SISTER</td>
<td>138</td>
<td>141</td>
<td>113</td>
<td>148</td>
</tr>
<tr>
<td>– CHILD PARENTS’ BROTHER, SISTER (UNCLE, AUNT)</td>
<td>296</td>
<td>233</td>
<td>271</td>
<td>304</td>
</tr>
<tr>
<td>OTHER PERSON</td>
<td>367</td>
<td>376</td>
<td>394</td>
<td>405</td>
</tr>
</tbody>
</table>

Data provided by Municipal Child’s Rights Protection Agencies

Table 4.2.1.3.-4

The staff of municipal Child’s Rights Protection Agencies carry out systematic control over work of caregivers (guardians) and organise reviews of temporary care (guardianship) in the manner established in legal acts, however sometimes caregivers (guardians) lack childcare knowledge, because, as we can see from Table 4.2.1.3.-4, the great majority of caregivers (guardians) are close relatives not subject to the requirement to complete training on childcare matters and to gain additional professional knowledge necessary for education of the child. The lack of professional
training among caregivers (guardians) is evidenced by the fact that in 2003 83 caregivers (guardians) refused childcare, 242 caregivers (guardians) were dismissed from such duties in the statutory manner, and the childcare rights were suspended for 25 caregivers (guardians) in the statutory manner. Arising problems mostly concern adolescents placed into care. Such children account for the major part in the age structure of children placed into care.

### CHANGE OF CHILD CAREGIVERS (GUARDIANS) IN 2003

<table>
<thead>
<tr>
<th>Sq. No.</th>
<th>Dynamics of child caretakers (guardians)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>THE CHILD’S CUSTODIANS (CARERS) WHERE CHANGED WHEN THE CAREGIVER (GUARDIAN)</td>
<td>391</td>
</tr>
<tr>
<td>2.</td>
<td>DIED</td>
<td>41</td>
</tr>
<tr>
<td>3.</td>
<td>REFUSED CARE (GUARDIANSHIP) OF THE CHILD</td>
<td>83</td>
</tr>
<tr>
<td>4.</td>
<td>WAS DISMISSED IN THE STATUTORY MANNER</td>
<td>242</td>
</tr>
<tr>
<td>5.</td>
<td>WAS SUSPENDED IN THE STATUTORY MANNER</td>
<td>25</td>
</tr>
</tbody>
</table>

Data provided by Municipal Child’s Rights Protection Agencies

Table 4.2.1.3.-5.

#### 4.2.1.4. Childcare in Families, Family Foster Care Homes, Childcare Institutions

Between 2000 and 2003, childcare (guardianship) in family foster care homes accounted for about 45 per cent of all cases of care (guardianship) instituted during that period (in 2003 – 47.5 %). Particular growth in 2003, compared with 2002, was observed in the number of children deprived of parental care, who were referred to state childcare homes, whereas the number of children referred to family foster care homes, parish or municipal temporary care groups keeps diminishing. More are more children are referred to families. It means that the amount of childcare (guardianship) benefit of 4 MSL (LTL 500) does not have a decisive influence on the selection of the form of childcare (guardianship). During the aforementioned period the care (guardianship) for the great majority of senior school-age children was established in childcare institutions, other than in the families. This can be linked with insufficient professional training of families taking care (guardianship) of children and their apprehensions to assume responsibility for an adolescent who manifests the signs of problematic behaviour, as well as municipal investments into the development of the infrastructure of social services, because people seek childcare services financed from the state budget (family care, care in state childcare homes).

### PLACEMENT OF CHILDREN DEPRIVED OF PARENTAL CARE (PERCENTAGE) IN 2000-2003

<table>
<thead>
<tr>
<th>PLACE OF CHILDREN DEPRIVED OF PARENTAL CARE INTO CHILD CARE INSTITUTIONS, FAMILY FOSTER CARE HOMES, TOTAL (ABSOLUTE NUMBERS)</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERCENTAGE (100%):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- FAMILIES</td>
<td>45,4</td>
<td>44,5</td>
<td>44,8</td>
<td>47,5</td>
</tr>
<tr>
<td>- FAMILY FOSTER CARE HOMES</td>
<td>1,6</td>
<td>1,1</td>
<td>1,2</td>
<td>0,9</td>
</tr>
<tr>
<td>- INFANTS HOMES</td>
<td>8,2</td>
<td>8,3</td>
<td>8,4</td>
<td>8,2</td>
</tr>
<tr>
<td>- COUNTY CHILD CARE HOMES</td>
<td>12,3</td>
<td>14,3</td>
<td>6,0</td>
<td>15,2</td>
</tr>
</tbody>
</table>
4.2.2. Adoption

According to the data of the Adoption Agency under the Ministry of Social Security and Labour, in 2003, compared with 2002, the number of adopted children reduced by 10. 221 children were adopted in 2003. Out of them 117 children were adopted by citizens of the Republic of Lithuania, and 104 – by foreign nationals. In 2002, 231 child was adopted Lithuanian and foreign nationals of whom 159 Lithuanian citizens and 72 foreign nationals.

The largest number of children is adopted in largest towns of Lithuania – Vilnius and Kaunas. Such situation is conditioned by larger population of these towns as well as by the fact that municipal Child’s Rights Protection Agencies employ special staff responsible for adoption or these agencies have social partners (e.g., Kaunas). Social partners carry out the assessment of potential adoptive parents and provide the latter with information about the mission of adoption, and prepare families for this important step.
At present, the tendency prevails in Lithuania to take care (guardianship) of children before adoption. In 2003, 33 families which adopted children deprived of parental care took those children for care (guardianship) before adoption. The main reasons for such decision on temporary care (guardianship) of the child are related with doubts of would-be adoptive parents as to their abilities to properly raise the adopted child in future, and problems of psychological compatibility. It means that the system of training adopters’ parental responsibilities in the Republic of Lithuania is underdeveloped, because adoptive parents have no possibility to take a childcare leave which is necessary for family and child’s adaptation to the new environment. Sometimes when specifying the reasons for that the childcare (guardianship) benefit, etc. are distinguished. In 2003, the Draft Procedure for Assessing the Training of Adoptive Parents for Adoption was approved enforcing mandatory training of potential adopters. The purpose of such training is to provide assistance to potential adoptive parents, inform them about the process of adoption, answer arising questions, and discuss expressed doubts.

According to the data of 31 December 2003, 43 citizens of the Republic of Lithuania and 245 foreign families were recorded as willing to adopt a child. In 2003, compared with 2002, the number of individuals willing to adopt children increased (in 2002 – 48 individuals or families from the Republic of Lithuania and 181 foreign family or individuals). Statistical adoption data of 2003 show the growing numbers of potential cases of adoption. This might be explained by more and more positive articles printed in the national press about adoptive families stating that the process of adoption is not so complicated as it may seem from the first sight. Quite often the wrongful opinion about adoption is formed by public and tendentious repre-

<table>
<thead>
<tr>
<th>Sequence</th>
<th>State No.</th>
<th>Adopted children</th>
<th>Number of adopters</th>
<th>Age of adopted children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>9 months-2 years</td>
<td>3-5 years</td>
<td>6-11 years</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>72</td>
<td>104</td>
<td>54</td>
<td>72</td>
</tr>
<tr>
<td>1. USA</td>
<td>15</td>
<td>26</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>2. FRANCE</td>
<td>32</td>
<td>43</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>3. ITALY</td>
<td>12</td>
<td>22</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>4. ISRAEL</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5. GERMANY</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>6. SWEDEN</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>7. DENMARK</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>8. POLAND</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. BELGIUM</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. SWITZERLAND</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. PRESENTLY RESIDING IN RL</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. BRAZIL</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data provided by the Adoption Agency under the Ministry of Social Security and Labour

Table 4.2.2.-2.
sentations of people who are not related with adoption at all. With a view to promoting the adoption, the Adoption Agency under the Ministry of Social Security and Labour is willingly and continuously communicating with the representatives of TV, radio and press. Information published in the Internet host of the Adoption Agency regularly updated. Different adoption-related questions of individuals are also welcomed by e-mail.

All children included in the lists of children qualifying for adoption in the first instance are offered for adoption or care to the families of citizens of the Republic of Lithuania, and only when there are no individuals who are in the position to educate and maintain such children, and after expiration of 6 months of the day of their inclusion in the list, the possibility of international adoption of children is considered.

The data provided show that the largest number of Lithuanian children was adopted by French, American and Italian nationals.

4.2.3. Conclusions

1. Long-term unemployment of parents (in particular in rural areas), unstable family relations and family conflicts, alcoholism of parents, abuse of other intoxicating substances, lack of social skills of parents in educating their children, lack of knowledge how to settle family conflicts without using violence against another person and in particular against children remain the main reasons due to which the number of social risk families keeps growing, and at the same time more and more children are deprived of parental care. Given insufficient initial prevention services to families growing children and also the lack of services to families and children in crisis with a view to protecting children from threat of neglect or family violence, the temporary care is instituted by decision of municipal administration selecting either the close relatives’ family, or state childcare home as the place for care.

2. Establishment of temporary care with a view to returning children to their biological family cause considerable problems: failure to create proper conditions for the child's return to the family due to insufficient social work and opportunities to influence the way of life of parents. As a result, municipal social support institutions and municipal Child’s Rights Protection Agencies not always succeed in avoiding the reasons of placement into temporary care. In such cases the temporary care is replaced by permanent care. Quite often caretakers (who as a rule are close relatives of the child) due to material reasons disallow and prevent children from communicating with their parents.

3. Problems relative to the establishment of care (guardianship): lack of qualified caretakers, difficulty in finding guardians for adolescents and children who manifest problem behaviour; continuously reducing number of families willing to take care of children placed into state childcare institutions. In view of the above we can state that monetary support provided by the state to the child in care (guardianship) is not the main “driver” for taking the child into the family for care, and municipalities are not interested in developing the infrastructure of social services and encouraging NGOs to get involved in the sector of social services.

With a view to changing the existing tendencies:

a) it is necessary to create as many as possible preventive services to children and families at communal and municipal levels;

b) more and higher quality services must be provided to families and children in crisis, which might help families to maintain their stability, safety, psychological climate and ability to address problems. It is necessary to strengthen social work with families, develop the network of social services to families and the municipal network of crisis intervention services;

c) attempts should be made to create conditions for children to grow in the environment which is as close to the family environment as pos-
possible, establishing childcare (guardianship) in the family and family foster care home;

d) municipal Child’s Rights Protection Agencies should work more intensively with potential caretakers (guardians), willing to take care (guardianship) of the child: to ensure that all potential caretakers (guardians) complete special training courses and are provided with counselling.

4.3. SOCIAL SERVICES

Social services form part of social support, which covers services rendered by stationary and non-stationary social services institutions to individuals or their groups, and general social services provided at the communal level or at the client’s home.

Since 1998, the system of social services is being decentralised, giving priority to the development and extension of non-stationary services. The Government Programme for 2001-2004 envisages gradually replacing institutional social services by more effective and cheaper services provided at home and in children’s day centres. The Regulations on Development Trends of Home Social Services and on Guaranteeing More Effective Work of Inpatient Care Institutions\(^1\) establish the following main priority trends of the development of social services: provision of home help and non-stationary social services. Development of non-stationary social services infrastructure is also a priority trend of the development of social services according to the Social Services Infrastructure Development Programme approved by the Government.

In 2002, implementation of the Social Services Provision Reform\(^2\) was launched targeted towards motivation of the community, provision of support to individuals and families trying to find ways of self-help, carrying out a more clear assessment of the need for social services, matching social services with employment measures and with the systems of cash assistance and health care.

Upon approval of the National Plan on Support of Human Rights and Protective Actions in the Republic of Lithuania\(^3\), in 2003, implementation of the objective of the joint programme of the United Nations and the Government of the Republic of Lithuania – “Improving the Protection of Rights of Older People” and preparations for the initial stage of drafting legislation regulating quality social services for older people (social services standards) was commenced.

In 2003, situation in the field of social services and the main activities aimed at improving the quality of services are described below.

4.3.1. Development of the Sector of Social Services

In 1990, in Lithuania there were about 150 state-owned stationary care institutions. At that time services in the stationary care institutions were provided to 13,2 thousands old people, disabled and children deprived of parental care (Table 4.3.1.-1).

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\(^2\) Republic of Lithuania Government Resolution No. 171 of 6 February 2002 on Approval of the Concept of the Social Services Provision Reform (“Valstybės žinios” (Official Gazette), 2002, No. 15-564).

\(^3\) Republic of Lithuania Seimas Resolution No. IX-1185 of 7 November 2002 on Approval of the National Plan on Support of Human Rights and Protective Actions (“Valstybės žinios” (Official Gazette), 2002, Nr. 110-4853).
Between 1992 and 1998 particular growth was observed in the establishment of stationary social services institutions for old people and children: the number of care institutions for old people increased by 9 times, and of childcare institutions – twice. It’s worth noting that during this period the founders of social services institutions were municipalities and NGOs.

In 2003, social services to different groups of clients were provided by more than 350 stationary care institutions in Lithuania. During the year, services in these institutions were provided to about 17,7 thousands of recipients. Recipients of stationary services include 38 per cent of children deprived of parental care, 31 per cent of disabled adults, 27 per cent of old people, and 4 per cent of disabled children.

Establishment of non-stationary care institutions (shelter houses, day centres) was started in 1993-1994, and provision of home services – even earlier. In 1995, there were only 10 lodging houses, and in 2003 houses of temporary accommodation were able to host 763 homeless people, and also to provide about 200 people with shelter for one night. Home services were rendered to almost 9 thousands of people. Municipalities organised the provision of other general social services (free meals, provision with the most necessary things, personal hygiene, transportation services, etc.), which were rendered to about 160 thousands of Lithuanian residents.

In 2003, the Statistics Department under the Government of the Republic of Lithuania for the first time collected data about non-stationary in-
Institutions rendering social services: community centres, children and old people day centres, day centres for disabled people, family support centres, etc. In 2003, there were about 200 such institutions, i.e. approximately by 1.7 times more than in 2001 (according to the date of the Ministry of Social Security and Labour). In 2003, day centres welcomed about 4,2 thousands of visitors.

The largest number of visitors of day centres (about 17,5 thousands) comprises disabled adults. Day centres for disabled people are operating practically in all municipalities, and almost all of them were founded by NGOs of disabled people.

Children day centres were attended by nearly 7 thousands of children from social risk families, about 4 thousands old and elderly people attended community day centres and day centres for old and elderly people, about 4 thousands of people (family members, caretakers, guardians, etc. of disabled people) were provided with services in family support centres. The smallest share of care services was provided to the disabled children (about 1 thousand) and to individuals attributed to risk groups (1,2 thousands).

Development of non-stationary social services and support to operating institutions is promoted through government programmes implemented by the Ministry. One of such programmes is the Social Services Infrastructure Development Programme.

4.3.2. Social Services Infrastructure Development Programme

With a view to improving the condition of institutions rendering non-stationary social services and equalising disparities in the infrastructure of social services in different regions of Lithuania, in 1998 – 2003, the Ministry of Social Security and Labour in concert with county governors and municipal institutions implemented the National Social Services Infrastructure Development Programme.

The main objective of the Social Services Infrastructure Development Programme (hereinafter – Programme) is to improve social services infrastructure at the community level, encouraging provision of quality social services, increasing their accessibility to social risk families and children,
The Social Services Infrastructure Development Programme means co-financing of social services development projects prepared by municipalities, county governors and NGOs from the state budget, municipal budgets and other sources. Funds allocated for this Programme were used to finance the works of reconstruction, capital repairs, running repairs as well as acquisition costs of fixed assets and goods.

The amount of LTL 28,15 million was allocated from the state budget, Privatisation Fund and from the Council of Europe Development Bank for the implementation of the Social Services Infrastructure Development Programme between 1998 and 2003 (Table 4.3.2.-1).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (LTL million)</th>
<th>From state budget of Lithuania (LTL million)</th>
<th>Council of Europe Development Bank loan proceeds (LTL million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>5,000</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>3,448</td>
<td>1,006</td>
<td>2,442</td>
</tr>
<tr>
<td>2000</td>
<td>6,177</td>
<td>2,962</td>
<td>3,215</td>
</tr>
<tr>
<td>2001</td>
<td>4,780</td>
<td>3,935</td>
<td>0,845</td>
</tr>
<tr>
<td>2002</td>
<td>3,090</td>
<td>1,859</td>
<td>1,231</td>
</tr>
<tr>
<td>2003</td>
<td>5,655</td>
<td>4,705</td>
<td>0,950</td>
</tr>
<tr>
<td>2003</td>
<td>28,15</td>
<td>19,467</td>
<td>8,683</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour Table 4.3.2.-1.

During the aforementioned period, development projects of 83 social services institutions were selected by way of tender and financed, of which 95 per cent (79 projects) envisaged the development of non-stationary social services, and only 5 per cent (4 projects) were aimed at the development of stationary social services. After implementation of all these projects, the provision of social services was commenced to about 3536 clients per month, establishing 527 new jobs.

In 2003, using funds allocated for the Social Services Infrastructure Development Programme from the state budget, Privatisation Fund and the Council of Europe Development Bank (total amount of LTL 5655,0 thousands) 35 projects of social services institutions selected by way of tender were fully implemented in 26 municipalities. 11 projects are aimed at the disabled, 9 – at social risk families with children, 1 – at adults attributed to social risk group, and 14 projects – at the development of mixed social services. After implementation of these projects submitted by social services institutions, provision of social services was commenced to about 1268 clients per month, and 113 new jobs were established.

Implementation of the Social Services Infrastructure Development Programme for 1998 – 2003 stimulated municipalities, county governors and non-governmental institutions to be more interested in, and to take care of, the provision of social services, promoted cooperation between municipalities and NGOs. Given the existing need to continue the development of the Lithuanian social services infrastructure and in view of insufficient financing allocated to the Programme from the state budget in 1998 – 2003, by Resolution of the Government of the Republic of Lithuania⁵ implementation of the Programme was extended until 2006.

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4.3.3. Assessment of stationary Care Institutions

In implementing the reform of the provision of social services, considerable attention was paid to state care institutions with a view to better integrating them into the system of social services provided at the community level, guaranteeing purposefulness of social services, more reasonable utilisation of state funds, as well as evaluating the readiness for pending licensing and standardisation of social services.

In observance of the Plan of Measures for Implementation of the Strategy of Reorganisation of State Social Care Institutions for 2003 and approved Requirements for Stationary Institutions of Social Care and the Procedure for Referring Individuals to Stationary Institutions of Social Care, the assessment of state social care institutions was carried out. The purpose of assessment of state social care institutions was to find out whether activities of care institutions conform to the requirements established in legal acts.

In 2003, 22 care institutions for individuals suffering from mental disability, 8 institutions of care for old people, and 3 institutions of care for mentally retarded children and youth were functioning within the Lithuanian county governors administrations.

Assessment of all of these institutions was carried out according to provided statistical data and having regard to information collected through questionnaires and visits to the institutions. Prepared Assessment Report of Stationary Social Care Institutions of County Governors Administrations was developed covers comparative analysis of statistical data of care institutions, describes inconsistencies with the requirements of legal acts, and provides recommendations. Recommendations contained in the Report were brought to knowledge of the founders requesting them to eliminate established irregularities.

The main inconsistencies with applicable legal acts are related with wrongful execution of documentation, formation of the structure of staff, inadequate living environment and insufficient adaptation thereof to the disabled, absence of premises for organisation of employment, free time and sports, lack of quality services provided to inmates.

One of the main indicators, which helps in guaranteeing good quality of social services, is the ratio of institution’s staff establishment to inmates. In 2003, the average establishment was as follows: about 0.51 establishment per inmate in the institutions for mentally retarded individuals, 0.45 establishment per inmate in the institutions for old people, and 1.01 establishment – in the institutions for mentally retarded children and youth. This ratio conforms to the requirements, however, only part of the institutions has enough staff for work with inmates.

With a view to ensuring that social services are provided in more qualitative and professional manner, the Programme of Attestation of Social Workers was carried out.

4.3.4. Initial Attestation of Social Workers

The purpose of the Programme of Initial Attestation of Social Workers was to evaluate the existing condition of social work, personal qualifications of all individuals engaged in social work and to provide staff with training opportunities.

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7 Minister of Social Security and Labour Order No. 97 of 9 July 2002 on Approval of the Requirements for Stationary Institutions of Social Care and the Procedure for Referring Individuals to Inpatient Institutions of Social Care (“Valstybės žinių” (Official Gazette), 2002, No. 76-3274), with subsequent amendments and supplements.
Implementation of the Programme was commenced in 1998, in observance of the Procedure of Attestation of Social Workers approved by order of the Minister.

The Programme was implemented in two stages:
1. – implementation of purposive training courses of 4 modules;
2. – granting qualification categories.

Training courses were aimed at individuals engaged in practical social work who have not yet completed the training for social workers.

In 1999-2003, training courses were completed by 4 thousands of individuals engaged in social work. The amount of LTL 1032,8 thousands was allocated from the state budget for their training purposes.

In 2003, the demand among social workers for acquiring basic knowledge in the field of social work through participation in the training for attestation increased. Such training was attended by 802 social workers who completed theoretical training modules approved by the Ministry of Social Security and Labour.

Stage two – the granting of qualification categories was commenced in 2001.

The qualification category is established in observance of educational background, service record, and skills upgrading criteria and having regard to the work carried out by the social worker.

The acquired qualification category is the title of activities in the social sphere reflecting professional competence of the individual. The approved qualification category is valid throughout the entire territory of Lithuania for 5 years or until the next attestation of the worker.

In observance of the Social Workers Attestation Procedure, professional competence of social workers practitioners was assessed and qualification categories were granted by the Supreme Commission on Attestation of Social Workers and by 10 County Social Workers Attestation Commissions.

County Social Workers Attestation Commissions were entitled to grant qualification categories of the assistant social worker, junior social worker, social worker and senior social worker. Between 2002 and 2004, the aforementioned Commissions attested 4889 social workers.

Throughout the entire period of attestation, the social workers attestation commissions practically to half of those attested (44 % of all attested workers) granted the qualification category of the assistant social worker, to each fifth worker – the qualification category of the senior social worker (22%), or the junior social worker (19%), and the social worker’s qualification category was awarded to every seventh worker (14%).

The Supreme Commission on Attestation of Social Workers awarded and approved the qualification categories of the leading social worker and expert social worker. In 2001 – 2004, this Commission awarded one of the aforementioned qualification categories to 95 social workers.

It should be noted, that the largest number of qualification categories was awarded to social workers in Vilnius, Kaunas, Klaipėda, and Šiauliai counties. These counties are also noted for the largest number of leading social workers and expert social workers.

Distribution of attested social workers by county and qualification category is provided in the following Table:

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In view of the great demand for attestation and having regard to the proposal of county governors’ social workers attestation commissions, initial attestation of social workers was extended until 31 May 2004.\(^{10}\)

On motion of the Ministry of Social Security and Labour, in 2003 a scientific survey was carried out with a view to finding out the opinion of qualified social workers – practitioners about attestation of social workers and distinguishing the guidelines for the improvement of the skills upgrading system.

Survey participants were positive about numerous aspects of attestation and in particular – about the procedure of financing the training and accessibility of attestation (and training). Less positive assessment was provided regarding objectivity of attestation commissions and classification of the social workers’ categories. More than 50 per cent of respondents believed that there is no need to introduce any changes into the attestation, and 30 per cent were of the opinion that the attestation should remain, but with certain modifications. The survey has shown that in principle the applied initial attestation system is accepted as positive and it was an important factor in improving general professional competences in the field of social work. The great majority of social workers – practitioners (52%) support introduction of qualification levels (categories) and establishment of requirements for qualification categories.

It is interesting that as many as half of respondents suggest leaving the system of attestation just like it is, without introducing any modifications into it (Chart 4.3.4.-1). Only 3 per cent of respondents would like to discontinue attestation. One third of respondents suggest retaining the system with certain changes, whereas 5% of respondents expect essential changes.

One of the most important factors in organising the system of qualifications of social workers should be the fact that qualification improvement motivation of the great majority of respondents (over 90%) is very high (50.7% of respondents are of the opinion that qualification must be improved, and 45.4% – that while being indispensable, the qualification improvement is also of highest importance).

Survey data revealed underdeveloped aspects of the system of skills upgrading of social workers: dissemination of advanced practices (46.9%), development of work methodology (40.6%), better identification of training needs and the need for higher quality coordination (29%).

Attestation of social workers revealed that in Lithuania there is a large number of professionals of social work who use in their activities new methodologies of social work, have interesting and relevant experience in the field of social work which might be useful to many social workers in Lithuania. With a view to generalising advanced practices of social work and disseminating them amongst social workers-practitioners in Lithuania, the Social Workers Training Centre under the Ministry of Social Security and Labour announced the tender for selecting methodical material about innovations used by social workers and good practices in the field of social work and issued the publication “Innovations in Social Work”.

4.3.5. Developing the Skills Upgrading System for Social Workers

At present, social work in Lithuania is carried out by about 5000 people. Social workers are engaged in different institutions, as well as in enterprises and organisations subordinate to various ministries. According to the results of surveys conducted in Lithuania, the largest share of social workers is employed in municipal social support divisions, municipal institutions and neighbourhoods. Quite a number of social workers is employed in the stationary institutions of social care, also in the institutions and NGOs of other spheres, etc.

Under conditions of developing social infrastructure, growing number of clients and their needs the spheres of social work considerably expanded during the recent years. At present, social work is carried out not only in the system of social security, but also in the institutions of health care, system of education, services of the system of the interior, etc. As professional activities become more complex, the improvement of professional competences of social workers gains
particular importance. It considerably influences the development of the system of social support as a whole, as well as the increase of prestige of the social worker’s profession. Practice has shown that more and more often social workers in their professional activity need integrated-complex knowledge in different fields, also specific skills, ability to communicate with people, diplomacy, etc.

The purpose of the system of systematic skills upgrading of social workers is to provide social workers with opportunities to improve their theoretical knowledge, develop their practical skills, help them to keep up with innovations and be interested in continuous development, in order to be able to successfully adapt themselves to new conditions and professional requirements.

Skills upgrading of social workers is of importance because of changes that are taking place: new legislative framework, new social programmes and initiatives, analysis and dissemination of advanced practices, newly defined social support policies, recommendations of conducted scientific survey, etc. Changes currently taking place in social work obviate new social problems and new social groups of individuals with whom social work should be carried out or who need social support of one or another type. Addressing the emerging social issues continuously requires from social workers new additional knowledge, skills, discussions, application of current work methods, knowledge of good practices.

Completion of social workers initial attestation programme revealed several main factors necessitating the improvement of professional qualifications of social workers:

1. Results of implementation of initial social workers attestation programme have shown that social workers are very positive about skills upgrading, recognise its high importance and directly support the need for continuing improvement of qualifications and attestation of social workers.

2. Initial social workers attestation system and 4 training modules were directed towards providing basic knowledge of social work to those social workers who have no required professional education. Professional social workers possessing social worker’s qualification, were awarded a respective qualification category, however, no modules or specialised training courses were organised for them. This stage reveals the need to provide each social worker with opportunities to acquire knowledge and to upgrade own professional skills. To this end, the accessible, coordinated and flexible system of continuous skills upgrading of social workers satisfying the needs of social workers engaged in different spheres and their employers should be created. Knowledge and skills of social workers should be assessed and respective skills upgrading programmes should be developed according to different needs under this system.

Considerable new experience was accumulated and new initiatives appeared during the recent decade in the field of social work carried out in Lithuania. In the present stage it is obvious that traditional information dissemination methods are insufficient, and that there is a need to apply new methods, with analysis and sharing of good practice gaining particular importance.

With a view to creating the continuously functioning system of skills upgrading of social workers and providing methodical assistance to social workers – practitioners, in 2003, the Ministry of Social Security and Labour, alongside the Swedish International Development Agency (SIDA) and the University of Stockholm, launched the Project of Methodical Centres of Social Work.

The Project comprises three interrelated components aimed at: 1) developing social workers skills upgrading programmes; 2) establishing methodical centres capable of providing professional support and organising specialised training; 3) implementing training programme on provision of methodical assistance for staff of methodical centres.
For the purpose of implementing the first objective, the need for skills upgrading of social workers – practitioners was assessed. The Social Workers Training Centre under the Ministry of Social Security and Labour is collecting data and developing the database on social workers in Lithuania.

For the purpose of implementing the second objective, 12 innovative institutions and organisations of social services were selected, which, in addition to their main functions, will also perform the functions of practical training, implementation and testing of innovations as well as dissemination of best practices to other similar institutions.

The aforementioned institutions are nominated as social work methodical centres. Institutions were selected according to specialisation of their activity: those working with mentally retarded children (2 centres), with adults suffering from physical disability (1 centre), with mentally retarded adults (2 centres), with old people (1 centre), with ex-offenders (1 centre), with women and children victims of violence (1 centre), with children attributed to risk groups (1 centre), with alcohol and drug addicts (1 centre), and with community (1 centre). In addition, the status of the methodical centre was granted to the Social Workers Training Centre under the Ministry of Social Security and Labour, which will perform the function of coordination of methodical centres.

For the purpose of implementing the third objective, 3 employees from each methodical centre were selected as instructors for methodical centres. Within the sphere of their specialisation, trained staff of methodical centres will organise qualifications upgrading courses for employees who develop social work in different institutions of Lithuania.

4.3.6. Regulation of Activities of Social Workers

Order of the Minister of Social Security and Labour\(^{11}\) on Approval of the List of Jobs of Social Workers is aimed at establishing jobs of social workers who have entered into employment contracts. The List establishes jobs for social workers subject to attestation according to the Social Workers Attestation Procedure. The social service record and duration of holidays are calculated for social workers engaged in jobs specified in the List.

The list of jobs comparable to those of social workers applies only to those public servants employed in social support divisions and in the Child’s Rights Protection Agencies, whose job descriptions or legal acts establish the special requirement to have social work educational background or to have completed the special social work training courses, and clearly define the type of the functions of social work performed. The purpose of this List is to specify jobs of workers who qualify for attestation according to the Social Workers Attestation Procedure. The social service record is also calculated for workers engaged in jobs inscribed on the List.

In 2003, the duration of annual leave was extended for social workers dealing with the most problematic groups of clients\(^{12}\). The Government of the Republic of Lithuania established that duration of annual leave for workers engaged in social work in the stationary institutions of social care is extended to 42 calendar days. For workers engaged in social work with mentally retarded individuals in the non-stationary institutions of social care, and in temporary accommodation institutions for individuals attributed to social risk groups, the annual leave of 35 calendar days was established.


\(^{12}\) Republic of Lithuania Government Resolution No. 941 of 18 July 2003 on Approval of the List of Workers of Certain Categories Qualifying to Extended Annual Leave and of the Duration of Such Leave (“Valstybės žinios” (Official Gazette), 2003, No. 73-3375), with subsequent amendments and supplements.
4.4. SOCIAL INTEGRATION OF THE DISABLED

Social integration of the disabled is a wide social process aimed at creating the opportunities for the disabled to live full-fledged life and enjoy equal opportunities and rights.

One of the four goals of the European Union is equality of members of the society. However, the existence of objective circumstances of physical inequality of people, e.g. when people suffer from certain bodily or mental disability, requires from the state and society to create for the disabled the necessary conditions of life and work so as to enable them to live full-fledged life and to engage in activity which is accessible to them.

This Part deals with the description of the main indices characterising disability, social integration programmes under implementation, and improvement of legal base of social integration of the disabled in 2003.

4.4.1. The Main Indicators Characterising the Disability

According to the data of the Ministry of Social Security and Labour, in 2003, 229 230 individuals living in the country received disability pensions. They accounted for about 6.5 per cent of the total country’s population. Of which: 13 852 children age under 16. Chart 4.4.1.-1 shows that the disabled attributed to most severe disability Group I account for 13 per cent of all disabled, that is individuals who due to illness or other health disturbances are not able to take care of their personal, social or public lives and who need regular assistance, nursing or care provided by other people. The great majority of disabled individuals are attributed to disability Group II – 138 187, i.e. 60 per cent of total number of the disabled.

The process of ageing of society also contributes to quantitative growth of the disabled – as a result of the increase in the number of old age people, their comparative share in total number of the disabled respectively grows. According to the data of the Ministry of Social Security and Labour, 30 per cent of total disabled comprise individuals of retirement age.

The disabled for whom disability group is established become entitled to receive the disability pension which is paid to individuals provided with

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**DISTRIBUTION OF THE DISABLED BY DISABILITY GROUPS**

![Pie chart showing distribution of disabled by disability groups]

- **Group I**: 47 134
- **Group II**: 13 852
- **Group III**: 30 057
- **Disabled children**: 138 187

*Data provided by the Ministry of Social Security and Labour*  
Chart 4.4.1.-1
state social insurance cover from the State Social Insurance Fund (hereinafter SODRA) funds, whereas those who have no state social insurance cover are supported (social pensions) from the State Budget funds. According to the data in Chart 4.4.1.-2, development of the number of individuals receiving social disability pensions is inconsiderable; compared with 2001 it has considerably reduced and accounts for 31 381. However, this can’t be said about individuals receiving SODRA disability pensions. The number of these individuals keeps slightly growing every year and compared with 2001, their share in 2003 was larger by about 9 per cent, i.e. 197849.

Employment

The rate of unemployment remained considerably high and stimulated individuals to seek attribution to disability groups as a source of subsistence, discouraging them from rehabilitation and attempts to return and reintegrate into the labour market. Given insufficient labour demand and strong competition in the labour market, the level of qualification becomes the main precondition for remaining in the labour market, and disabled individuals face the problem of professional skills and qualification. Job seeking disabled individuals have to acquire professional skills or to refresh them and need additional vocational rehabilitation, vocational training or re-qualification services. Such services are organised and rendered by labour market training services or specialised vocational training establishments.

Data in Chart 4.4.1.-3 show that in 2003 disabled individuals were more active jobseekers than in the previous years. According to the Lithuanian Labour Exchange data of 2003, 7897 disabled people were enrolled with the Labour Exchange and were active jobseekers. The great majority (87 per cent) of them were awarded disability Group III. Individuals suffering from more severe disability were less active in seeking for jobs.

4.4.2. The Main Programmes Implemented in 2003 in the Field of the Integration of the Disabled into the Society

Supply of Individuals with Orthopaedic and Compensatory Technique

In implementing the Republic of Lithuania Law on the Social Integration of the Disabled and with a view to improving medical, occupational and social rehabilitation of the disabled and provision of medical, social and technical services to them, the Ministry of Social Security and Labour is implementing the Programme for the Provision of the Population with Orthopaedic Appliances and Compensatory Technique. The main task of this Programme is to supply disabled individuals with orthopaedic appliances and compensatory technique. For the purpose of implementation of the Programme, disabled individuals are paid compensations to cover the costs of acquisition of orthopaedic appliances, and the costs of acquisition of, supply with, and repairs of compensatory equipment.

With a view to facilitating realisation of the function of control over payment of compensations for orthopaedic technique, in 2003 the “Orthotechnique” system of control over payment of compensations for orthopaedic technique was implemented. The main goal of this system is to guarantee maximum control over payment of compensations for orthopaedic technique. This control system was put into operation on 1 February 2003. It facilitated in achieving higher effectiveness of control over use of state funds for compensating individuals’ expenses incurred when acquiring the orthopaedic equipment, analysing performance of enterprises by positions of orthopaedic equipment manufactured by them having regard to the complexity of manufacturing of such equipment, the number of individuals supplied with orthopaedic equipment having regard to social groups, etc., regions being serviced, production resources and available specialists of enterprises, etc.
In 2003, for the purpose of acquisition of orthopaedic technique the amount of LTL 24 464 thousands was allocated from the State Budget, i.e. almost by 21 per cent more than in 2002.

In 2003, about 108 470 units of orthopaedic equipment were manufactured, individually adapted and provided to individuals: of which 1 072 units of prosthesis; 2 850 units of apparatus;
19100 units of splints; 18291 units of corsets; 33415 units of orthopaedic footwear; and 33740 units of other orthopaedic equipment. Such services were rendered to 85311 individuals. Demand for orthopaedic equipment was satisfied only to a certain extent, i.e. for about 66 per cent.

As a result of amendment of the orthopaedic technique compensation procedure, the Ministry of Health took over the implementation of the Programme for the Provision of the Population with Orthopaedic Appliances from the Ministry of Social Security and Labour. On 22 December 2003 the Minister of Health and Minister of Social Security and Labour issued Order No. V-747/A1-214 on Assigning the Functions of Compensation for Orthopaedic Technique whereby the Plan of Measures for Assigning Functions of Compensation for Orthopaedic Technique was approved and the transitional period for assigning the said function was fixed, i.e. from 1 January 2004 till 31 December 2004. During 2004, the Ministry of Social Security and Labour is going to draft the orthopaedic technique compensation procedure and other legal acts related with its implementation. By virtue of Order No. V-1 of 6 January 2004 of the Minister of Health, the Provisional Procedure for Compensation of the Provision of the Population with Orthopaedic Appliances” was approved.

For the purpose of supplying individuals with compensatory technique, the compensatory technique public procurement procedures were carried out in 2003. The amount of LTL 2 920 thousands was allocated from the State Budget for the implementation of this programme, i.e. by 8,1 per cent more than in 2002.

1744 units of compensatory technique were acquired for more than LTL 500, of which: 256 units – for children and 1488 units – for adults.14544 units of compensatory technique were acquired for up to LTL 500: 14299 units- for adults and 245 units – for children.

Financing was provided for acquisition of 1369 units of different compensatory technique.

Repairs services under concluded agreements on repairs and individual adaptation were rendered for LTL 233,7 thousands, and 1849 units of different compensatory technique were repaired and adapted.

The 2003 demand for compensatory technique was satisfied only partially, i.e. for about 67 per cent.

Implementation of Measures of the National Programme for the Integration of the Disabled into the Society

In 2003, the Lithuanian Council of the Affairs of Disabled to the Government of the Republic of Lithuania (hereinafter – Council) was implementing the Programme for the Integration of the Disabled into the Society (hereinafter – Programme), which is developed according to the measures of the National Programme for the Integration of the Disabled into the Society. The purpose of this Programme is to provide the disabled with equal opportunities to participate in life of the society. In 2003, the amount of LTL 24 873 thousands was allocated from the State Budget and used for the implementation of this Programme. According to 7 priority spheres of the Programme financing was provided to 30 national public organisations of the disabled, and 4 programmes of rehabilitation and educational establishments.

According to Chart 4.4.2.-1, the greatest attention was devoted to the spheres of employment, provision of social services and rehabilitation of disabled people.

In the sphere of employment attempts were made to integrate disabled people into the labour market while helping them to get a job, developing home and patented work, using new information technologies, applying general and individual programmes, also guaranteeing and developing alternative employment forms – labour therapy and general employment. To this end financed was provided for three main measures – employment in free labour market, labour therapy, and general employment.
In implementing the programmes, 10270 of disabled individuals got jobs and were engaged in labour therapy and other forms of employment. 159 new jobs were set up and 285 jobs were supported for the benefit of disabled people. 30 disabled individuals with visual impairment started their own business. Support was provided to the job search service activities, 4000 employers were accessed through active job search, 489 consultations were provided on self-employment/employment matters, adaptation of 54 jobs was assessed providing consultations about them, and 47 disabled people were employed after completion of the course of professional rehabilitation.

In the sphere of social services attempts were made to satisfy special needs for community social services arising from disability. To this end financing was provided to one principal measure – social services.

In implementing the programmes, more than 20 000 disabled people benefited from social services.

32264 disabled individuals benefited from outpatient social services (information and counselling, home assistance, identification of needs, call for doctors, laundering, bathing, purchasing foodstuffs and household goods, reader and attendant’s services, sign language translation, legal, etc.). Regular transport services were provided to 362 disabled people, whereas one-time services were rendered to 7715 disabled.

The number of services already operating and those being established stands at 21, support was allocated to 83 operating community level services and centres providing independent life and social services, 8 educational establishments servicing more than 20000 of disabled people. Self-care homes being set up in Švenčionys district Magūnų village will host 18 mentally disabled individuals.

Rehabilitation services were provided to 5574 disabled individuals who regained their independence

Support was provided to 7 services of early rehabilitation (1572 disabled people availed themselves of these services). 5600 disabled individuals were serviced by 10 medical rehabilitation services. 1800 people suffering from diabetes at-
tended school set up for them at the Lithuanian Diabetes Association, participated in 5 medical rehabilitation and complication prevention camps and seminars (attended by 189 diabetics).

22 new services of psychosocial rehabilitation and development of independent life skills for mentally retarded individuals were established and 31 such service received support (these services were used by 1485 people with disabilities). 58 disabled people were provided with outpatient psychological assistance at home, 228 disabled individuals, including 28 disabled children, participated in 14 camps of psychological assistance and psychological rehabilitation.

Courses were organised on vocational training and driving.

In the sphere of education attempts were made to develop education of disabled children (with special needs), youth and adults, to guarantee adaptation of training programmes and provision of social services indispensable in the process of education. To this end, two main measures were financed – education of disabled (with special needs) children and youth, and non-formal education of disabled people. In implementing the programmes, 8282 disabled individuals benefited from the process of education.

According to new methodologies and programmes 80 disabled individuals were taught primary skills, 1519 such individuals, including 837 disabled children, were educated through art, fine arts and music. 211 individuals suffering from disabilities participated in activities of 20 self-help and development groups. 35 music and art specialists upgraded their skills.

2 training centres for the disabled were set up in Šalčininkai and Tauragė. 33 individuals with mental disorders will attend them. 4 integrated classes were newly established in schools (in Elektrėnai, Joniškis and Gargždai). 24 such classes (attended by 296 disabled children) and 3 preschool educational establishments (attended by 127 disabled children) were provided with financial support. 20 operating educational establishments attended by 1360 disabled people were adapted and received financing. 3068 disabled, including 3000 visually impaired individuals, were supplied with compensatory and supporting technique. Support was rendered to 115 disabled people studying in educational establishments (universities, higher and specialised schools). Typhlopedagogical assistance was rendered to 40 families raising visually impaired children. 830 disabled children attended employment circles and camps. Training and seminars were organised for the benefit of 20 disabled youth. 283 disabled individuals received regular and 269 one-time transportation services.

Activities of adaptation of information environment and transportation

In 2002 the investment programme “Acquisition of Transport Specially Adapted for Transportation of the Disabled” was launched and financed from the State Budget. By the end of 2003, the Authority purchased seven technically adapted minibuses “Mercedes-Benz-Sprinter” for transportation of the disabled (four minibuses with six seats and two places adapted for the disabled, and three twelve-seat minibuses with two places for transportation of the disabled). By 2003, 19 motorcars were purchased and allocated.

4.4.3. Year of the Disabled in Lithuania

Seeking to enforce the right of the disabled to live a full-fledged life and in order to protect them from discrimination and marginalisation, the Council of the European Union designated 2003 the European Year of People with Disabilities. Designating the Year of People with Disabilities 2003, the European Council aims at raising awareness of the international community and improving the knowledge about rights of the disabled, encour-
ages discussions on measures necessary for ensuring equal opportunities for the disabled, seeks to guarantee the sharing of experience selecting the effective strategy at regional, national and European levels and to highlight positive contribution of the disabled to the life of the society. The Council of the European Union encourages the countries of Europe to strengthen cooperation at the national level between administrative authorities, communities, social partners, volunteer groups, the disabled and their relatives, promotes understanding of their citizens of the diversity of individuals with disabilities and the life they have to live while being discriminated.

In support of the initiative of the European countries, the Seimas of the Republic of Lithuania and announced 2003 the Year of Disabled People in Lithuania. On 3 February of this year, the Government of the Republic of Lithuania approved the Action Plan of the Year of Disabled People in Lithuania strengthening the rights of the disabled and guaranteeing equal opportunities. The Plan was developed by the coordination committee and received financing from the State Budget in the amount of LTL 3 million for its implementation.

The purpose of the Action Plan of the Year of Disabled People in Lithuania is to protect the disabled from discrimination, to provide them with equal rights and opportunities to use measures strengthening their self-dependence, social and economic integration, participation in social life. This Action Plan is aimed at all of the disabled of Lithuania.

Preparation and implement the Action Plan was necessitated by these main problems:

- the failure to adapt physical environment to the needs of individuals with disabilities limiting their opportunities to participate in educational, development, work, sports and cultural activities and, as a result, increasing social exclusion of the disabled; inadequate public awareness-raising, lack of accessibility of information, diminishing number of TV and radio broadcasts about problems faced by the disabled, unfavourable attitude to a disabled individual formed through mass media;
- insufficient development of the services of rehabilitation of the disabled, in particular, of the system of development of independent life skills: lack of methodologies for the development of independent life skills of the disabled, shortage of specialists, equipment and institutions engaged in the development of independent life skills; insufficiently met special needs resulting from disability in training and educational establishments, failure to adapt environment of these establishments and training programmes to disabled children (with special needs), compensatory technique of educational designation, lack of special teaching aids, information technologies, inadequately guaranteed additional special pedagogical and psychological assistance, shortage of specialists (assistant pedagogues, readers, attendants, sign language translators) diminishes accessibility of training and education services;
- insufficient consideration given to experience of the European Union Member States and other advanced countries in the field of development of the system of social integration of the disabled; inadequate cooperation and sharing of responsibility between authorities responsible for different spheres of social life (health care, social security and employment, education and science, communications, economy, culture, environment, sports, etc.);
- the failure to adapt information environment and lack of modern computer technologies depriving disabled individuals of the possibility to avail themselves of the sources of information, without guaranteeing equal opportunities to participate in the process of social development and to access information available to the public.

The Action Plan of the Year of Disabled People in Lithuania is being implemented in four main directions: improvement of legal acts and drafting new legislation, public awareness-raising and im-
proving information access, adapting physical environment to the special needs of disabled individuals in the establishments rendering training, education and social services, increasing learning, education and self-dependent life opportunities for disabled individuals.

Responsibility for coordination and control of implementation of this Action Plan rests upon the Council for the Affairs of the Disabled at the Government of the Republic of Lithuania. Measures of implementation of the Action Plan were realised by respective ministries and NGOs of the disabled within the limits of their competence. Effective implementation of the Action Plan was considerably influenced through cooperation of its executors with NGOs of the disabled, receiving approval of these organisations and involving them in the assessment of particular measures.

**Amending adopted and drafting new legal acts**

Draft legal acts developed in implementing the Action Plan – 4 draft laws:
- New version of the Law on the Social Integration of the Disabled,
- Law on Social Employment Enterprises,
- New version of the Law on Social Services,
- Law on Amendment to the Law on Social Pensions,

8 draft legal acts in the field of education of children with special needs.


The purpose of the Law is to guarantee equal rights and opportunities for the disabled in the society establishing the basis for their social integration.

The Law establishes the main principles, preconditions and terms of social integration of the disabled, defines responsibility of authorities implementing social integration of the disabled, establishes disability degree for children age below 18 and the level of workability of individuals of working age, procedure for assessing and satisfying special needs, and transitional provisions. The Law will come into effect as from 1 July 2005.

The Law changes the disability establishment model. According to the Law, individuals age under 18 (minors) shall be assigned the disability degree which by severity is divided into severe (profound), moderate and mild. Such differentiation will improve social and other support provided to individuals suffering from more severe disability. Disability degree will be established in complex manner, in consideration of the individual’s health condition, self-dependent everyday life opportunities, his (her) personal development opportunities, effects of environmental factors and other important aspects. The degree of workability will be established for disabled individuals age over 18, instead of awarding them a disability group. Opportunities will be created for more objective assessment of workability of individuals, and for obtaining the required medical, vocational and social rehabilitation services and benefits. Employment of disabled people and their opportunities to live self-dependent lives will improve.

Other aforementioned legal acts will be described in more detail in other chapters of this Report.

**Public awareness raising and improving access to information**

With a view to forming positive social image of individuals with disabilities, a creative competition of journalists was organised, the CD “Bédų
turgus” about the disabled was issued in concert with the Charity and Support Fund, and TV broadcasted 3 reportages about the disabled. 2 books of disabled authors were published. Information publication on adaptation of environment to the disabled was issued. The Abilympic Contest was held in Lithuania (with 122 disabled participants). The international scientific conference “Adaptation of Environment to Disabled People” was organised.

Events organised in implementing the cultural programme of the Year of Disabled People in Lithuania include the fair of articles made by the disabled and the concert in Katedros square in Vilnius, the 1-st festival of the European Chamber Orchestra of the Disabled “Music without Borders” (1700 people of which 1500 people with disabilities participated in these events), the international dance festival of the disabled moving in handcarts (638 participants including 488 disabled people), humour contests of disabled people in Šiauliai, Birštonas and Pakruojis (500 participants including 300 disabled people).

Doors of theatres were opened to 2500 individuals in implementing the campaign “Theatres to the disabled”.

9 round discussion tables were organised in Kaunas, Klaipėda, Tauragė, Utena, Panevėžys, Šiauliai, Telšiai, Alytus, Marijampolė counties to discuss the problems of the disabled. The counties also organised cultural programmes for the disabled.

Support was rendered to 11 NGOs programmes of integration of the disabled.

5 Internet websites of public authorities and of the Lithuanian Association of the Blind and Visually Impaired were adapted to the needs of the disabled. Work was continued in creating the Lithuanian language synthesiser for the blind, which will be used by 80 blind people. The information publication printed in larger font and in Braille alphabet was released in 500 copies.

3 computer, visual and printed sign language aids were prepared in the sign language. Lithuania’s joining the European Agency for Development in Special Needs Education was supported.

**Adaptation of physical environment in the establishments providing training, education and social services**

The environment of 3 education centres was adapted to the needs of the disabled (in Vilnius “Šviesa”, Anykščių district Aulelių village and in Elektrėnai). They will be attended by 140 disabled individuals suffering from severe mental retardation and complex disability. Adaptation of environment was carried out in 12 daily occupation centres in Raseiniai, Trakai, Kelmė, Kaunas, Vilnius, Plungė, Varėna, Šalčininkai, Panevėžys, Utena, Zarasai, and Klaipėda district (they will be attended by 3583 disabled individuals), and in 8 establishments delivering social services in Vilnius, Klaipėda, Šilutė, Širvintos, Kaunas, Šiauliai, Panevėžys, Telšiai (services will be rendered to 4500 disabled), and in 9 sports clubs for the disabled (they will be attended by 1050 individuals with disabilities). Sports inventory was acquired for members of the parolympic combined team and for the combined team of the deaf.

**Improving learning, education and self-dependent life opportunities of the disabled**

2450 deaf individuals will avail themselves of services rendered by information training rooms set up in 7 operating centres (in Vilnius, Kaunas, Panevėžys, Šiauliai, Klaipėda, Telšiai and Alytus counties). 3500 blind and visually impaired individuals will be provided with procured special education aids and compensatory technique. Surdo equipment was supplied to 8 educational establishments for the deaf and to 105 deaf individuals.
4.5. SOCIAL POLICY ON VICTIMS AND SOCIAL RISK GROUPS

Social policy in respect of victims and social risk groups is pursued in implementing the following programmes: the Programme of Return of Deportees and Political Prisoners and their Families to Lithuania for 2002-2007, the Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2001-2004, the National Programme for the Drug Control and Drug Addiction Prevention for 1999–2003, and the Programme for the Control and Prevention of Trafficking in People and Prostitution for 2002-2004. In 2003-2004, support to the main groups of victims and social risk was further developed. The overview of amendments introduced in legal acts regulating this field, achievements of implementation of each of the aforementioned programmes as well as future trends of activities is provided below.

4.5.1. Legislation Governing the Development of Support to Victims

The Ministry of Social Security and Labour drafted Amendment to the Regulations on the Recognition of Personal Legal Status of the Defender of Independence – the Victim of 11-13 January 1991 and Subsequent Aggressions of USSR, Issuance of Certificates to Such Individuals and Keeping Records Thereon approved by the Minister of Social Security and Labour Order No. 36 of 29 March 2000 (approved by the Minister of Social Security and Labour Order No. A1-85 of 23 May 2003) with a view to simplifying the procedure of issuance of certificates in order to reduce work burden falling on municipalities.

In 2003, the draft Resolution of the Government of the Republic of Lithuania on Amending the Government of the Republic of Lithuania Resolution No. 907 of 14 August 1997 on Coordination Commission for Integration of Emigrants into the Life of Lithuania, whereby the composition and regulations of the Coordination Commission for Integration of Emigrants into the Life of Lithuania were updated.

State support provided to families of diseased participants of armed opposition (resistance) – volunteer fighters, and to injured participants of armed opposition (resistance) volunteer fighters was improved in observance of the Republic of Lithuania Law on State Support to Families of Diseased Participants of Resistance to 1940-1990 Occupations and the Republic of Lithuania Law on State Support to Participants of Armed Opposition (Resistance). State budget appropriations in the amount of LTL 6,93 million were allocated for the purpose of providing this support. Since the aforementioned Law established that benefits for diseased participants of occupation (resistance) will be paid until 31 December 2003, the Draft Law on Amending Article 2 of the Republic of Lithuania Law on State Support to Families of Diseased Participants of Resistance to 1940-1990 Occupations, with a view to defining more precisely family members entitled to receive one-time benefits for diseased participants of occupation (resistance) and extending the established period of allocation and payment of one-time benefits. On 23 December 2003, the Seimas passed this Draft Law which envisages extending the time period by 31 December 2005 for individuals to apply for allocation of benefits of this type.

4.5.2. Development and Implementation of Social Programmes for Victims and Social Risk Groups

Programme of Return of Deportees and Political Prisoners and their Families to Lithuania for 2002-2007

During the year 2003, the Ministry of Social Security and Labour was further implementing the Programme of Return of Deportees and Political...

According to the provisions of the aforementioned Republic of Lithuania Government Resolution applicable until the beginning of 2004, the deadline for filing applications with municipalities for entry into the List of Returnees for the Provision with Residential Premises on the Basis of Lease was fixed on 31 December 2002. However, between 2002 and 2003 municipalities and the Ministry rejected delayed applications from some 50 people. Individuals willing to return to Lithuania live in different and often remote areas of the former USSR (Vorkuta, Magadan, Kazakhstan, Igarka, etc.), where they have difficulty in getting information about opportunities of returning using support provided by the state. In view of the above, in the end of 2003 the Ministry submitted proposal to the Government of the Republic of Lithuania to amend the Republic of Lithuania Government Resolution No. 320 of 5 March 2002 and to extend the deadline fixed for submission of applications until 31 December 2005. The Ministry also proposed to supplement the Resolution with the provision establishing that until enactment of amended Resolution returning children of deportees entered into the Lists of Returnees for the Provision with Residential Premises on the Basis of Lease benefit from state support without requiring submission of the certificate of the victim-deportee’s status issued by the Lithuanian Centre of Genocide and Resistance Research. This simplification would facilitate in avoiding misunderstandings in cases when municipalities refuse renting apartments to individuals included in Lists of Returnees for the Provision with Residential Premises on the Basis of Lease according to the previously applicable procedure (in observance of the Republic of Lithuania Government Resolution No. 1294 of 27 November 1997 on the Provision of Rehabilitated Political Prisoners and Deportees Families with Residential Premises submission of such certificates was not required). The Government submitted to proposals of the Government and approved amendments and supplements to the aforementioned Resolution.

It is forecasted that provisions of the Resolution will be implemented within the limits of appropriations allocated for the Programme of Return of Deportees and Political Prisoners and Their Families to Lithuania for 2002-2007, because practice has shown that part of individuals previously included in municipal lists for rent of flats don’t return to Lithuania due to the change of circumstances, i.e. after marriage, getting a well-paid job, etc., also in case of death.

In 2003, 16 returnee families got flats and were provided with social guarantees, addressing the matters of their employment and social integration. During 1992-2003, total amount allocated and used for the purpose acquisition of flats for individuals returning to Lithuania equals to LTL 64,27 million, of which LTL 45,08 comprise State Budget funds, LTL 19,19 million – part of loan granted by the Council of European Development Bank. These funds were used to provide with flats 1513 families of returnees (See Table 4.5.2.-1). As we can see from the Table, since 1999 a considerable reduction in appropriations for purchase and construction of flats is observed, and therefore, the reduction in the number of allocated flats, while the number of families without residential premises kept growing every year, with the exception of the past 2 years.

In 2003, municipal lists of individuals willing to return to Lithuania and acquire residential premises included 776 families of political prisoners and deportees (See Chart 4.5.2.-1). According to the
### USE OF FUNDS FOR PURCHASE OR CONSTRUCTION OF FLATS FOR DEPORTEE FAMILIES IN 1992-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Registered families willing to return to Lithuania</th>
<th>Appropriations</th>
<th>Allocated flats</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>250 FAMILIES</td>
<td>LTL 34,15 M.</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>750 FAMILIES</td>
<td>LTL 310 M.</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>850 FAMILIES</td>
<td>LTL 3,1 M.</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>833 FAMILIES</td>
<td>LTL 3,1 M.</td>
<td>112</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>717 FAMILIES</td>
<td>LTL 8,6 M.</td>
<td>146</td>
<td>CONSTRUCTION OF TEMPORARY ACCOMMODATION CENTRE</td>
</tr>
<tr>
<td>1997</td>
<td>656 FAMILIES</td>
<td>LTL 8,122 M.</td>
<td>124</td>
<td>RL STATE BUDGET</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LTL 4 M.</td>
<td>79</td>
<td>EC SDF LOAN</td>
</tr>
<tr>
<td>1998</td>
<td>654 FAMILIES</td>
<td>LTL 11,3 M.</td>
<td>114</td>
<td>RL STATE BUDGET</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LTL 9,94 M.</td>
<td>147</td>
<td>EC SDF LOAN</td>
</tr>
<tr>
<td>1999</td>
<td>710 FAMILIES</td>
<td>LTL 2,63 M.</td>
<td>88</td>
<td>PRIVATISATION FUND PROCEEDS</td>
</tr>
<tr>
<td>2000</td>
<td>836 FAMILIES</td>
<td>LTL 0,80 M.</td>
<td>25</td>
<td>PRIVATISATION FUND PROCEEDS</td>
</tr>
<tr>
<td>2001</td>
<td>954 FAMILIES</td>
<td>LTL 3,39 M.</td>
<td>78</td>
<td>RL STATE BUDGET AND THE COUNCIL OF EUROPE DEVELOPMENT BANK LOAN FUNDS</td>
</tr>
<tr>
<td>2002</td>
<td>856 FAMILIES</td>
<td>LTL 3,73 M.</td>
<td>78</td>
<td>RL STATE BUDGET AND THE COUNCIL OF EUROPE DEVELOPMENT BANK LOAN FUNDS</td>
</tr>
<tr>
<td>2003</td>
<td>776 FAMILIES</td>
<td>LTL 0,59 M.</td>
<td>16</td>
<td>RL STATE BUDGET FUNDS</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>LTL 64,27 M.</strong></td>
<td><strong>1513</strong></td>
<td></td>
</tr>
</tbody>
</table>

Data of the Department of Supervision and Audit of Social Institutions under MSSL

**Table 4.5.2.-1.**

### NUMBER OF POLITICAL PRISONERS AND DEPORTEES’ FAMILIES WAITING FOR FLATS IN MUNICIPALITIES IN 2003

![Pie chart showing distribution of families waiting for flats in municipalities in 2003](chart.png)

Data of the Department of Supervision and Audit of Social Institutions under MSSL

**Chart 4.5.2.-1.**
chart, the great majority of families, i.e. 438, are included in the queue for obtaining a flat in Vilnius. Municipalities accept applications for entry into the lists of returnees by 31 December 2005. Provision of State support for acquisition of flats – lease of municipal residential premises is envisaged by 31 December 2007.

Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2001-2004

In 2003, the Ministry of Social Security and Labour continued implementing the Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2001-2004.

According to the data provided by the Department of Prisons under the Ministry of Justice, in the end of 2002, 11070 individuals were kept in places of imprisonment. In 2001, 4394 of convicts were released from places of imprisonment, in 2002 – 6497 individuals, and in 2003 – 7748 individuals. Many ex-offenders who have previously served the sentence of imprisonment are repeatedly placed in penitentiaries (in 2000–2002 the share of re-offenders accounted for about 28 per cent). As a rule, ex-offenders have difficulty in getting jobs and usually have no place of residence or sufficient funds for living. It is obvious, that the problem of social adaptation of ex-offenders is also of urgency. To address this problem, the Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2001-2004 approved by the Republic of Lithuania Government Resolution No. 1179 of 25 October 1999 on Approval of Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2001-2004 (“Valstybės žinios” (Official Gazette), 1999 No. 91-2676; 1999, No. 108-3152) was being implemented.

The Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2003 – 2004 covered two measures. Action 1 “To establish subdivisions of social adaptation of ex-offenders in county governors’ administrations” for which LTL 300 thousands were allocated. County governors’ administrations were responsible for this measure. Action 2 “To establish social adaptation institutions for ex-offenders”, i.e. services, lodging houses, day centres, etc. (no state budget funds envisaged for this measure). Local municipal authorities with NGOs were designated responsible for implementation of this measure. During 2003, new lodging houses or other rehabilitation centres for ex-offenders was established, because municipalities did not allocate funds for this purpose from their budgets. Municipalities rendered social support and social services on the basis of the Republic of Lithuania Government Resolution No. 1440 of 5 December 1996 on Provision of Social Support to Individuals Released from Places of Imprisonment, Institutions of Correctional Labour, Social and Psychological Rehabilitation and on Their Employment.

No actions for 2003 were envisaged in the programme regarding training, retraining and employment of convicts, however, the Ministry of Social Security and Labour, in implementing the Unemployment Reduction Programme for 2003 continued implementation of actions previously covered by the programme for 2001-2002 (implementation of these measures is also envisaged under the new Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment for 2004-2007). Implementation of the programme was carried out according to two actions financed from the state budget.
Action 1 “Psychological measures aimed at improving social and professional adaptation in places of imprisonment” was organised by the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour and implemented in Panevėžys normal regime correctional labour colony. In this colony women are referred to training after completion of the psychological programme according to which they are taught to manage stress, anxiety, conflict situation, and to be self-confident. Consultations were provided to 257 women. 241 of these women were counselled in Panevėžys Šermukšnių labour market training centre (hereinafter – training centre) according to training programmes. 45 convicted women acquired dress-maker – operator’s profession, 22 women – light clothes-maker’s profession, 33 women were trained as needlework specialists, 37 – as greenery planting specialist, 36 women acquired florist-flower seller’s profession, and 68 convicted women completed computer literacy courses. In 2003, LTL 180 thousand were used for implementation of this programme.

In 2003, new training classes were installed. Training according to different programmes organised by the Training Centre are necessary and useful for the convicted women, because the great majority of them are unmotivated and not yet job-ready. In the course of training they are trained to discipline, encouraged to think, and prepared for work after release from imprisonment. Women released from penal establishments will be able to work according to the selected profession.

Having learnt sowing women get employed in the factory opened at the reformatory. Greenery planting specialists take care of and upkeep the colony’s territory. Works of florists-flower sellers are used to decorate the reformatory’s interior. Older and less educated women and convicted officers are taught needlework. In addition to learning how to work with computers, women attending computer basics training groups are also taught literacy.

In 2003, the reformatory organised the fourth national exhibition of the works of convicts. Exhibition organisers also positively evaluated the works presented for the exhibition. All women living in the reformatory participated in the opening of the exhibition.

According to available data, i.e. letters received from ex-offenders, women released from reformatory got jobs of clothes-makers, florists-flower sellers, greenery planting specialists.

In addition to teaching professions, profession teachers of the Training Centre help reformatory inmates to overcome stress, tensions, inform about labour market situation outside the reformatory.

Profession teachers of the reformatory gained experience of work with convicted women. Work of profession teachers is hard, responsible and requires special training.

Action 2 – the Lithuanian Labour Market Training Authority implemented psychological counselling and vocational guidance programmes for convicts in Panevėžys normal regime correctional labour colony and Pravieniškės treatment and corrective labour colony. These services were provided to 524 convicts.

Counselling was provided to 210 women who served sentence in Panevėžys normal regime correctional labour colony. Pravieniškės treatment and corrective labour colony’s counselling programme covered 263 convicts and 51 staff, which makes the total of 314 individuals.

LTL 100 thousand state budget funds were used for implementation of this programme.

Action 3 – the Programme of Vocational Training and Employment of Convicted Individuals Released from Places of Imprisonment for 2003 implemented by the Lithuanian Labour Exchange at the Ministry of Social Security and Labour.

Tendencies of Distribution of Ex-offenders in the Labour market

In the beginning of 2003, territorial labour exchanges registered 3,1 thousands of ex-offenders released from places of imprisonment. During the year another 5,3 thousands of individuals released
from places of imprisonment in 2003 and previous years were enrolled, which makes the total of 8.4 thousands. Over 18 per cent of them were employed, and every third participated in active labour market policy programmes: 1.4 thousands of individuals participated in programmes of job clubs, 441 – in vocational training programmes, 732 – in public works, 43 – in subsidised works, and 70 individuals acquired preferential patents. Job search was discontinued for large number of ex-offenders – 4.2 thousands (50 %), of which for 3.2 thousands (38 %) – due to committed violations.

Individuals released from places of imprisonment are attributed to the group of unemployed people whose integration into the labour market is difficult. Analysis of distribution of these unemployed in the labour market revealed the following tendencies:

*Distribution by age:* young people age under 25 account for 34 per cent, or 1.8 thousands of ex-offenders released from places of imprisonment and enrolled with labour exchanges. As we can see from the chart 4.5.2.-2, individuals age between 30 and 49 make up the bulk, i.e. 40 per cent, of ex-offenders released from places of imprisonment.

*Distribution by education:* only one of ten individuals released from places of imprisonment has profession or professional qualification.

*Distribution by business activity:* every second individual released from places of imprisonment applying with the labour exchange has not undertaken any business activity (52 % of all individuals released from places of imprisonment, and 25% of such individuals are jobless from 1 to 5 years).

This analysis shows that vocational training is of high urgency in terms of labour market integration of individuals released from places of imprisonment.

The Programme of Vocational Training and Employment of Convicted Individuals Released from Places of Imprisonment for 2003 was implemented by territorial labour exchanges in 10 cities (Alytus, Kaunas, Klaipėda, Marijampolė, Panevėžys, Šiauliai, Tauragė, Telšiai, Utena, Vilnius), which enrol about 5 thousand (61%) of all individuals released from places of imprisonment and registered with labour exchanges. 159 individuals were referred to vocational training programmes, of whom in 2004 111 completed these programmes and acquired professions, 4 continue learning, and 45 discontinued their studies. 32 individuals out of those who acquired professions were employed at once, and 31 individuals continue visiting labour exchange for job search purposes.

The amount of LTL 177,8 thousand was used for vocational training purposes, including LTL
123,1 thousand allocated for vocational training programmes, LTL 49,1 thousand – for study benefits, and LTL 5,6 thousand for covering travelling expenses to the vocational establishment and accommodation costs during the period of studies.

About 78 per cent of trainees who never had a job or vocational qualification participated in the initial training programmes. Over 22 per cent of trainees upgraded acquired skills attending basic skills courses for computer users and acquired driving licenses of higher category.

Worker’s professions requiring lower basic education are among the most popular professions. Completed training programmes and acquired respective professions: training programme for metal welders and operators of electricity and gas cutters was completed by 15 individuals who acquired this profession, the programme for wood processing machine operators – by 8 individuals, electric loader and carriages tiller’s profession was acquired by 7 individuals, motor car bodywork fitter’s – by 5, cook’s – 5, joiner’s – 5, frame sawing machine operator’s – 4, painters, bricklayers and plasterers – 3 each, motorcar mechanic’s, motorcar electric equipment fitter’s and electric device fitter’s, dressmakers – operators, wood cutters, welders, plumbers, fork-lift truck drivers – 2 each, and gas-operated welder’s, bread baker’s, accountant’s, motorcar technician’s, financier’s, meat cutter’s – 1 each, etc. The total number of offered different training programmes amounts to 40.

In order to help ex-offenders to adapt themselves to the labour market, address employment problems, organise counselling of convicts who are preparing for release from penal establishments on labour market issues, familiarise with job search methods, territorial labour exchanges signed cooperation agreements with penal establishments and correctional inspectorates dealing with offenders sentenced on probation. Signed agreements establish cooperation relations pertaining to the development and implementation of special employment programmes for individuals in penal establishments, counselling, informing, training of such individuals, preparation and change of information material.

Assessment of Implementation of the Programme of Vocational Training and Employment of Convicted Individuals Released from Places of Imprisonment and Proposals

In implementing this programme the specialists of territorial labour exchanges encountered difficulty in involving individuals released from
places of imprisonment into active labour market policy programmes. Quite a number of persons receiving counselling, although not having any professional education, refused to attend courses financed by the labour exchange and acquire a profession in request at the labour market. 45 individuals who have started training gave it up due to various reasons (as a rule invalid) or because of dismissal from training for non-attendance. Some individuals concluded training agreements but failed to arrive at training establishments in due time. 3 individuals were dismissed from training establishment for violations, 2 were detained by police for committing repeat violations. The great majority of ex-offenders released from penal establishments have no permanent place of residence and therefore it is very difficult to find them, if they fail to attend lecturers or to arrive for examinations. Difficulties for the former convicts to obtain employment stem not only from the negative attitude of the employers towards them. Not infrequently former convicts fail to show initiative in seeking employment, improving their employability, and often they simply lack skills to properly communicate with potential employers. In view of the above, it can be concluded that individuals released from places of imprisonment need additional programmes for increasing their motivation and adapting to the labour market, as well as the special psychological assistance.

The measure for re-socialisation of ex-offenders – their adaptation in labour market provides economic and social security. Its implementation begins in the penal establishment and continues until practical realisation of employment in freedom applying vocational guidance, training and special employment programmes. The following measures remain expedient in penal establishments: keeping offenders regularly informed about situation in the labour market, supply and demand for separate professions, active labour market policy programmes, developments in signing cooperation agreements with reformatories and prisons seeking to provide maximum information to individuals preparing to leave penal establishments.

In 2003, the Programme of Social Adaptation of Convicted Individuals Who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation for 2004-2007 was drafted for the purpose of complex implementation of the policy of re-socialisation of convicts and ex-offenders released from places of imprisonment and in order to minimise recidivism of crimes (approved by the Republic of Lithuania Government Resolution No. 143 of 9 February 2004 ("Valstybės žinios" (Official Gazette), 1999, No. 91-2676; 2004, No. 23-709). In implementing the Republic of Lithuania Government Resolution No. 1179 of 25 October 1999 on Approval of the 2001-2004 Programme of Social Adaptation of Convicted Individuals Who were Released from Places of Imprisonment, Institutions of Correctional Labour, Social and Psychological Rehabilitation, out of LTL 2433 thousands appropriations envisaged under the programme from the State Budget for the year 2001-2002, but only LTL 507 thousands were allocated, which prevented from realising the following programme actions responsibility for implementation of which was delegated to municipalities and county governors’ administrations: social adaptation units for ex-offenders – day centres, services, logging homes were not established. Municipal authorities failing to receive funds for the implementation of programme actions did not allocate funds for this purpose from their own budgets. Having established that implementation of social adaptation of ex-offenders released from places of imprisonment is insufficient due to the shortage of funds, and in view of the fact that their re-socialisation is a continuous process, which calls for regular attention and financing, a new version of the programme was drafted. The new programme envisages upgrading skills of social workers of municipalities and NGOs or retraining them to work in the field of social rehabilitation and integration of ex-offenders released from places of imprison-
ment, with a view to developing the existing system; accumulating information about institutions and organisations rendering social and psychological services and organising a survey of institutions and organisations rendering social and psychological services, in order to identify and satisfy social needs of convicts and ex-offenders released from places of imprisonment. The new programme also envisaged continuing vocational training and employment of convicts and ex-offenders released from places of imprisonment, and implementing social, psychological and professional adaptation measures.

**National Programme for the Drug Control and Drug Addiction Prevention for 1999–2003**

In 2003, the Ministry of Social Security and Labour was implementing three actions under the National Programme for the Drug Control and Drug Addiction Prevention for 1999–2003 approved by virtue of the Republic of Lithuania Government Resolution No. 970 of 6 September 1999 on Approval of the “National Programme for the Drug Control and Drug Addiction Prevention for 1999–2003 (“Valstybės žinios” (Official Gazette), 1999, No. 76-2291), for the purpose of which appropriations of LTL 474 thousand were allocated.

The main action was “To support to projects developed by organisations in the area of prevention of drug addiction and rehabilitation of drug addicts”. LTL 400,0 thousand was allocated for its implementation. For the fourth time the tender of projects on rehabilitation of drug addicts and prevention of drug addiction was organised. 57 projects were submitted for this tender. The Project Evaluation Commission gave priority to projects aimed at the long-term rehabilitation of drug addicts. 24 projects won the tender, of which 17 were related with the rehabilitation of drug addicts, and 7 – with the prevention of drug addiction.

It's worth noting that financed projects are aimed at establishing new rehabilitation communities and centres for drug addicts, i.e. the Project “Rehabilitation and Social Integration of Socially Vulnerable Individuals – Psychotropic Substance Addicts” of the Charity and Sponsorship Fund “Vilties švyturus” in Kelnabëržë village, Kėdainiai district, the Project “Young Drug Addicts Treatment Community “Our Home” of the Charity and Sponsorship Fund “Liberium Arbitrium” in Vilnius County, and the Project “Rehabilitation and Prevention Centre for Convicted Drug Addicts” in Pravienišės strict regime correctional labour colony No. 1.

Activities of already operating rehabilitation communities and centres also received financial support aimed at creating more places and improving the quality of services. Among continuous projects implementation of which gave good results the following projects won the tender this year: the Project “Rehabilitation of Men Addicted to Drugs and Alcohol” of PI “Sugrižimas”, the Project “New Life” of PE “Gyvybės versmė”, the Project “New Life” of Degučiai community “Vilties žingsniai”, “Home of Hope”, the Project “Rehabilitation of Men Addicted to Drugs and Alcohol” of the Charity and Sponsorship Fund “Agapao”, the Project “Continuity and Development of Gilūtai Drug Addicts Rehabilitation Community in Ignalina district” of the Ignalina Women’s Society “Aušrinė”, the Project “Meikšty dvaras” of PI “Meikšty dvaras”, etc.

Every year particular attention is devoted to training and improvement of qualifications of staff members working with individuals attributed to risk groups in implementing the action “To train and retrain employees working with individuals attributed to risk groups and their family members” for which the amount of LTL 54 thousand was allocated. 274 staff upgraded their skills during seminars and in the camp organised by the Training Centre for Social Workers in 2003.

Another action (the main executor – the Ministry of Education and Science) “To organise camps of psychological-pedagogical rehabilitation for children and youth victims of drug abuse, and...
post-curricular drug addiction prevention events, and to take care of occupation of children and youth in their free time” was allocated LTL 20 thousands and financial support for implementation of two projects.

Implementation of the aforementioned programme was completed in 2003. As the problem of drug addiction remains of particular urgency, the development of new drug control and drug addiction prevention strategy and of the plan of measures for its implementation started in 2002 was continued. The Ministry of Social Security and Labour participated in drafting these legal acts (the Drug Control Department was designated as the responsible drafter). On 2 October 2003 the Government of the Republic of Lithuania adopted Resolution No. 1216 whereby it approved the National Strategy for Drug Addiction Prevention and Drug Control for 2004-2008 (“Valstybës žinios” (Official Gazette), 08 10 2003, No. 94, Publication No. 4251). In observance of the provisions and tasks specified in the Strategy, in 2003, the Ministry of Social Security and Labour developed actions necessary for the implementation of the National Programme for the Drug Control and Drug Addiction Prevention for 2004-2008 (the Programme has not been approved yet), providing for a number of measures aimed at the rehabilitation of drug addicts, skills upgrading of staff, surveys to assess effectiveness of the application of measures, etc. (for more information see section 3.2).

Programme for the Control and Prevention of Trafficking in People and Prostitution for 2002-2004

In 2003, the Ministry of Social Security and Labour continued realising measures envisaged under the Programme for the Control and Prevention of Trafficking in People and Prostitution for 2002-2004 (RL Government Resolution No. 62 of 17 January 2002) for the implementation of which it is responsible.

For the purpose of implementing Action 20 – “To support projects and public authorities and non-governmental organisations aimed at social assistance and social reintegration of victims of forced prostitution” the tenders for projects on social assistance and reintegration of victims of forced prostitution was announced to which 18 projects were submitted. The tender commission selected 10 projects related with social support and facilitating social reintegration of victims of trafficking in people and forced prostitution, which received co-financing. The amount of LTL 197 thousand was allocated for the implementation of this action.

Lithuanian Caritas applied for allocating LTL 60 thousands for the implementation of the project “Providing assistance to victims of prostitution and trafficking in people”. The project received LTL 40 thousand allocations.

According to this project long-term psychological rehabilitation services were rendered to 30 women and children victims: they were provided with temporary accommodation, benefited from psychological consultations delivered according to their need, dental and gynaecological services, material assistance (food, clothes, medications, etc.). 5 of the aforementioned clients successfully completed rehabilitation period and are trying to live independently in the community supported by programme staff and volunteers who help them to learn elementary life skills (to complete documents, manage with the minimum amount of money, go shopping, make food, etc.).

The Project “Complex specialised social support to women and girls victims of forced prostitution involving joint specialist and volunteer efforts” of PI Klaipëda Social and Psychological Assistance Centre. The amount requested for the project was LTL 49,855 thousands. The amount allocated – LTL 20 000 thousands.

20 volunteers – social consultants completed intensive introductory courses (theoretical and practical workshops of 2-month duration) accord-
ing to the developed programme. Information publications – leaflets were created and produced on the subjects of forced prostitution and trafficking in people and violence against women. Temporary accommodation, food, and psychological assistance were provided to three women victims of trafficking in people. Paid telephone line “Support to women” was opened.

The Project “Social reintegration of victims of forced prostitution and social support to them” of Alytus Women’s Crises Centre. The amount requested for its implementation was LTL 28,8 thousands. The amount allocated – LTL 16 400.

Everyday activities of this Centre cover assistance to women exposed to violence and abuse. The Centre provides consultations by telephone and individually, where necessary, it renders support at any time of the day. Women and girls mostly appreciate special direct support: consultations of lawyers, doctors, psychologists, material support (accommodation, food, medications). The Centre also addresses the matters of reintegration of victims, i.e. training, retraining, job search, etc., organises computer literacy courses. After completion of courses women continue visiting the Centre, search the necessary information using computers, e-mail, reading newspapers, consolidating their skills.

The Crisis Centre provided 3 women with temporary lodging.

The Project “Prevention of trafficking in people and reintegration of victims” of the Centre in Support of Missing People. The amount requested for its implementation was LTL 62,37 thousands. The amount allocated – LTL 40 000.

For the purpose of implementing this project more than 20 victims of trafficking in people benefit from social – rehabilitation assistance. They are provided with a secret refuge, meals, and necessary articles of daily use; also with psychological and legal consultations, and medicinal services according to their need. Seeking more effective integration, group exercises are organised with the participation of the psychologist, social worker and volunteers. All required services are provided to pregnant women (medical assistance throughout the entire period of pregnancy, accommodation after delivery, completion of documents, etc.). Studying women are provided with the opportunity to continue studies, and assisted in getting jobs through labour exchanges and other channels.

Considerable attention is paid to links with law enforcement authorities regarding further integration, rehabilitation of minors, communication with parents, caretakers and educators.

The Project “Prevention of Abuse Against Women” of Kaunas county Women’s Crises Centre. The amount requested for its implementation was LTL 19,05 thousands. The amount allocated – LTL 12 308.

This Centre renders social assistance to girls victims, carries out individual work with potential victims, and applies preventive measures. Girls victims benefit from services provided by psychologists, psychiatrists, therapists on the basis of contracts concluded with them. Psychological group and individual consultations are organised in consideration of each separate case and needs. Victims are counselled on legal matters, familiarised with laws, their rights and opportunities, criminal liability, etc. Police is involved for the purpose of completing personal documentation, compensating the related costs. Transport and other small expenses incurred by girls are compensated according to their applications. The necessary foodstuffs are purchased for girls forming the so-called “food packaged” for them. Where necessary, girls are provided with meals in the Centre. As the Centre has no residential premises, it maintains close cooperation with the NGO “Gyvybės versmė”, Women’s Lodging House, Kaunas Home of Generations providing temporary shelter. Where appropriate accommodation services can also be provided by Vilnius Mother and Child’s Boarding House. In the Centre girls are taught psychological – physical women’s self-defence.

The Project “Support to women with children who have suffered from forced prostitution and preventive work with potential victims” of Mother
and Child’s Care Home of Caritas of Vilnius diocese. The amount requested for its implementation was LTL 96,74 thousand. The amount allocated – LTL 22 000 thousand.

About 90 women with children participated in the implementation of the project. 46 of them were settled in the Mother and Child’s Care Home where they were provided with dinner. Several times per month women had interviews with the psychologist. Women participated in individual interviews and practical exercises during which they were taught to express their thoughts and restore their emotional balance. As the great majority of women placed into care are growing children alone and have limited possibilities to seek education or attend qualification courses, the Centre teaches them elementary working skills – food preparation and sewing. These exercises were attended not only by women living in care homes at that time, but also by former inmates.

The Project “Užuovėja” of Mažeikiai Lodging House. The amount requested for its implementation was LTL 33,965 thousand. The amount allocated – LTL 10 000 thousand.

The lodging house equipped and furnished one room to provide temporary shelter. 15 women victims of forced prostitution and 22 children of these women have already used it. Women received vouchers for purchase of foodstuffs, and were supplied with the most necessary articles. They benefited from psychological and legal consultations, attended household works exercises with specialists, and were taught to work with computers. Residents of this region are informed about the new service delivered in the lodging house through local press.

The Project “Social, legal and psychobiological assistance to victims of forced prostitution in Eastern Lithuania” of PI Care and Welfare Home of East Lithuania. The amount requested for its implementation was LTL 160 thousand. The amount allocated – LTL 20 000 thousand.

The project was implemented in cooperation with PE “Meikštu dvaras”. On the basis of the agreement concluded with this public institution girls were provided with accommodation, food and had the opportunity to develop their skills. These women also participated in drug addiction prevention measures.

The Project “Social rehabilitation programme for victims of trafficking in people and forced prostitution” of Anykščiai Community Centre. The amount requested for its implementation was LTL 15,7 thousand. The amount allocated – LTL 8 000 thousand.

In implementing the project the leaflets “Work abroad – be careful!” were prepared and issued. These leaflets were disseminated in Anykščiai district, villages and townships. People were counselled by phone about employment firms, and received answers to questions regarding the number and type of Lithuanian firms engaged in employment of Lithuanians abroad, were provided with telephone numbers of such firms, and warned about the main points to which attention should be paid during the interview with agents of employment firms. Local newspapers “Šilelis” and “Anykšta” printed the article “Work abroad – be careful!” written by the psychologist Jūratė Griciūtė. The public is kept informed through press in one way or another.

The Project “Provision of complex support to victims of prostitution and trafficking in people. Organisation of early prevention: strengthening the network of crises centres in Vilnius and regions” of Vilnius Women’s Home. The amount requested for its implementation was LTL 67,64 thousand. The amount allocated – LTL 7000 thousand.

The Crises’ Centre provided telephone consultations to more than 100 women. It is difficult to calculate precisely the number of women who applied with the centre because it provides assistance anonymously: such form of support is attractive to women, but it makes collection of statistical data difficult. 21 and 14 women were counselled in the Crises’ Centre respectively. Each of these women visited the Centre more than once and received regular and complex support, infor-
mation, counselling, assistance and other services. Women who have suffered from different types of sexual violence (as a rule such women are also victims of other types of violence and abuse) accounted for 20 per cent of all women applying with the Centre. The great majority of cases were related with domestic violence, women applying with the Centre have suffered physical, psychological, economical and other violence on the part of their present or ex-husbands and partners. During this period, 11 women who have suffered from trafficking in people in one way or another or who were exposed to real threat, and also women intending to go abroad to work applied with the Centre. The main attention was paid to training of consultants and preparing them to work with new clients – victims of prostitution and trafficking in people; and for strengthening the consultants’ motivation for work. Disseminated leaflets “Support to victims of prostitution and trafficking in people” were aimed at NGOs and public authorities providing support, and information material “Be safe” was targeted at victims of prostitution and trafficking in people.

The number of projects submitted for tender this year exceeded by 13 the relevant number of 2002. It means that that more and more public and state organisations appear which can provide girls victims with emergency social support, i.e. temporary shelter, food, indispensable personal articles, psychologist’s consultations, and all other assistance needed later. This year social support (temporary accommodation, food, indispensable personal articles, consultations of the psychologist and lawyer, etc.) was provided to about 200 victims of prostitution, trafficking in people or violence. About 2300 victims (of prostitution, trafficking in people or violence) were counselled by phone or during visits. Moreover, in implementing the projects wide educative work is carried out in schools, regions, and townships in order to inform as many people as possible about the problem of trafficking in people and the possibility to protect from it.

Action 26 – “To develop and implement special programmes for psychological rehabilitation, vocational guidance and employment (in 6 municipalities) for victims of trafficking in people and forced prostitution”. In 2003, LTL 15 thousand were allocated for the implementation of this action.

The Programme for Psychological Rehabilitation, Vocational Guidance and Employment (in 6 municipalities) for Victims of Trafficking in People and Forced Prostitution (hereinafter – Guidance Programme) was developed with a view to creating conditions for victims of trafficking in people and prostitution to reintegrate into the labour market. The territories of Alytus, Klaipėda, Kaunas, Panevėžys, Šiauliai and Vilnius municipalities were selected for the application of this programme.


In implementing programme actions for 2003, the training seminar was organised for consultants psychologists of the territorial labour market training and counselling authorities “Preparation for the Implementation Programme for Psychological Rehabilitation, Vocational Guidance and Employment for Victims of Trafficking in People and Forced Prostitution for 2003 – 2004”. The seminar was held on 29-30 October 2003. Representatives of NGOs – Women’s Crises Centres, social and psychological support centres, organisations of Caritas of Lithuania were invited to participate in the seminar as social partners.

The seminar highlighted legal aspects of trafficking in people and prostitution, situation in Lithuania, introduced activities of Vilnius office of the International Organisation for Migration, the system of social support and social integration of the victims of trafficking in people.
Participants of the seminar analysed the concept of trafficking in people and prostitution, the historical overview, peculiarities of preventive work. They discussed specifics of counselling this group of individuals and how to select proper counselling methods, spoke about specific features of individual character, and the victim’s psychology. Participants of the seminar shared practical experience in the field of organisation of support.

The pilot implementation of the programme was organised in two municipalities– Vilnius and Klaipėda.

Vilnius Labour Market Training and Counselling Authority signed the cooperation agreement with the Mother and Child’s Care Home of “Caritas” of Vilnius diocese. Psychologists of the training authority provided consultations to three girls. Labour Market Training and Counselling Authority signed the cooperation agreement with Klaipėda Centre of Social and Psychological Assistance and with Klaipėda Centre of Mental Health.

Media was provided with the prepared information for the leaflet intended for victims of trafficking in people and prostitution on services of psychological counselling and vocational guidance. The leaflet will be issued by the end of this year.

The Action “To develop measures for implementing the statements of the 4th Global United Nations Women’s Conference”.

For the purpose of implementing this measure in 2002 the Beijing Platform for Action and its follow-up final document Beijing+5 were analysed and conclusions and recommendations were prepared which are implemented through programmes and other actions.

The actions “To improve legal acts in order to exempt victims of trafficking in people from liability for engaging in prostitution”, “To conduct a survey in order to identify the scope and nature of the need for social services to victims of trafficking in people”, and “To prepare proposals on legal provisions related with the journalists’ ethics regarding abuse, publication in media of humiliating and pornographic material about women, including advertising” were included in the National Programme of Equal Opportunities for Women and Men for 2003-2004 approved by the Republic of Lithuania Government Resolution No.712 of 3 June 2003 (“Valstybės žinios” (Official Gazette), 2003, No. 55-2452).

In May 2003, the seminar on the prevention of trafficking in women was organised by the Nordic Baltic States information campaign against trafficking in women people. 6 more seminars on the matters of prevention of trafficking in people were held in different regions of Lithuania for social pedagogues, social workers, heads of neighbourhoods, and representatives of communal centres.

In addition, in cooperation with the Ministry of Education, the methodology was prepared and published for social pedagogues on the subject of prevention of trafficking in people, which as introduced during seminars organised in Vilnius, Kaunas, and Klaipėda.

**Programme for Social Integration of Foreigners Who were Granted Asylum**

Implementation of the Programme for Social Integration of Foreigners Who were Granted Asylum was further continued.

The programme of 12-months duration is implemented in observance of the Republic of Lithuania Government Resolution No. 572 of 17 May 2001 on Approval of the Procedure for Social Integration of Foreigners Who were Granted Asylum.

Main guidelines of social integration of foreigners who were granted asylum are as follows:

- provide temporary residence (lease residential premises for the duration of the programme, organise the acquisition of most necessary housing appliances and furniture on the account of the granted one-off benefit);
- organise training (190-290 hours Lithuanian language courses for adults, education of preschool and school age children);
- organise employment (assistance in obtaining employment, receiving retraining, etc.);
- guarantee social security (monthly benefits for most vital needs);
- guarantee health protection (funds for compulsory health insurance);
- inform the society about foreigners who were granted asylum, seeking to prevent exclusion, public xenophobia and promote tolerance.

Responsibility for programme implementation was delegated to the Department of Supervision and Audit of Social Institutions which takes decisions concerning the involvement of foreigners who were granted asylum into the State supported programme of social integration of such individuals, concludes cooperation agreements with municipalities and NGOs concerning social integration of foreigners granted asylum, monitors individual social integration activities pursued by said organisations, and the use of funds allocated to social integration.

Currently in the area of social integration of foreigners the Department is maintaining cooperation relations with Municipalities of Klaipėda, Kaunas, Vilnius, Marijampolė and the region of Telšiai; the Lithuanian Red Cross Society, “Caritas” of Vilnius diocese, and the public institution “Eupro”. In 2003, 110 cooperation agreements were signed on social integration of foreigners who were granted asylum, and 24 such agreements were extended (agreements are concluded with an individual or family). According to these agreements, in 2003-2004 social integration support was provided to 207 new foreigners who were granted asylum.

Distribution by nationality of foreigners granted asylum who in 2003 were provided with state support for social integration was as follows: 94 per cent of Russians, 4 per cent of Afghans, and a small number of other countries’ representatives.

4.5.3. Follow-up Activity Trends in the Field of Social Protection of Victims and Social Risk Groups

The legal basis of social support to victims will be further improved seeking to eliminate the contradictions between the currently effective legislation and the previously passed Resolutions of the

<table>
<thead>
<tr>
<th>EXECUTORS OF THE PROGRAMME FOR SOCIAL INTEGRATION OF FOREIGNERS WHO WERE GRANTED ASYLUM</th>
<th>Number of signed agreements</th>
<th>Number of extended agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI “EUPRO”</td>
<td>55</td>
<td>-</td>
</tr>
<tr>
<td>LITHUANIAN RED CROSS SOCIETY</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>MUNICIPALITY OF KLAIPĖDA CITY</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>“CARITAS” OF VILNIUS DIOCESE</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>MUNICIPALITY OF KAUNAS CITY</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>PI CENTRE OF SOCIAL SUPPORT OF MARIJAMPOLĖ</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>NURSING AND SOCIAL SERVICES CENTRE OF ELEKRĖNAI</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>CITY MUNICIPALITY</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>MUNICIPALITY OF TELŠIAI DISTRICT</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>MUNICIPALITY OF VILNIUS CITY</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>REFUGEE RECEPTION CENTRE</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>110</td>
<td>24</td>
</tr>
</tbody>
</table>

Data of the Department of Supervision and Audit of Social Institutions

Table 4.5.2.-2.
## FOREIGNERS GRANTED ASYLUM AND STATE SUPPORT FOR SOCIAL INTEGRATION BY COUNTRY OF ORIGIN

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of foreigners granted asylum and state support for social integration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>AFGHANISTAN</td>
<td>38</td>
</tr>
<tr>
<td>RUSSIAN FEDERATION</td>
<td>9</td>
</tr>
<tr>
<td>IRAN</td>
<td>6</td>
</tr>
<tr>
<td>IRAQI</td>
<td>4</td>
</tr>
<tr>
<td>SOMALI</td>
<td>-</td>
</tr>
<tr>
<td>SRI LANKA</td>
<td>-</td>
</tr>
<tr>
<td>PAKISTAN</td>
<td>-</td>
</tr>
<tr>
<td>CONGO</td>
<td>-</td>
</tr>
<tr>
<td>OTHER</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
</tr>
</tbody>
</table>

Data of the Department of Supervision and Audit of Social Institutions under the Ministry of Social Security and Labour

### USE OF FUNDS FOR SOCIAL INTEGRATION OF FOREIGNERS WHO WERE GRANTED ASYLUM

<table>
<thead>
<tr>
<th>Year</th>
<th>Average number of foreigners granted asylum who participated in the programme of social integration</th>
<th>State budget allocations for the implementation of the programme of social integration (LTL thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>29</td>
<td>742</td>
</tr>
<tr>
<td>2000</td>
<td>51</td>
<td>529</td>
</tr>
<tr>
<td>2001</td>
<td>126</td>
<td>346</td>
</tr>
<tr>
<td>2002</td>
<td>185</td>
<td>914</td>
</tr>
<tr>
<td>2003</td>
<td>356</td>
<td>1569,3</td>
</tr>
</tbody>
</table>

Table 4.5.2.-4.

### FOREIGNERS SEEKING AND GRANTED ASYLUM

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of applications for granting asylum</th>
<th>Number of decisions to grant asylum: refugee status granted</th>
<th>asylum granted due to humanitarian reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>242</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>1998</td>
<td>159</td>
<td>28</td>
<td>-</td>
</tr>
<tr>
<td>1999</td>
<td>143</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>303</td>
<td>15</td>
<td>73</td>
</tr>
<tr>
<td>2001</td>
<td>425</td>
<td>3</td>
<td>192</td>
</tr>
<tr>
<td>2002</td>
<td>546</td>
<td>1</td>
<td>220</td>
</tr>
<tr>
<td>2003</td>
<td>644</td>
<td>3</td>
<td>417</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2462</td>
<td>67</td>
<td>902</td>
</tr>
</tbody>
</table>

Data of the Migration Department under the Ministry of the Interior

Table 4.5.2.-5.
Government, and provide for more accurate definition of the group of victims and their legal status. Proposals concerning improvement of the relevant regulations will be submitted to the Government of the Republic of Lithuania following the established procedure.

Programme of Return of Deportees and Political Prisoners and Their Families to Lithuania for 2002-2007
Between 1992 and 2003 inclusive, appropriations allocated and used from the state budget and Privatisation Fund for the implementation of this Programme amounted to LTL 45.1 million. In 1997-2003, LTL 27.2 million (37.6% from the total amount allocated for this programme until now) were received from the Council of Europe Development Bank.

All funds received (LTL 72.3 million) were used to provide with residential premises 1513 families, about 4500 individuals returned to Lithuania, the centre of temporary accommodation for returning deportees comprising 60 flats was constructed and care home “Home of Deportees) of 80 places was equipped.

According to the data of municipalities, in the beginning of 2004, 776 families were inscribed on the list of families entitled to residential premises in the manner established by the Government of the Republic of Lithuania. The largest number of such families was registered in Vilnius City Municipality – 438.

Completion of the programme is envisaged by 2007, planning to provide flats to all families registered with municipalities. To this end additional amount of LTL 47 million will be allocated from all sources of financing.

National Programme for the Drug Control and Drug Addiction Prevention for 2004-2008
In 2004, for the purpose of implementing this programme the Ministry of Social Security and Labour was provided with state budget appropriations in the amount of LTL 808 thousand. LTL 668 thousands designated for the financing of projects of drug addict rehabilitation communities and day centres were allocated by way of public tender for the implementation of 19 best projects. More than LTL 100 thousands were disbursed for skills upgrading of staff working with social risk groups.

Total appropriations of 2004 for the implementation of the aforementioned programmes (to all authorities) amount to LTL 6.5 million.

Programme of Social Adaptation of Convicted Individuals Who were Released from Places of Imprisonment, Institutions of Correctional Labour, Social and Psychological Rehabilitation for 2004-2007
The total amount of LTL 14,290 thousand was allocated throughout the entire period for the implementation of the programme approved by the Republic of Lithuania Government Resolution No. 143 of 9 February 2004 on Approval of the Programme of Social Adaptation of Convicted Individuals Who were Released from Places of Imprisonment, Institutions of Correctional Labour, Social and Psychological Rehabilitation for 2004-2007. The aforementioned amount comprises LTL 4.89 million state budget allocations, and LTL 9.40 million – EU structural funds’ proceeds. Distribution of annual appropriations is as follows: for 2004 – LTL 2.43 million, for 2005 – LTL 4.16 million, for 2006 – LTL 3.85 million, for 2007 – LTL 3.85 million.

Programme for the Control and Prevention of People Trafficking and Prostitution for 2002-2004
The Government of the Republic of Lithuania obligated the Ministry of the Interior to draft the resolution on continuity of this programme in 2005-2007 (this Ministry is the main drafter of the programme).

The Ministry of Social Security and Labour is planning the implementation of actions of the programme, which is being drafted using LTL 400 thousand annual appropriations from state budget for 2005-2007.
5.1. EU MEMBERSHIP-RELATED ACTIVITIES IN LITHUANIA

5.1.1. A New Dimension in the Integration Activities

The period between 2003 and 2004 was of particular importance to Lithuania as well as to its European foreign and national policy. Accession negotiations with Lithuania were successfully concluded on 13 December 2002 and the Treaty of Accession was signed on 16 April 2003. In a referendum held on 10-11 May 2003, a majority of Lithuanians expressed their support to membership in the European Union. Following ratification of the Treaty of Accession, Lithuania joined the EU on 1 May 2004.

Outstanding achievements of our country in the EU accession negotiations were assessed in the “Comprehensive Monitoring Report on Lithuania’s Preparations for Membership’2003” from the European Commission delivered on 5 November 2003. The Report states that Lithuania is essentially meeting the commitments and requirements arising from the accession negotiations in the areas of labour law, equal opportunities, safety and health at work, social dialogue, employment policy, social integration and social security and has reached a high level of alignment with the acquis in most policy areas.

Integration into and membership in the EU undoubtedly are amongst the key factors, which influence various social, structural and economic developments in Lithuania and Europe. Results of surveys of different authors show that both regions, Member States of the EU and candidate countries, as the entire whole, will benefit from this process, however, the impact on the Eastern and Central Europe countries will be considerably greater than on the present Member States of the EU.

The process of integration is continuing for more than ten years and the positive results of this process are already observed. Activities carried out upon integration in the EU had considerable impact on the labour market and social policy of our country. A lot of new legal acts were adopted; authorities in the social sphere gained strength and improved the quality of their work. Using financial support of PHARE Programme activities of labour exchanges, labour market training authorities, labour inspectorate, State Social Insurance Fund Board, other bodies and the Ministry itself noticeably improved. Harmonisation of Lithuania’s legislation with the EU Acquis considerably improved our labour law, facilitated protec-
tion of employees’ rights, improvement of working conditions, ensuring equal opportunities for women and men, and development of social partnership. These provisions are enshrined in miscellaneous legal acts of Lithuania.

Already during the process of integration Lithuania actively participated in the EU programmes on the coordination of social policy, pension reform, development of employment strategy, etc. As from 1 May 2004, we participate in these processes as full members on equal conditions with other old and new Member States of the EU. In implementing different employment and social policy measures and using financial support from the Structural Funds, we expect to develop and enhance our social policy approximating it to social security standards common to the EU Member States, or, in other words, joining the combination of social policies of the EU Member States called the European Social Model based on good economic indicators, high level of social protection and taking care of each member of the society. European Social Model enables people from the EU Member States to use one of the world’s strongest systems of social security, where the states are seeking to promote the overall adequate quality of life and the required subsistence level ensuring the possibility to live in active, integrated and healthy society.

The change of Lithuania’s status from the candidate country to the EU Member State, the nature of its European policy respectively changed, and activities of public authorities in the field of EU affairs acquired a new dimension. During accession negotiations the matters of building administrative capacities, transposition of EU Acquis, institutional development, approximation of Lithuania’s legislation with the European Union Law dominated in the EU agenda. After EU accession, the European policy is becoming an integral part of the national policy. Already now decisions passed within the EU policy framework have direct impact on the most important national policy areas of Lithuania and in future this impact will grow. Participating in the activities of EU bodies as a full member, Lithuania is involved in formulating consistent positions on matters deliberated in the EU authorities seeking to achieve the highest level of protection and realisation of Lithuania’s interests in the EU. In order to be able to properly represent Lithuania’s interests and be active in formulating the EU policy, we must join the decision-making process at the earliest stage and influence its contents in the direction favourable to us. This task is related with great responsibility assumed by the ministerial staff, because success of our membership in the European Union and consideration of Lithuania’s interests in the EU authorities will depend upon our preparedness to represent our state.

5.1.2. Development of Lithuania’s Position on Proposals of the Legal Acts of EU and Participation in the work of Working Groups of Council of European Union and European Commission Committees

EU Council Working Groups and European Commission Committees are the structures performing the main work on the EU policy issues in discussing the proposals of EU legal acts and supervising their implementation. The representatives of the Ministry of Social Security and Labour participates in the work of 32 working groups and committees of the EU institutions (including 4 Working Groups and 28 Committees). Already since 16 April 2003, after signing the Treaty of Lithuania’s Accession to the European Union, representatives of Lithuania started attending the meetings as observers, and as from 1 May 2004, together with representatives of other 24 Member States of the EU they actively participate as full members in discussing and adopting EU legislation, analysing and guaranteeing their implementation. Importance of this func-
tion is continuously growing in order to achieve better representation of Lithuania’s interests at the EU level.

**EU Council Working Groups**

EU Council Working Groups are set up for discussing and analysing draft legislation of the EU. A working group receives a proposal on the draft legal act of the EU from the European Commission and gradually deliberates it trying to formulate its version acceptable to all Member States. Often such deliberation takes several years. There are no formal rules establishing the structure of working groups. As a rule, a working group comprises experts from Member States and a representative of the European Commission. Normally these representatives are employees of Permanent Representative Offices of the Member States, or officials coming from a Member State to a working group’s meeting. When deliberation concerns particularly narrow technical matters, scientists or specialists from non-governmental sector may be invited as experts. Most often during the meeting of working groups the state is represented by one or two specialists, except in cases when more than one ministry is interested in the deliberation of the question.

Representatives of the Ministry of Social Security and Labour participate in the meetings of the working groups on Social Affairs, Youth Affairs, Establishment and Services, Technical Harmonisation. Two main strategic comitology committees of Social Security and Employment together with their subgroups for examination of more detailed particular matters are also attributed to the preparatory working bodies of the Council.

**European Commission (Comitology) Committees**

The term “comitology” is often used to describe all existing committees of the EU. In fact, this word defines committees, which help the European Commission to implement powers delegated to it. Article 202 of the Treaty establishing the European Community promulgates that to ensure that the objectives set out in this Treaty are attained the Council shall, in accordance with the provisions of this Treaty in the acts which the Council adopts, confer on the Commission powers for the implementation of the rules which the Council lays down. The Council may impose certain requirements in respect of the exercise of these powers. These requirements form the legal basis for comitology: Member States participating in the comitology committees supervise the implementation by the Commission the rules established by the Council (and the Parliament). All Member States are represented in the comitology committees. A comitology committee is established by adopting a legal act of the EU, which specifies that more detailed rules of its implementation are adopted and amended by the Commission in cooperation with the respective committee. That particular legal act of the Council indicates the committee is being set up or to what committee supervision of implementation of the legal act is assigned, and also the powers delegated to such committee, envisaged rules of procedure of the committee, etc.

**Preparation of Lithuania’s Position and its Presentation during the Meetings in EU institutions**

The main document regulating preparation and presentation of Lithuania’s position in the meetings of working groups and committees is Government Resolution No. 21 of 9 January 2004 on Preparation, Coordination and Presentation of the Position of the Republic of Lithuania on the Issues Discussed in the European Union Institutions and on Transposition of the European Union Acquis Communautaire into the National Law of the Republic of Lithuania and its Implementation.

Lithuania always prepares its position on draft legal acts of the EU discussed in the EU Council working groups and committees. Where appropriate, Lithuania’s position is prepared on key issues deliberated in the European Commission committees. A ministry or any other public authority ac-
According to its competence prepares Lithuania's position, whereas preparation of the positions on the matters falling within the competence of two or more authorities is coordinated by working groups on EU affairs.

According to the data provided by the Government Office, Lithuanian authorities annually receive about 12 thousands documents from the EU institutions. The number of Lithuania’s positions on draft legal acts of the EU to be submitted annually will amount to 600-1000. About 50-100 draft legal acts of the EU authorities will be of particular importance to Lithuania.

Preparation of a detailed, substantiated and reasonable position of Lithuania as well as its presentation in the meetings of the EU Council working groups and European Commission committees is of high relevance in order to achieve adequate representation of Lithuania's interests. Positions are prepared and coordinated by authorised ministerial staff in cooperation with the European Integration and International Relations Department as well as with the social security and labour attaché. Where appropriate, written or oral consultations are organised with representatives of social partners or other interest groups. A position prepared on a draft legal acts of the EU received for the first time is corrected in observance of various circumstances identified in the course of its deliberation in the authorities of Lithuania and the EU, taking into account other EU Member States' positions, opinions of interested public authorities and institutions, social partners and groups of interest regarding the application of the EU legal act in Lithuania. Preparation of the positions by the Ministry of Social Security and Labour is coordinated by the European Integration and International Relations Department in observance of the Rules approved by Order of 15 April 2004 of the Minister of Social Security and Labour.¹

5.1.3. Implementation of Lithuania’s EU Accession Programme

By the end of 2003, implementation of Lithuania’s EU Accession Programme was completed (National Programme for the Adoption of the Acquis, LNPAA). Throughout the entire period of integration into the EU it was the key document facilitating detailed and effective planning of the country's EU integration process and monitoring of works performed. The Programme was based on the priorities set out in the Accession Partnership instruments and in the Government Programme.

In 2003, Ministry of Social Security and Labour, implementing Lithuania’s EU Accession Programme, drafted the following legal acts:

- Government Resolution No. 535 of 3 May 2004 on Approval of the Regulations on Recognition of Diplomas of Higher Education, Diplomas, Certificates and other Qualification Documents Issued in the European Union Member States, European Economic Area or Swiss Confederation, in Order to Work According to the Regulated Occupation or to Engage in Regulated Professional Activity and of the List of Courses of Certain Structure;
- Order No. A1-55/V-91 of 2 March 2004 of the Minister of Social Security and Labour and the Minister of Health on Approval of the Regulations for the Protection of Workers from Risk Caused by Vibration;
- Law Amending the Preamble and Article 1 of the Law on Trade Unions, No. IX-1803;
- Law on Social Enterprises, No. IX-2251;
- Law on the European Labour Councils, No. IX-2031;

In implementing Lithuania’s EU Accession Programme, the following measures were implemented in institutional and administrative capacity building area:

- In July 2003, implementation of the EU PHARE Project aimed at coordinating the systems of free movement of workers and social security systems after Lithuania’s accession to the EU was commenced;
- On 1 October 2003, by Order of the Minister the Human Resources Development Division was set up within the Ministry, which in addition to other functions, is also responsible for control and supervision of implementation of the EU directives in the field of recognition of professional qualifications;
- On 1 October 2003, by Order of the Minister the Technical safety Division was set up within the Ministry, which engages in the implementation of the New Approach Directives in the field of occupational safety;
- By Government Resolution No. 596 of 14 May 2003 the post of the Republic of Lithuania Social Security and Labour Attaché residing in the Permanent Representation of Lithuania to the EU was established as from 1 August 2003;
- By Order of the Director of the Lithuanian Labour Exchange of 31 July 2003 the EURES Offices were set up in Vilnius, Kaunas, Klaipėda, Šiauliai, Tauragė, Utena, Panevėžys, and Alytus Labour Exchanges;
- Measures of the Social Partnership Development Plan for 2003-2004 were implemented;
- On 18 December 2003, the Joint Inclusion Memorandum was signed between Lithuania and the European Commission;
- In preparing ministerial staff to work within EU bodies they attended language courses, training on the EU law and the main principles of work of EU authorities, skills upgrading, etc..

With a view to coordinating implementation of negotiation obligations and transposition of the EU legal acts falling within ministerial competence to the national law and their enforcement, and concurrently guaranteeing the continuity of works, on 2 January 2004 the Minister issued the Order approving the plans of transposition of the EU legal acts falling within the Ministry’s competence to the national law and their enforcement.

5.1.4. Possibilities for Implementing the Free Movement of Workers

Free movement of persons is one of the fundamental freedoms embedded in Treaties establishing the European Union and in other EU legal acts. In realising this freedom, residents of Lithuania as of the EU Member State, will have the right to move freely in the EU, except for certain derogations (applicable only during transitional period). Real opportunities open up for both, skilled workforce and low-qualification workers, to get employed in the EU Member States benefiting from social guarantees.

Lithuanian citizens who travel to another Member State of the EU to work or to set up their own business, also students, pensioners and their family members will have the right to:

1. unrestricted movement across borders of the Member States (until Lithuania joins Schengen Visa Space in 2008, only passports will be examined),
2. take up residence in any Member State, if a person has sufficient funds for subsistence,
3. have more freedom than before in getting employed in the countries of the EU or EEA (see below),
4. take up individual business according to the education and professional qualification acquired in the country of origin,
5. right to vote and run for elections to the European Parliament and local municipalities,
6. retain the acquired, and benefit from new, social guarantees.

During negotiations, many candidate countries asked for exempting them from application of transitional periods, however, the outcome of negotiations was the same for all countries of the Eastern
Europe (Czech Republic, Estonia, Latvia, Poland, Lithuania, Slovakia, Slovenia and Hungary) – old Member States were allowed to apply the transitional period. The general provision on restriction of free movement of workers in the EU after accession is related with the formula 2+3+2 (years):

- During the first two years – until May 2006, old Member States of the European Union are allowed to restrict free entry into their labour market for workers from the new Member States;
- Until May 2009, these countries are still allowed to restrict free movement only on condition of advance notification of the European Commission;
- Until May 2011, old Member States can apply restrictions only in case of serious disturbances of its labour market or threat thereof and only on condition of advance notification of the European Commission.

However, according to the Accession Treaty, the Member States can’t apply more stringent restrictions on their entry into the labour market than those applied to new member States of the EU on the day of signing the Treaty (16 April 2003). It is also important to know that the Treaty of Lithuania’s Accession to the EU requires giving priority to citizens of Lithuania against third country residents in the field of employment in the EU Member States. For example, if two candidates from Lithuania and Marouge want to get a job in Germany, priority will be given to the Lithuanian, and where there are three candidates from Lithuania, Latvia and Poland, all of them have equal chances.

It’s worth noting that our citizens who on the day of joining the EU are legally working for 12 months or more in any country of the European Union, even in the country which applies labour market restrictions, and who do not voluntarily leave that country, are allowed to seek a new job there without any restrictions. However, such people are bound by restrictions of other states of the European Union. Citizens of Lithuania employed in the EU Member States after accession for uninterrupted period of 12 months or for a longer period enjoy the same rights and are bound only by restrictions applied by other countries, i.e. a citizen of Lithuania who had a job in Germany is allowed to seek employment only in Germany (from EU Member States which apply labour market restrictions).

To summarise positions of old members of the European Economic Area (EU Member States, Norway, Iceland and Liechtenstein) of the transitional period three groups of countries can be distinguished:

- countries which have opened their labour markets (Ireland, United Kingdom and Sweden);
- countries applying reduced restrictions (Denmark, Italy, Norway and Netherlands);
- countries applying tight restrictions (remaining Member States).

The difference between reduced and tight restrictions can be described in a single sentence. In case of reduced restrictions the labour market condition is not taken into consideration. To be more precise, it means that if a Danish employer wants to employ a citizen of Lithuania as a waiter, work permit to the Lithuanian will be issued irrespective of whether or not there are unemployed Danish citizens who have waiter’s qualification. In this case, however, restrictions will be related with working conditions, i.e. the Lithuanian will have to work full time (he will not be allowed to be a part-time worker) and under working conditions corresponding to those specified in a collective agreement concluded between a trade union and a given employer. In case of tight restrictions, the Lithuanian can get a job only when there is no other candidate to the same job from the old Member State (looking for such job). The second essential difference related with the first one is the time spent for obtaining permits. Actually, the time spent in case of reduced restrictions is considerably shorter. For the sake of comparison, let’s analyse the case of the Netherlands where in protected areas of labour market the issuance of permits may take up to 13 weeks, compared with a 2-week period in areas where simplified procedures apply. Moreover, there is one more difference. Nor-
mally in case of tight restrictions, application for issuing a work permit and on that basis a permit of residence should be filed from the country of origin (in our case in Lithuania) through an embassy or consulate. Let’s say, if a Lithuanian is willing to work in Belgium and has already found the employer there, he should apply for a permit to the Embassy of the Kingdom of Belgium in the Republic of Lithuania. Whereas in the event of reduced restrictions, a Lithuanian can go directly to Denmark and seek a job there, or, and it would be even better, he can find such job while staying in Lithuania, then go to Denmark and obtain the necessary documents already in that country. By the way, it is the employer who usually takes care of a work permit.

Another important area is recognition of professional qualifications. It means that education and qualification acquired in Lithuania will be recognised in all countries of the EU, enabling not only to continue studies in any country of the EU but also giving opportunity to seek well-paid qualified work according to acquired qualification. In such a way the whole society will enjoy the benefits, because free movement of workforce will partly address the problem of unemployment and improve skills upgrading conditions.

Having made up one’s mind to work or study elsewhere within the European Economic Area, people should not forget the chance to make use of services provided by EURES (European Employment Services Network). The Lithuanian Labour Exchange is in charge of this network and provides in its Internet portal information about free jobs in the EU, conditions of life and work, possibilities of studies, social security and taxation system in the EU countries. Territorial labour exchanges also have EURES advisors and their assistants who are ready to consult on matters covered by EURES.

Speaking about negative effects of realisation of the principle of free movement of workers in Lithuania, it should be noted, that free movement of workforce is related with the possibility of “brain drain”. On the other hand, real opportunities for many workers to become employed in the other member states will result in the increase of real wages.

In addition to collection and generalisation of the aforementioned information, other matters related with expansion of opportunities of free movement of workers were also addressed. The generalised available information and other particulars related to it were disseminated in different ways and among different people and authorities, i.e. Lithuanian residents as well as miscellaneous authorities, institutions and organisations of Lithuania were counselled on these matters. Counselling was provided by telephone and e-mail. Generalised information is announced in the Internet portal of the Ministry and provided to media. In addition, specialists from the Ministry of Social Security and Labour delivered reports during various events: seminars organised by public authorities (for example, in the Ministry of Foreign Affairs, Seimas Information Centre, Lithuanian Labour Exchange), and during events of NGOs (for example, during the conference organised by Vilnius Office of the International organisation for Migration, the seminar held by the association of trade unions in the Faculty of Mathematics of Vilnius University). The audience was also very diversified: businessmen, EURES assistants, European team and regional teachers, civil servants, trade union members, students and other Lithuanian residents concerned.

Moreover, international activities were also carried out in this field. By the end of 2003, the Ministry applied with the Ministry of Social Affairs and Labour of France on approximation of the bilateral agreement on employment matters, however, French side did not respond due to its reorganisation. In the beginning of 2004, the Ministry applied with the Ministry of Social Security and Labour of Greece and the Ministry of Foreign Affairs and the Ministry of Labour and Social Security of Portugal. However, all of the aforementioned countries are not interested in quick opening of their labour markets, because they have quite high unemployment rates. Rimantas Kairelis, Secretary of the
Ministry of Social Security and Labour, visited Italy for final bilateral consultations during which representatives of Italy informed about reduced labour market restrictions applied to workers from the new Member States (i.e. from Lithuania).

The Ministry of Social Security and Labour while being responsible for social integration of refugees and foreigners granted temporary protection on humanitarian grounds, undertook to represent the interests of Lithuania regarding meetings of the National Contact Points on integration within the framework of the European Union. This task is carried out through completion of questionnaires about the status of foreigners integration in Lithuania, participation in the meetings and organised seminars on the issues with other related public authorities and institutions as well as NGOs. Seminars give a good chance to obtain experience from other Member States who have been preparing special programmes of integration of foreigners for a long time already and are improving these programmes having regard to special indicators in order to achieve efficiency.

5.1.5 Preparations to Apply Provisions on Coordination of Social Security Systems

In order to properly implement the right of free movement of workers in the European Union (EU), it is very important to guarantee social security of migrant workers. The main documents of the EU – Regulation 1408/71/EEC on the application of social security schemes to employer persons and their families moving within the Community and Regulation 574/72/EEB fixing the procedure for implementing Regulation 1408/71/EEB – enforce coordinating provisions of social security systems which from 1 May 2004 are also directly applied in Lithuania. The process of practical implementation of these provisions is quite complex. Firstly, it covers practically all social security system of Lithuania: pensions, sickness and maternity, occupational accidents and occupational diseases social insurance, unemployment social insurance, health insurance benefits, family benefits and funeral grants. Secondly, its implementation involves a wide range of public authorities and institutions: MSSL, Ministry of Health, State Social Insurance Fund Board, State Patients’ Office, Lithuanian Labour Exchange and its territorial branches, municipal social support divisions.

Already since 1 May 2004, these authorities successfully perform the functions entrusted to them in the field of coordination of social security systems. As we can judge from the current practices, the largest part of administrative activity related with direct application of coordinating provisions falls on the State Social Insurance Fund Board. The main activities of the Fund are related with issuance of certificates confirming participation of delegated workers in the social security system of Lithuania and deliberation of application for granting pensions for insurance period acquired in Lithuania. From the very start of EU accession until mid-July more than 200 certificates were issued to delegated workers and about 70 applications to allocate social insurance pensions according to the provisions of the EU legal acts.

The Lithuanian Labour Exchange is fully prepared for performing its functions according to the aforementioned Regulations, however residents of Lithuania who receive unemployment benefits were not interested very much in going to another Member State of the EU in order to find a job. The reason for such inactivity – transitional periods applied by the old Member States to Lithuania in the area of free movement of workers.

Since the area of coordination of social security systems is quite new in Lithuania, its authorities face certain difficulties. Wide range of participating bodies and respective functional links established between them obviate the need to improve their cooperation. This is of particular importance with regard to municipalities because the
problem of absence of the common centralised body manifests itself in the implementation of co-
ordinating functions assigned to them.

Application of these provisions is considerably facilitated by PHARE twinning project launched in July 2003. The purpose of the Project is to strengthen Lithuanian authorities and assist them in practical implementation of the provisions of the aforementioned Regulations and to carry out the new functions.

With the assistance of foreign and Lithuanian experts participating in the project two very important studies were prepared: the study of legal acts of Lithuania which elaborates on the relationships between legal provisions of the social security system of Lithuania and EU coordination principles and rules, and the study of administrative impact of application of the social security systems’ coordinating provisions covering conclusions and proposals pertaining the system of Lithuanian authorities implementing coordinating provisions. These two studies helped to form proper legal and institutional grounds on which further practical implementation of coordinating provisions should be based.

Considerable attention in preparing authorities for the performance of new functions is devoted to specialist training. Numerous seminars have already been organised: joint seminars for specialists and managers of different levels, seminars on taxes and social contributions, work in EU authorities. The most important seminars include specialised training organised for different specialists dealing with separate social benefits. Such specialised training was aimed not only to teach these specialists the administration of benefits according to the EU coordinating rules, but also to train them as instructors able to teach a wider circle of colleagues in future.

Important works were also carried out in the field of public awareness-raising. They include preparation and publication of visual material covering information about free movement of workers, opportunities provided by it to residents of Lithuania, and competence of Lithuanian authorities. A detailed brochure was prepared which familiarises Lithuanian residents who have made up their minds to take the opportunity of free movement of workers with the rights and obligations arising from application of coordination of social security systems.

5.1.6. Meetings of the Council of Ministers of the European Union

The Council of Ministers of the European Union (hereinafter – Council) – is the main EU decision-making body, which takes final decisions on binding EU legislation (regulations and directives), ensures joint coordination of EU activities. It organises joint, reference and political discussions during which the main trends of activities are determined in different areas at the EU level.

The Council comprises representatives of ministerial level authorised by each Member State. Depending upon the agenda issue each state in the Council is represented by the minister of the respective area. There are over twenty configurations of the Council according to the fields of competence of ministers who attend the meetings. The most important Councils which meet most often are the Council of General Affairs and External Relations and the Council of Economic and Financial Affairs (ECOFIN) the meetings of which are convened on a monthly basis.

Issues attributed to the competence of the Ministry of Social Security and Labour are considered by the Council of Employment, Social Policy, Health and Consumer Affairs and the Council of Competitiveness and Council of Education, Youth and Culture. Every six months each Member State of the EU in turn takes presidency of the Council and at the same time of the European Council and EU as a whole. Rotation date – 1 January and 1 July of each year.
Differently from the Commission, which represents the interest of the EU as a whole, the Council represents the governments of the EU countries. Therefore the Council (except in cases when decisions are taken jointly with the European Parliament) has the right to take a final decision on all legal acts (regulations and directives) binding on all EU Member States.

Almost all meetings of the Council are held in Brussels, however, three times a year it meets in Luxembourg. Since normally ministers work in their home country and government, for the purpose of routine work and regular consideration of different issues when preparing for the meetings of the Council, EU Member States have designated their permanent representatives – ambassadors. In preparing for the Council meetings, these ambassadors meet weekly within the Permanent Representatives Committee (COREPER). Formally COREPER is responsible for the preparatory and administrative works before Council meetings, however, its actual function in the EU decision-making system is of particular importance, because prior to the commencement of proposals provided by the Commission, they are sent to COREPER and discussed in it. COREPER also coordinates the work of committees and working groups consisting from civil servants of Member States, which perform advisory/supporting functions.

According to the established practice, in addition to official meetings during which as a rule decisions on draft legal acts of the EU are taken, ministers also organise informal meetings, the so-called informal councils. Usually such meetings are organised by Presidency of the EU at the beginning of its term of presiding, i.e. in January and July. During informal meetings ministers discuss the main trends of activities, deliberate general political and strategic issues falling within the spheres of their competence.

From the date of signing the Accession Treaty on 16 April 2003 until July 2004, the Minister of Social Security and Labour and officials of the Ministry participated already in 5 meetings of Employment, Social Policy, Health and Consumer Affairs Council and in 2 informal meetings of the ministers. According to their competence, the Minister and ministerial staff participated in the meetings exclusively devoted to divvessing of the matters related with employment and social policy and in adopting EU legal acts regulating these spheres.

The first official Council meeting attended by the Lithuanian delegation headed by the Minister was held in Luxembourg on 2-3 June 2003. The following documents were approved during this meeting:

- Employment “package” for 2003: the Council Decision on employment policy guidelines in the Member States and the Council Recommendation on the implementation of employment policy in the Member States;
- Resolution on building social and human capital in the knowledge society: learning, work, social cohesion and gender;
- Certain parts (Chapters 4, 5 and 8, Section III) of the European Parliament and Council Regulation on the coordination of social security systems on amendments related with payment of disability benefits, old age and survivor’s pensions and special monetary benefits not related with contributions;
- Resolution on the protection ad integration of disabled persons.

Ministers participated in the discussions on the European Parliament and Council Directive on working conditions for temporary workers. Deliberations of the proposed Directive were prolonged because of the different opinions of the states on how to find the correct balance between protection of temporary workers and sufficient flexibility of the labour market. The closed meeting of ministers
failed to reach a compromise. The Draft Directive was surrendered for improvements and further deliberation.

The first informal meeting of the Ministers of Social Security and Labour was held on 11 July 2003 in Varese (Italy). On 1 July 2003, Italy has taken the presidency of the EU. Ministers from 31 country of Europe (EU Member States and accession countries, Bulgaria, Romania, Turkey, Croatia, Norway and Switzerland) attended the meeting. Informal meeting of ministers discussed two themes: “Labour market policy and illegal work in the framework of the new European Employment Strategy” and “Strengthening the social dimension of the Lisbon strategy: new scenarios for Europe”.

The meeting declared that economic growth in Europe is still insufficient. Europe is losing competitiveness, which is linked with the employment and social policy. It was recognised that in order to implement the Lisbon strategy, social policy should be reorganised and modernised so as to ensure that is targeted towards results and based on reliable indices. Ministers recognised that illegal work is the problem of special urgency. Illegal work has two major effects on the functioning of economy and labour market – workers, businessmen and consumers. Participants of the meeting admitted that Member States will have to take measures necessary to eliminate illegal work. There is a need to enhance incentives to declare work through active labour market policy measures, simplifying access to the labour market and social protection. In addition, incentives not to declare work should be eliminated. Alongside measures ensuring payment for work, actions should be taken to combat poverty. Preventive measures should be provided and accompanied by awareness raising and application of sanctions. The initial step, which is of particular importance, is improvement of the quality of statistical data, which would allow comparing the scope of illegal work at the international level. Social partners were invited to participate in addressing the problem of illegal work.

The meeting of the Employment, Social Policy, Health and Consumer Affairs Council held on 20 October 2003 approved the following documents:
- European Parliament and Council Directive regarding minimum safety and health requirements regarding exposure of the workers to the risks arising from physical agents (emotional fields and waves);
- Resolution on transforming of undeclared work into regular employment;
- Council conclusions on coordination strategy for adequate and sustainable pensions;
- Certain parts (Chapters 6, 7 and 8, Section III) of the European Parliament and Council Regulation on the coordination of social security systems 1408-71 related with unemployment benefits, family benefits and pre-retirement benefits;
- Decision of the European Parliament and Commission on the second phase of a programme of Community action to prevent and combat violence against children, young people and women and to protect victims and groups at risk (DAPHNE II Programme);
- Resolution on initiatives to combat trafficking in human beings, in particular women.

The ministers discussed the European Commission Communication on Immigration, Integration and Employment. The Commission Communication on Immigration, Integration and Employment adopted on 3 June 2003 is intended for Member States to encourage them to be more active in the field of integration of migrants, providing them with more freedom of movement, developing opportunities of more active integration into the labour market, participate in social, cultural and social life of the Member States. Efficiency of development and coordination of Member States’ policies in the field of regulation of migration should be gradually improved having regard to the current situation and in observance of migration flows which will increase after EU enlargement to the 25 Member States.

Ministers admitted that the Commission Communication forms good background for future activities and emphasised that initiatives in this field
should be implemented within the Lisbon strategy and European Employment Strategy framework. Attention was also drawn to the fact that the role of immigration from third countries in addressing the matters of workforce shortage and ageing of the population in the European Union Member States should be limited. They noted that in the first instance the highest possible efficiency of utilisation of resources of local labour market, including that of future EU Member States should be guaranteed. Ministers agreed that there is a need to take respective measures ensuring better labour market integration of legal immigrants. The principle of anti-discrimination should be observed, in particular in creating conditions for education and training of immigrants (languages, in particular). This applies to new immigrants as well as to those of the second and third generation. It was proposed that in future migration issues should be discussed and addressed in cooperation with the Justice and Internal Affairs Council.

Ministers discussed the European Commission Communication on strengthening the social dimension of the Lisbon strategy: streamlining open coordination in the field of social protection and listened to the opinion of Social Protection Committee on these matters. This Communication of the European Commission was prepared in observance of conclusions drawn by the European Council spring meeting of 2003. According to these conclusions it is expected to reach full cohesion of economic, labour, employment and social policies by 2006. The European Commission proposes that these common goals in the spheres of economic, labour, employment and social policies spheres should replace existing separate goals and should be approved in 2006 for a three-year period until 2009 together with the Economic and Employment Policy Guidelines. 2003 – 2006 will cover preparations for starting this new and streamlined process. The EU Social Protection Committee approved the goals defined in the Communication and proposals to strengthen social dimension of the Lisbon strategy, also harmonisation of social policy and coordination of actions in this field with Broad Economic Policy Guidelines and the European Employment Strategy. Ministers approved the goals to be achieved as specified in the Communication and the opinion of the Social Protection Committee.

The meeting of the Employment, Social Policy, Health and Consumer Affairs Council held on 1 December 2003 adopted the following important documents in the field of employment and social policy:

- Partial agreement of the European Parliament and the Council Regulation on the co-ordination of social security systems (Modernisation/simplification of Regulation 1408/71);
- Council conclusions on the follow-up of the European Year of People with Disabilities and the promotion of equal opportunities for People with Disabilities;
- Council conclusions on immigration, integration and employment;
- Council conclusions on the implementation by the Member States and the EU institutions of the Beijing Platform for Action.

Under the Irish EU Presidency as from 1 January 2004, the EU Ministers for Employment and Social Affairs met informally on 15-16 January 2004 in Galway.

Ireland proposed to the informal meeting of ministers the following theme: “Making work pay: interaction between social protection and employment policies”. The great majority of ministers welcomed the resumed discussions about the interaction between social protection and employment. The issue is very complex and obviously the instruments in one policy sphere will not suffice to makework attractive. Many speakers emphasised the need for adequate combination of policies: adequate system of taxation, system of social protection, system of benefits related to income, payment for work policy, quality of working conditions, adequate childcare, job search support, system of re-qualification, health care. During the discussion Ministers distinguished financial and non-financial factors determining the attractiveness of
employment. It was recognised that it is more easy to make quantitative assessment of financial factors conditioning the attractiveness of employment, however, non-financial measures are also of high importance in order to make work attractive to all, i.e. active labour market policy measures, reconciliation of family and working life, childcare and learning opportunities, etc. It was emphasised that the social dialogue is very important in addressing these issues.

The Council of Ministers for Employment, Social Policy, Health and Consumer Affairs held on 4 March 2004 approved the following documents:

- “Key messages to the European Council (employment, social protection and inclusion as well as gender equality spheres)” (the ministers from all current and future EU Member States or government representatives who attended the meeting spoke on this issue. They provided their comments on implementation of the Lisbon strategy in the employment and social policy spheres, distinguished priorities of their countries, mentioned implemented reforms and future works).

The following priority trends of activity are distinguished seeking to implement objectives of the Lisbon Strategy:

- Promoting adaptability of workers and enterprises;
- Attracting more people to the labour market;
- Increasing investments into the human capital development and their effectiveness;
- Guaranteeing effective implementation of reforms through improved management and administration.

In the field of employment policy these reforms should be harmonised and brought in line with different trends of social protection policy:

- Increasing the level of social integration;
- “Making work pay”, i.e. persuading people to work, other than to live on benefits;
- Guaranteeing that pension systems promote longer working life;
- Ensuring accessibility and quality of health and long-term care services to old age people.

In addition, the need to mainstream gender equality in all spheres was emphasised.

Rimantas Kairelis, the Secretary of the Ministry of Social Security and Labour, introduced Lithuania’s position on these matters stating that Lithuania supports Key Messages to the European Council and emphasises that key efforts should be targeted towards creation of more and better jobs, strengthening social cohesion and promotion of social integration. One of the key priorities of Lithuania in implementing the Lisbon Strategy is economic and social convergence, which will allow reducing differences between the existing and new Member States of the EU. The most important priorities include promotion of employment and increase of investments into human capital, seeking to have workforce, which meets labour market needs and is able to adapt to changes. Financial support from the European Social Fund will considerably contribute to the implementation of these tasks in Lithuania. Lithuania approves and supports the EU provision that poverty reduction and combating social exclusion must be among key priorities. This idea is clearly expressed in the Joint Inclusion Memorandum signed in the end of the previous year and reflected in the National Action Plan for promoting social inclusion. Lithuania will further implement structural reforms through modernising the pension system and implementing the health system reform in view of the tendencies of the ageing of population. The proper attention is, and will be, paid to the development of the social dialogue. In response to intensive discussions on free movement of workers, Lithuania invited old Member States of the EU to consider the possibilities of opening their labour markets in the nearest future, because free movement of workers is one of the four freedoms of the EU internal market and the fundamental principle of the functioning of the European Union. The establishment of a single and flexible labour market will considerably contribute to the implementation of the Lisbon strategy objectives promoting competitiveness and productivity of the EU economy.
• Joint Council and Commission Employment Report on the Member States Policy in the Field of Promotion of Social Inclusion;
• Report of the Social Protection Committee on Progress Achieved in Special Studies on Pension Systems;

EU Competitiveness Council of 17 May 2004 approved the Directive on mutual recognition of professional qualifications aimed at simplifying the existing complicated coordination system of this sphere.

Youth, Education and Cultural Affairs Council meeting of 28 May 2004 of the (Lithuania was represented by The Vice Minister of Social Security and Labour Rimantas Šadžius) approved the following documents related with youth policy which falls within the competence of the Ministry of Social Security and Labour in Lithuania:
• Declaration on Combating Racism and Intolerance among Young People;
• Resolution on Social Integration of Young People.

During the meeting of the Council, the Ministers exchanged opinions about common goals in promoting voluntary activities of young people and in trying to improve knowledge and understanding about young people. Reports of the Ministers were mainly focussed on the “Youth” Programme.

Employment, Social Policy, Health and Consumer Affairs Council meeting of 1 June 2004 approved the following documents in the field of employment and social policy:
• Employment “Package” (2004): Report from the Commission on improvement of implementation of the European Employment Strategy, Council Decision on common employment policy guidelines for Member States; Council recommendations establishing implementation of Member States employment policy.

In the course of discussions the Ministers approved the idea of establishment of the European Gender Institute. The idea of the Institute is related with further development of institutional mechanisms of gender equality and gender mainstreaming. The Institute will collect and disseminate data, coordinate studies, support the development of gender mainstreaming. Instead of duplicating the functions of national mechanisms or other structures, the Institute should maintain close cooperation with them dealing with technical, other than political matters, while remaining budget neutral and financed from the existing budget of the Commission.

The Commission is obligated to develop legal basis for the establishment of the Institute, i.e. a detailed proposal for a legal act subject for further deliberation.

The Ministers also discussed the Draft Council Directive implementing the principle of equal treatment of men and women as regards the provision of goods and services. Having heard the statements of the Ministers, the Chairman summarised that in essence Member States are welcoming this Directive as enforcing the principle of equality, which is fundamental in the EU law. It is obvious, however, that opinions on Article 4 of the Directive (insurance) are very different with many of them distinguishing considerable impact on the sector of insurance. Therefore, there is a need to continue discussions and seek compromises, and the present discussion
forms a very good basis for subsequent discussion towards the final goal – adoption of the Directive.

5.1.7. MISSOC Activities

Since December 2003, the Ministry of Social Security and Labour is participating in the activities of the Mutual Information System on Social Protection in the Member States of the European Union (MISSOC). This Information System provides key data on social protection the Member States of EU and in the European Economic Area. MISSOC comparative tables consist of twelve parts: I – Financing; II – Health Care; III Sickness – Cash Benefits; IV – Maternity; V – Invalidity; VI – Old Age; VII – Survivors; VIII – Employment Injuries and Occupational Diseases; IX – Family Benefits; X- Unemployment; XI – Guaranteeing Sufficient Resources; XII – Long-term Care. The Tables begin with a brief introduction of the structure of social protection of each country and charts. In the Appendix to the Tables each country describes social protection of the self-employed. Information contained in these Tables is updated twice a year. The System operates in English, German and French languages.

Before December 2003, the Ministry of Social Security and Labour provided information to the analogous MISSCEEC System the purpose of which was providing information on social protection in the EU candidate countries. This System stopped functioning when candidate countries jointed the EU. The latest information provided into MISSCEEC is still available in MISSOC Internet website.2

In April 2004, the Ministry of Social Security and Labour, as other authorities of the European Union Member States provided the updated information about social protection for MISSOC Tables. It is expected that the most recent information about Lithuania will be placed in MISSOC Internet website in autumn 2004, after combination and translating on of the text into the abovementioned foreign languages.

The Ministry of Social Security and Labour is also providing information for MISSOC-Info Bulletin aimed at getting wider understanding of social protection systems of the countries on particular relevant matters. This bulletin is published two-three times per year in English, German and French languages. MISSOC-Info material is also placed in the abovementioned MISSOC Internet website.

5.2. PARTICIPATION IN THE ACTIVITIES OF INTERNATIONAL ORGANISATIONS

5.2.1. Membership in the International Labour Organisation

Drawing Reports on Conventions

During 2003, in observance of Article 19 of ILO Statute, Reports on 1964 Employment Policy Convention (No. 122), 1984 Employment Policy (Supplementary Provisions) Recommendation (No. 169), 1975 Human Resources Development Convention (No. 142) and 1998 Job Creation in Small and Medium-sized Enterprises Recommendation (No. 189), and comprehensive reports on the application of ten ratified conventions in Lithuania in observance of Article 22 of ILO Statute were prepared.

Between 2003 and 2004, five conventions were submitted to the Seimas of the Republic of Lithuania for ratification. In the first instance, with a view to developing employment policy of Lithuania and implementing it through measures conforming to the international standards, The Con-

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vention concerning Private Employment Agencies (No. 181), adopted on 19 June 1997 in Geneva was submitted for ratification. The Law on ratification of this Convention came into force on 16 March 2004. Ratification of 1981 Convention concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities (No. 156) was envisaged by virtue of the Measures of Implementation of the National Programme of Equal Opportunities for Women and Men for 2003-2004 approved by the Republic of Lithuania Government Resolution No. 712 of 3 June 2003. The Law on ratification of this Convention came into force on 8 May 2004. The International Labour Convention concerning Employment Policy (No. 122) adopted in 1964 was also ratified (on 7 March 2004). This Convention obligates the contracting parties and ILO members to establish and implement policy aimed at economic growth and development, improving subsistence level, and addressing unemployment reduction and employment promotion problems. For the purpose of implementing the Programme of the Government (Family, Children and Youth Support), two more international labour conventions were submitted for ratification: 1) 1999 International Labour Convention on the Worst Forms of Child Labour (No. 182) and 2) 2000 International Labour Convention concerning the Revision of Maternity Protection Convention (as amended) of 1952 (No. 183). Convention No. 182 is considered of particular relevance and attributed to the so-called basic and the most important International Labour Conventions. Meanwhile, the Maternity Protection Convention is relevant with regard to Lithuania’s demographical situation. The Law on ratification of these two Conventions was adopted on 25 March 2003 and came into force as from 21 May 2003.

Denunciation of the Night Work (Women) Convention (No. 4) was registered on 11 November 2003.

In 2003, Lithuania submitted its comments regarding the International Labour Organisation’s Draft Code of Practice on Violence and Stress at Work: a Threat to Productivity and Decent Work”. In addition, answers were provided to the Questionnaire “Statistics on the Employment Situation of People with Disabilities” and in consultation with social partners – to ILO questions on sectoral activities.

International Labour Conference

During the 91st session of the International Labour Conference held on 3-19 June 2003 in Geneva, Lithuania was represented by the delegation led by Rimantas Kairelis, the State Secretary of the Ministry of Social security and Labour. The delegation was formed according to the tripartite principle in accordance with the ILO Statute requirements, i.e. from representatives of the Government, employers and trade unions.

Plenary meetings of the 91st session of the Conference deliberated the following essential matters: ILO programme and budget; information and reports on the application of conventions and recommendations; development of human resources – Revision of 1975 Recommendation on the Development of Human Resources; the matters related to the extent of labour relations (the Committee formed for the deliberation of labour-related matters obligated the International Labour Office to develop draft recommendation on labour relations mostly aimed at defining “hidden” labour relations and identifying the ways how to guarantee social protection to such workers); the ILO standards-related activity in the field of safety and health at work (a non-precedent agreement was reached on the general strategy on the matters of safety and health at work); improving reliability of identity documents of seafarers (the Conference adopted the Convention on Seafarers’ Identity Documents (No. 185) aimed at improving protection against terrorism and guaranteeing the freedom of movement for seafarers as well as creating conditions for international business. This Convention amended the Convention No. 108 adopted in 1958.

The Conference also paid great attention to the report delivered by the Director General on the
matters of poverty reduction, special meetings were devoted to the situation of workers in occupied Arab territories and in Myanmar.

In Geneva, the delegates from Lithuania had a meeting with Friedrich Butler, ILO Director for the Region of Europe and Central Asia, during which the possibilities of organising the conference in Lithuania in 2004 were discussed. Lithuanian delegation also met Thierry Marchandise, the representative of the European Region Programmes of the ILO Turin International Training Centre. This meeting dealt with strengthening of social dialogue in Lithuania.

The 92nd session of the International Labour Conference was held on 1-17 June 2004 in Geneva.

The Conference participants essentially approved the World Commission’s conclusions on deliberation of social aspects of globalization and ILO proposals on further actions.

This year Lithuania, as a full member of the EU, was invited to coordinating meetings of the EU government representatives’ of the Groups of Migrant Workers and Work in Fisheries Sector, during which the joint position of the EU Member States on the aforementioned matters was formulated. The delegates from Lithuania also participated in coordinating meetings of Regional Groups for the Central and Eastern Europe convened to deliberate urgent matters. Lithuania was selected as coordinator of this group for 2004-2005.

This ILO Conference focussed on: work in the fishing sector (discussions took place on the drafting of a new legal document amending ILO norms enforced earlier); migrant workers (the action plan was drawn the purpose of which is to ensure that migrant workers are protected by means of the provisions of the international labour norms); human resources (adopted recommendation on the development of human resources which replaced 1975 ILO Recommendation No. 150 on the development of human resources). The ILO Conference also analysed the situation in the occupied Arab territories and Myanmar, marked the World’s Day against Child Labour, revoked 16 International Labour Recommendations adopted between 1919 and 1953, and deliberated other matters.

**Activities at the Governing Body**

The Governing Body is the executive body of the International Labour Office, the secretariat of the International Labour Organisation, comprised of 56 members – 28 Governments, 14 Employers and 14 Workers. The Governing Body meets three times per year to discuss the ILO policy, programme and budget-related issues, elect the director-general, etc.

The 288th session of the Governing Body was held in Geneva on 10 – 21 November 2003. In addition to economic, financial and ILO organisational matters, the session agenda also covered the consequences of globalization, violations of labour law in Myanmar, Belarus, implementation of technical cooperation programmes in occupied Arab territories, proposals included in the agenda of the International Labour Conference sessions of 2005 and 2006, and adoption of the new Code of Practice on Workplace Violence in Services Sectors.

Delegates from Lithuania attended discussions on urgent topics of the session. Lithuania joined the statements of the European Union Member States on the use of forced work in Myanmar, implementation of the technical cooperation programme in occupied Arab territories, violations of the freedom of association and collective principles in Belarus.

The 289th session of the Governing Body was held on 15 – 26 March 2004 in Geneva. The issue to which the greatest attention was paid during this session was the Report from the World Commission on the Social Dimension of Globalization. The World Commission was formed on the initiative of the International Labour Organisation in the year 2002. Deliberation of social aspects of globalization in the World Commission took two years and in February 2004 the Commission produced its Final Report “A Fair Globalization: Creating Opportunities for All”.

179
The Commission Report was presented before the ILO Governing Body. The Report contains numerous proposals and recommendations on the direction of activities to be taken in order to guarantee the benefits of globalization for all, and to reduce its consequences to the minimum. Therefore, it is emphasised that in order to benefit from globalization, the generally acceptable values and principles should be respected and observed, while promoting social dialogue and observance of fair rules in trade and financial market, reducing inequality inside and between the countries.

For the purposes of his Report, the State Secretary of the Ministry of Social Security and Labour Rimantas Kairelis, mentioned, *inter alia*, that globalization promises numerous opportunities to Lithuania, however, at the same time it is related with the existing risk of the lack of safety, doubts and inequality.

The matter concerned with particular safety measures in the navy and ports resulted in numerous disputes. Respective decisions should be taken in implementing the International Labour Convention on Seafarers’ Identity Documents (Revised) (No. 185) adopted in 2003.

The Committee on Freedom of Association investigated 31 case out of more than 100 cases presently submitted to the Committee with regard to violations of the freedom of association and the rights of trade unions. Attention was drawn to Columbia, Venezuela, China, and Myanmar.

During this session of the Governing Body, the Regional Group for Central and Eastern Europe met to discuss urgent matters of the agenda. The European Union Member States also convoked meetings and invited to them the representatives from countries candidates to the European Union. Representatives of Lithuania also attended these meetings.

On 18 June 2004, the ILO Governing Body held the meeting of the 290th session to deal with matters raised during the 92nd session of the International Labour Conference. In addition, GB approved the Report of the Committee on Freedom of Association, selected the Chairman for 2004-2005, etc.

### Conference on the Social Dimension of Globalization in Lithuania

Trilateral regional international conference “Social Dimension of Globalization” organized by the Ministry of Social Security and Labour in cooperation with the International Labour Organization (ILO) was held in Vilnius on 14 May 2004. Representatives of public authorities, associations of business and trade, employer and employees’ organisations from Denmark, Estonia, Latvia, Iceland, Norway, Poland, Finland, and Sweden were invited to this Conference. Juan Somavia, ILO Director General and the highest-ranking officer of the organization, who was the first to propose considering the social sequels of globalization, also arrived to the Conference for the first time since 1921, when Lithuania joined the ILO.

Thus, Lithuania was one of the first countries of the world to deliberate on 14 May 2004 the World Commission Report “A Fair Globalization: Creating Opportunities for All”. The World Commission on the Social Dimension of Globalization is an independent organisation consisting from 26 outstanding personalities of the world. The purpose of the Commission is to assess the existing social situation and to prepare recommendations on how to reduce poverty and make people feel safe under conditions of globalization. Particular attention of the Commission was paid to the essential drivers of globalization – the world trade, foreign direct investments, financial flows, information technologies, etc. The Commission emphasised the statement which is of particular importance to strong countries leading the process and helps Lithuania to follow the path of globalization “management of globalization begins at home”. The Minister of Social Security and Labour Vilija Blinkevičiūtė spoke during the conference about Lithuania’s achievements and tasks awaiting it in order to avoid negative consequences of the process under consideration.

The participants from Nordic and Baltic States invited to the conference in Vilnius discussed national and regional aspects of globalization, delib-
erated likely further actions in observance of the Report delivered by the World Commission. J. Somavia introduced to the to the guests of the conference and media the milestones of fair globalization which serves the welfare of people all.

5.2.2. Membership in the Council of Europe

Activities of the Committee of Experts on Standard-setting Instruments in the Field of Social Security (CS-CO)

In October 2003, the representative from the Ministry of Social Security and Labour attended the 5th meeting of the Committee of the Council of Europe held in Strasbourg. In the assessed the results of several conferences recently organised by the Council of Europe, the progress and shortcomings meeting the countries’ commitments under the requirements of the European Code of Social Security and the International Labour Organisation Convention No. 102 were assessed. The countries, which had not signed and ratified the Code yet, including Lithuania, were invited to do it. Discussions also covered the impact of illegal labour migration on the labour market and on the social protection in particular. After long discussions and doubts regarding the availability of information, participants of the meeting agreed on asking experts to prepare a questionnaire on such impact to be answered by countries. Moreover, in the meeting the consequences of involvement of the private sector in the financing of pensions were considered in the context of recent developments taking place in the field of retirement pensions in Europe.

In May 2004, the representative of the Ministry attended the 6th meeting of the Committee in Cyprus. In this meeting the conclusions of the experts on the implementation of the countries’ commitments under the requirements of the CE Code and ILO Convention were discussed. Was analysed how to promote opportunities for setting social protection standards in CE countries. The matter of migration of illegal workforce, problems related to the retirement pensions and the decisions of the Committee of Ministers and Social Cohesion Committee (CDCS), which were of the interest to CS-CO were also analysed in the meeting. Lithuanian position on signing and ratification of the European Code of Social Security was represented in the meeting. It was decided that CS-CO Secretariat should prepare a plan, referring to which the development of social protection standards would be assessed and promoted in CE countries. The guidelines for the further work of the Committee were determined in the meeting.

In the conference “Social Security: Factor of Social Cohesion”, organised after this meeting by the Council of Europe and International Labour Organisation the social protection systems of Mediterranean countries were reviewed and the possibilities of wider cooperation in the field of social protection were discussed.

Preparations for Signing the European Code of Social Security

The Ministry of Social Security and Labour is preparing to initiate the signature of the European Code of Social Security adopted by the Council of Europe in 1964. The European Code of Social Security establishes minimum social security standards necessary for maintaining and promoting the satisfactory level of the system of social security. Moreover, in Par. 2, Article 12 of the European Social Charter of 1996 (Revised) ratification of this Code is assessed as the indicator of adequate social security of the country (Lithuania has not ratified Par. 2, Article 12 of the Charter).

Lithuania submitted the so-called “Zero Report” to the Council of Europe on the Compliance of Lithuanian legislation with the requirements of the European Code of Social Security between July 2000 and June 2001. The Council of Europe, in cooperation with ILO experts, submitted the conclusions on the abovementioned “Zero Report” of Lithuania, stating that Lithuania’s social security
legislation was to a large extent in accordance with the requirements of this Code and that there were no obstacle to signature and ratification by Lithuania of the European Code of Social Security.

In April 2004, the workshop “Possibilities of Implementation of the European Code of Social Security” was held in Vilnius, during which experts from the Council of Europe and the International Labour Organisation introduced Lithuanian experts with the theory and practice of the implementation of the Code. During the seminar experts expressed their opinion that Lithuania practically complied with the requirements of the following parts: Part II (Health Care), Part III (Sickness Benefit), Part V (Old Age Benefit). Certain doubts exist regarding to compliance with the requirements of the family, invalidity and maternity benefits. Provisions of Law on Child Benefits of the Republic of Lithuania enforced on 1 July 2004 were more consistent with the requirements of the Code. Experts admitted that problematic to Lithuania are the requirements of Part X (Survivors’ Benefits), Part IV (Unemployment Benefits), and Part VI (Occupational Accident Benefits).

At the present the work on the authentic translation of the European Code of Social Security into the Lithuanian language is under preparation. After finishing the translation, a repeat detailed analysis will be carried out regarding compliance of Lithuanian legislation with the requirements of the Code. By the order of the Minister of Social Security and Labour a working group was formed for carrying out this task.

5.2.3. Preparation to Participate in the UN-Economic and Social Council (ECOSOC) Activities

On 31 January 2003, the Government adopted Resolution No. 143 which in addition to other strategic objectives enforced Lithuanian attempt to become a member of the Economic and Social Council (ECOSOC) of the United Nations in 2005-2007. ECOSOC is one of the main six bodies of the UN. It is consisted of UNO members, elected by the General Assembly for three-year term. ECOSOC carries out and initiates surveys, prepares reports and provides recommendations to the General Assembly on international economic, social, cultural, educational, health protection and human rights matters. In addition, it also coordinates activities of specialised UN agencies (likewise the International Labour Organisation, the World Health Organisation), provides information and assists the Security Council.


Due to Lithuanian attempt to become a member of ECOSOC, the Ministry of Social Security and Labour established the following priority activities according to its competence:

- Promotion of women’s rights in all programmes and activities of the UN system;
- Development of opportunities for disabled people;
- Promotion of participation of old people in economic and social processes;
- Poverty reduction in least-developed countries;
- Promotion of child rights protection;
- Promotion and implementation of the fundamental rights and principles of employment;
- Increasing opportunities for men and women in the field of employment and earnings;
- Increasing effectiveness of social protection for all people;
• Strengthening tripartite cooperation and social dialogue.

In the implementation of these priorities, the Ministry of Social Security and Labour is actively involved in the work of the United Nations Development Programme, UN Social Development Commission, Commission on the Status of Women, Committee on the Elimination of Discrimination Against Women, and of the International Labour Organisation. The Ministry is forming the donor’s image of Lithuania in the abovementioned institutions.

5.3. INTERNATIONAL TREATIES

5.3.1. Bilateral Agreements (Arrangements) in the Field of Social Security

Presently, 10 bilateral agreements (arrangements) are in force in the field of social security:

1. Arrangement on Payment (Transfer) of Pensions to Eligible Residents of Poland or Lithuania, concluded on 2 June 1992 (came into force on 2 June 1992);


4. Agreement between the Republic of Lithuania and the Republic of Estonia on Social Security signed on 28 May 1996 (came into force on 10 February 1997);

5. Agreement between the Republic of Lithuania and the Republic of Belarus on Social Security signed on 4 February 1999 (came into force on 15 December 1999);

6. Agreement between the Republic of Lithuania and Czech Republic on Social Security signed on 27 May 1999 (came into force on 1 August 2000);


8. Agreement between the Republic of Lithuania and the Republic of Finland on Social Security signed on 12 September 2000 (came into force on 1 August 2001);


The Agreement signed between the Republic of Lithuania and the Kingdom of the Netherlands on the Payment of Social Security Benefits Abroad signed on 12 December will be come into force on 1 August 2004.

We hereby enclose information prepared by the State Social Insurance Fund Board about payment of benefits in implementing the international agreements.

In 2003, in implementing bilateral agreements (mostly for the purpose of implementing the provisions of the agreement on social security concluded between the Republic of Lithuania and the Republic of Belarus), only a small number of applicants received family benefits or funeral grants from Social Support Branches of towns (regions) municipalities of our country.
In implementing the aforementioned bilateral agreements (arrangements), in 2003 Vilnius Labour Exchange registered 63 nationals of Belarus, 25 nationals of the Ukraine, and 4 nationals of Latvia. Of whom benefits were paid to 8 nationals of Belarus, 1 national of the Ukraine and 1 Latvian national.

1 Latvian and 1 Ukrainian national were enrolled with Anykščiai Labour Exchange. The Latvian national was also entitled to receive the unemployment benefit.

Trakai Labour Exchange registered 2 nationals of Belarus and 1 Ukrainian national who were paid unemployment benefits.

Between 2002 and 2003 the Draft Agreement on Social Security was developed and agreed between the Republic of Lithuania and Canada. On 26 January 2004, the President of the Republic of Lithuania issued Decree No. 354 authorising the Minister of Social Security and Labour V. Blinkevičiūtė to sign this Agreement. The Agreement envisages regulating the allocation and payment of pensions to individuals who move to another state to live or work. The Agreement is based on preservation of rights acquired and being acquired. This agreement is particularly perspective and useful to Lithuania, because the Canadian labour market is attractive to Lithuanian residents. For Agreement implementation purposes the Draft Administrative Arrangement on the Implementation of the Agreement on Social Security between the Republic of Lithuania and Canada has been developed. On 22-23 March 2004 Canadian social security experts paid a visit to Lithuania to coordinate the Draft Administrative Arrangement and other documents necessary for the implementation of the Agreement. Signing of the Agreement and the Administrative Arrangement is pending in summer 2004. The Agreement will come into force on the first day of the fourth month following the final day of the month in which the Parties through diplomatic channels will exchange written notices confirming that their respective legal requirements for the entry into force of this Agreement have been completed. In the Republic of Lithuania the Seimas of the Republic of Lithuania will ratify this Agreement.

Article 14 of the Agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation on the Pensionable Welfare signed on 29 June 1999 stipulates that no later than by 1 January 2005 the Parties will prepare for signing a new version of this Agreement based on the principle of sharing pension payment costs in observance of the insurance period (service record) acquired by individuals covered by this Agreement in the territory of each of these countries. The working group formed by Order No. A1-34 of 10 February 2004 of the Minister of Social Security and Labour drafted a new version of the Agreement between the Government of the Republic of Lithuania and the Government of the Russian Federation on Cooperation in the Field of the Pensionable Welfare and in May 2004 submitted it to the Ministry of Foreign Affairs in order to communicate the Draft Agreement as soon as possible through diplomatic channels to the Russian Federation.

5.3.2. Bilateral Agreements in the Field of Employment

Presently, 4 bilateral agreements are in force in the field of employment:


3. Agreement between the Government of the Republic of Lithuania and the Government of the Kingdom of Sweden on Exchange of Probationers concluded on 5 May 1994 (came into force on 1 July 1994);


On 22 June 2004, the Government of the Republic of Lithuania adopted the Resolution No. 783 denouncing 2 agreements applicable before 1 May 2004, because as a result of introduction of free movement of workers between new Member States of the EU they became irrelevant:

1. Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Poland on Mutual Employment of Nationals concluded on 26 September 1994 (came into force on 21 September 1995);


It is obvious that recently agreements with Sweden and Germany were of the highest relevance to the citizens of Lithuania, as they created possibilities of legal employment and skills upgrading in these countries. We hereby include information prepared by the Lithuanian Labour Exchange about employment of Lithuanian citizens in implementing the most topical international agreements, which also enabled to make use of additional schemes implemented in these countries under special bilateral agreements of employment services.

In 2003, 121 citizen of the Republic of Lithuania went on probation to Germany, however, the Agreement establishes the annual probation quota for 200 people. Germany did not submit any requests for probation in Lithuania. The main reasons preventing from sending to Germany more probationers is very time consuming job search in Germany, non-compliance of the candidates’ to qualification requirements, insufficient knowledge of the German language. As a result of increased unemployment rate in 2003 in Germany there was no demand for builders and the demand for nurses considerably reduced.

In 2003, 212 individuals went on probation to agricultural enterprises in Sweden. The annual number (quota) of permits issued per each Contracting Party’s probationers may not exceed 300 permits. One woman from Sweden applied for probation in Lithuania; however, she refused the probation in Lithuania even several employers were found.

In 2003 there were no people willing to work in the Ukraine. In response to the labour market needs, 158 people from the Ukraine got jobs in Lithuania, the great majority of them – highly qualified welders and assemblers of vessel bodies.

The number of Russian nationals employed in Lithuania in 2003 stands at 120 (the largest number of them comprising: engineers ship constructors, navigation engineers mechanics, welders and assemblers of vessel bodies, international route drivers, marine transport engineers). Citizens of the Republic of Lithuania did not apply to the Lithuanian Labour Exchange for employment in Russia.

In 2003, a dental technician who had the employer got a job in Poland. In observance of employers’ requests and situation in the labour market, in 2003 29 Polish nationals were provided with jobs in Lithuania (specialists of management and marketing, banking and finance, painting – conservation of vessel bodies, confectioners, organisers of lotteries, etc.).

In 2003, 4 Czech nationals got jobs in Lithuania (specialists of international trade, sales of real estate, a master of pedagogical sciences).
By the end of 2003, the process of negotiations was initiated regarding the Agreement between the Government of the Republic of Lithuania and the Government of Canada concerning Youth Exchanges. During this process the provisions of the draft agreement were agreed between the Republic of Lithuania authorities concerned and on 7 April 2004 the Draft was communicated to the Canadian Ambassador for further coordination. The purpose of this agreement is to enable youth (age between 18 and 35) to improve their professional and language skills, to study, to work during holidays in another contracting state and to get acquainted with its society and culture. This Agreement will be very useful to Lithuania, since it will enable Lithuanian people to get legal jobs and to improve their knowledge in Canada.

### Table 5.3.2.-1.

<table>
<thead>
<tr>
<th></th>
<th>01-01-2003</th>
<th>01-01-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IMPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FROM LATVIA</td>
<td>388</td>
<td>399</td>
</tr>
<tr>
<td>FROM ESTONIA</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>FROM THE UKRAINE</td>
<td>20</td>
<td>56</td>
</tr>
<tr>
<td>FROM BELARUS</td>
<td>108</td>
<td>147</td>
</tr>
<tr>
<td>FROM POLAND</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>FROM FINLAND</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>559</td>
<td>646</td>
</tr>
<tr>
<td><strong>EXPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TO LATVIA</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td>TO ESTONIA</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>TO THEUKRAINE</td>
<td>14</td>
<td>45</td>
</tr>
<tr>
<td>TO BELARUS</td>
<td>214</td>
<td>299</td>
</tr>
<tr>
<td>TO POLAND</td>
<td>80</td>
<td>73</td>
</tr>
<tr>
<td>TO CZECH REPUBLIC</td>
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<td>1</td>
</tr>
<tr>
<td>TO FINLAND</td>
<td>3</td>
<td>5</td>
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<tr>
<td>TO USA</td>
<td>–</td>
<td>24</td>
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<tr>
<td><strong>ACCORDING TO THE LAW ON STATE SOCIAL INSURANCE PENSIONS AND GOVERNMENT RESOLUTION NO. 316 OF 3 MARCH 1995</strong></td>
<td>355</td>
<td>385</td>
</tr>
<tr>
<td><strong>ACCORDING TO THE EUROPEAN TEMPORARY SOCIAL SECURITY AGREEMENTS</strong></td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>730</td>
<td>903</td>
</tr>
<tr>
<td><strong>TOTAL IMPORT AND EXPORT:</strong></td>
<td>1289</td>
<td>1549</td>
</tr>
</tbody>
</table>

Table 5.3.2.-1.
**PAYMENT OF BENEFITS (LTL THOUSAND)**

<table>
<thead>
<tr>
<th>Country</th>
<th>IMPORT 2003</th>
<th>EXPORT 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>1555,3</td>
<td>141,7</td>
</tr>
<tr>
<td>Estonia</td>
<td>138,2</td>
<td>33,8</td>
</tr>
<tr>
<td>The Ukraine</td>
<td>37,2</td>
<td>141,3</td>
</tr>
<tr>
<td>Belarus</td>
<td>208,0</td>
<td>945,6</td>
</tr>
<tr>
<td>Poland</td>
<td>117,1</td>
<td>256,3</td>
</tr>
<tr>
<td>Czech Republic</td>
<td></td>
<td>2,9</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td>14,2</td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td>67,0</td>
</tr>
</tbody>
</table>


According to the European Temporary Social Security Agreements: 55,6

**TOTAL**: 2055,8  3496,6

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**EMPLOYMENT**

**Table 5.3.2.-2.**

**in 2003**

**during 5 months of 2004**

1. **EMPLOYMENT IN GERMANY**

   1.1. **EMPLOYMENT OF PROBATIONERS:**
   
   - Documents Sent: 98  44
   - Work Permits Obtained: 121
   - (Previous Year's Share): 49
   - Documents Returned: 72  14

   1.2. **PARTICIPATION IN AU PAIR PROGRAMME:**
   
   - Documents Sent: 50  6
   - Work Permits Obtained: 68
   - (Previous Year's Share): 6

   1.3. **EMPLOYMENT OF STUDENTS DURING HOLIDAYS:**
   
   - Documents Sent: 116  78
   - Work Permits Obtained: 57  25

2. **EMPLOYMENT IN THE KINGDOM OF SWEDEN**

   2.1. **EMPLOYMENT OF PROBATIONERS:**
   
   - Documents Sent: 212  157
   - Work Permits Obtained: 212  157

   2.2. **SEASONAL WORKS**
   
   - Total Work Permits: 494  237

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**Table 5.3.2.-3.**
5.4. INTERNATIONAL PROJECTS

5.4.1. PHARE Programme Projects Implemented by the Ministry

In 2003, the Ministry of Social Security and Labour implemented the following PHARE Programme projects:

- **Support to the Social Sector – SoDra IT System – Monitoring Unit (Phase III);**
- **Support to MSSL in Implementing Free Movement of Workers and Developing Coordination of Social Security Systems at the Central and Municipal Level;**
- **Information Campaign on Free Movement of Workers;**

1. “Support to the Social Sector – Phase III of the Development of SODRA Information Technologies System – Monitoring (Supervision and Control) Unit”

   This PHARE EU Twinning Project finalises the process of development of Sodra Information Technologies System, necessary for more effective implementation and administration of social insurance policy, the monitoring of which carried out in three stages in the Ministry of Social Security and Labour was commenced as early as in the beginning of 2000. The new system created in Sodra was meant to comply with the requirements set by the EU for coordination of social protection systems. The IT system of Sodra was also designated to improve assistance provided to migrant workers.

   In 2003 in Lithuania implementation of the pension system reform continued. Since preparations for introduction of the second stage of accumulation of pensions were under way, Sodra specialists had to find EU experts to assist in drafting legal acts necessary for the implementation of the pension system, creation of administrative procedures, preparation and implementation of public awareness-raising campaign. Sweden expressed its willingness to provide such expert assistance, and Lithuania found the assistance of this country acceptable, because of the recently completed pension system reform in Sweden.

   For the purpose of implementing this project, EU specialists continued supervising the integrated system of information technologies in Sodra and controlling the quality of its development. EU experts tried to answer the questions arising in the course of implementation of the pension system reform in Lithuania. EU experts helped ministerial and Sodra staff in legal and administrative matters of the pension reform. Training, seminars and study visits were organised during which ministerial staff were provided with information necessary for the pension system reform and development of the integrated system of information technologies.

2. “Support to MSSL in Implementing Free Movement of Workers and Developing Coordination of Social Security Systems at the Central and Municipal Level”

   This EU PHARE Twinning project implemented since July 2003 with partners from Netherlands and Germany helps Lithuania to guarantee free movement of workers, as one of the fundamental freedoms enforced by the European Treaty. This freedom also applies to “workers” (all jobseekers) and “the self-employed” (specialists, traders), in whose case free movement means “freedom of establishment” and “freedom to provide services”.

   Free movement of workers means that nationals of a Member State, irrespective of their place of residence, have the right to work and look for jobs in the territory of another Member State in observance of the provisions of laws, regulations or administrative provisions on employment applicable to nationals of that Member State. Employees who are nationals of Member States should benefit from equal conditions of employment and work, likewise those applied to nationals of the Member State where they work, irrespective of their nationality,
in particular, when fixing salaries and dismissing from work, and in case of unemployment – returning back to work. Workers use the same social and taxation privileges likewise local workers.

To ensure successful joining of Lithuania to this free movement of workers as from the day of membership in the EU, Lithuania had to draft a number of legal acts, to establish respective coordinating authorities and to train their staff. With the assistance of project experts the Lithuanian Labour Exchange organised training for future advisors of the European Employment System EU-ERES. Training was also organised for staff to enable them to train their new colleagues who will work with EURES. The staff of Lithuanian authorities participating in the process of recognition of diplomas and professional qualifications attended numerous workshops about specific directives on recognition of diplomas and professional qualifications and their implementation. Employees of Lithuanian authorities to be involved in coordination of social security systems and future instructors attended seminars according to the particular spheres of activity in which they will work – sickness and maternity, pensions, occupational diseases and occupational accidents, unemployment, family benefits, etc. Seminars were oriented towards practical administration of coordination procedures.

3. “Information Campaign on Free Movement of Workers”

This Project was launched in April 2003 in cooperation with the Lithuanian Public Relations Enterprise “Europos namai” in order to attract public attention to the approaching EU accession referendum and to better inform society about opportunities opened by the EU accession for citizens of Lithuania to work in other countries of the EU. With referendum pending in the nearest future, 10,000 copies of information leaflets were prepared and disseminated to provide more information about advantages of membership in the EU, as far as it concerns conditions of work and social protection in its Member States. In addition, the subject of free movement of workers in EU was elaborated in articles printed in regional publications, broadcasted over the radio and provided in press conference organised in Vilnius Hotel “Conti” for Lithuanian representatives of mass media.

In the framework of this Project it was also envisaged to create two educative films about free movement of workers for specialists to be engaged in this field. The scenario of these films was created in 2003, whereas their production was postponed to 2004.

5.4.2. United Nations Development Programme

The United Nations Development Programme supports and contributes to the development of the fields attributed to the competence of the Ministry of Social Security and Labour, with special focus on poverty reduction, social exclusion and equal opportunities.

The United Nations Development Programme contributed, and is contributing, to the development and implementation of the National Poverty Reduction Strategy and the National Plan of Action for Equal Opportunities.

At present, the MSSL is tasked with the implementation of the following projects financed under the UNDP funds:


The UNDP and Norwegian Government finances this project. Its purpose is to promote gender mainstreaming in legislation, policies and programmes of the Government utilising capacities of the Women’s Issues Information Centre. Project implementation covers actions aimed at preparing and realising the National Plan of Action for Equal Opportunities and training state officials. The Project is being implemented by the Women’s Is-
sues Information Centre. There were organised seminars to train state officials in Vilnius, Širvintos, Prienai, Šilutė, Biržai, Druskininkai, Zarasai. The Project also helps to maintain relations between all institutions concerned with gender equality matters. The Internet host of Women’s Issues Information Centre has been developed and is available at the address www.lygus.lt


This Project supports implementation of the National Plan of Action for Poverty Reduction. Its purpose is to facilitate social integration and to improve perspective of sustainable social development of individuals. Achievement of these goals is envisaged through providing more opportunities to NGOs and community organisations of Lithuania to be actively involved in poverty reduction activities, attending different seminars, exchanging information, consulting with governmental and local municipal authorities, establishing links and participating in open dialogue with all participants who contribute to processes of poverty reduction and social integration. The NGO Information and Support Centre of Lithuania is implementing the Project.


The purpose of this Project is to support sustainable human development of women in rural and non-industrial areas, improve awareness-raising of women and help them to become more actively involved in social, political and economic spheres of life, both at local and regional level. One of the main parts of the Project – educative campaign intended for training socially vulnerable women. The Project also envisages contributing to the establishment and updating of Women Information Portal in Lithuania. Women Employment Information Centre of Kaunas is implementing the Project.

In the course of the Project five NGOs were selected from Kretina, Marijampolė, Anykščiai, Jurbarkas and Alytus. They were supplied with computers and all required facilities. Women Employment Information Centre of Kaunas organised seminars during which representatives from the selected NGOs were taught how to avail themselves of new opportunities in developing their activities and using information technologies. Participants of the seminars were familiarised with the National Plan of Action for Poverty Reduction and discussed the role of NGOs in its implementation. Another seminar was held to introduce opportunities offered by IT and Internet in the work of labour exchanges and to discuss cooperation possibilities between women’s organisations and labour exchanges in training unemployed women to work with computers.


The purpose of this Project is to support national and regional efforts in combating domestic violence and changing the existing patriarchal role of men in the society. Implementation of this Project is carried out with a view to building capacities of, and services rendered by, the Men’s Crises and Information Centre through training and awareness-raising about gender equality and domestic violence problems; promoting enforcement of communication culture free from violence in Lithuania. The Project is implemented by the Men’s Crises and Information Centre. The idea of this Project is in line with the priorities of the National Plan of Action for Equal Opportunities.

5.4.3. Development of Bilateral Cooperation

Cooperation with respective foreign ministries is of particular importance to Lithuania before and after EU accession. It helps to accept new challenges
and settle new tasks together with foreign specialists. The Ministry of Social Security and Labour is involved in very intensive information and experience exchanges with relevant authorities from Poland, Germany, France, Sweden, and Belgium.

While continuing cooperation with the Polish Ministry of Economy, Labour and Social Security since 1994, implementation of activities covered by the Fourth Cooperation Protocol for the period 2003-2004 is carried out for the second year already. During the recent years it were organized the meetings of experts on labour conditions issues, seminars on social insurance, pensions, children and family issues, as well as study visits to exchange views and experiences were organized in Vilnius and Warsaw.

On 16 April 2003, the Cooperation Programme for 2003 was signed with the French Ministry of Social Affairs, Employment and Solidarity. According to this Programme seminars were organised on the matters of transposition to the national law of the European Union legislation regulating work time, protection of young workers, working contracts and representation of workers, and the workshop on illegal work. All of the three seminars were of particular urgency and use. They provided a wonderful opportunity to hear experience of the French experts in the aforementioned fields, alongside revising the achievements and problems arising in addressing these matters in Lithuania. Representatives from the Ministry of Social Security and Labour, the State Labour Inspectorate, and social partners attended seminars.

Cooperation Declaration signed on 28 April 2003 with the German Ministry of Economic Affairs and Labour of the Federal Land of Saxony envisages exchange of information and experience about the European Social Fund (ESF), EU Directive 93/104/EEC on certain aspects of the organisation of work time, establishment of social enterprises. In the beginning of 2004, the specialists from the Ministry of Social Security and Labour visited Dresden to attend consultations on the matters of the European Social Fund: introduction of ESF bodies of the Land of Saxony, their structure, projects development, selection, financing and supervision. Acquired knowledge is successfully applied in investing ESF funds in Lithuania.

The Ministry of Social Security and Labour maintains cooperation with the Belgian Ministry of Employment, Labour and Social Dialogue, which regularly informs about seminars organised on topics that are of relevance to the Lithuanian party. During 2003, MSSL specialists participated in the seminars on the matters of social dialogue, the European Employment Strategy, European professional mobility and status of foreign workers, as well as in the seminar on combating discrimination in the labour market related with the disabled. Further cooperation with the Belgian Ministry is envisaged in addressing the problems of free movement of workers and labour law. Such cooperation facilitates in establishing close links between specialists of the particular sphere and settling new problems arising from Lithuania’s membership in the EU.

In 2000, the Swedish Government initiated the programme “Work Life and the EU Enlargement” which was launched in 2001. The aim of the programme is to share the experience of Swedish institutions in solving labour market and working environment problems. Within the limits of this programme, the Ministry of Social Security and Labour of Lithuania together with the Swedish National Labour Market Board implemented the following Projects: “Temporary Work Agencies and New Forms of Flexible Work”, “Risk Assessment in the Forestry and Wood Processing Industries”, and the English-Lithuanian glossary on Occupational Safety and Health. In the course of implementation of these Projects 5 information brochures were prepared and published on the matters of risk assessment in wood processing industry, and the English-Lithuanian glossary of 2000 terms within the field of occupational safety and health was completed and is available in the Internet www.socmin.lt/dss/
In April 2002, the Project “Gender in Politics in Lithuania” was launched. Implementation of the Project was finished in 2003. The Swedish International Development Cooperation Agency (SIDA) financed the project. The Ministry of Social Security and Labour of Lithuania, Kaunas Women Employment Information Centre and the Swedish advisory company implemented the project. The aim of the project is to support democracy reinforcement in Lithuania by encouraging women to join the process of political and democratic decision-making, as well as sustainable economic development.

70 women from different political parties attended continuous training organised in the course of the Project. Women were taught fundamentals of election campaign: identification of, and communication with, electorate, the manner of dissemination of political ideas, introducing oneself and communication with media. 12 participants of the Project, representing different parties visited Sweden where together with delegations from Latvia, Moldova, the Ukraine, Kazakhstan and Kyrgyzstan watched held elections, familiarised themselves with the Swedish Law on Elections, Swedish strategies how to integrate larger numbers of women into policy. The Project directly encouraged closer cooperation between political parties, as a result of which representatives from five political parties set up their club in Kaunas. The purpose of this club is to form a positive image of the woman-politician and seek promotion of gender mainstreaming in policy.

Since 1997, the Ministry of Social Security and Labour, the World Bank and the Swedish International Development Cooperation Agency (SIDA) launched the Project “Social Policy and Community Services Development”. The aim of this Project is to create the alternative of the system of social services accessible to people with disabilities and their families, old people, homeless children, women and children victims of domestic violence, drug and alcohol addicts, ex-offenders, etc. Presently, activities carried out under this Project cover six municipalities of Lithuania in which 14 day care centres have been set up for people attributed to the aforementioned risk groups. During 2003, more than 10 000 people attended these day care centres. This number increased by 1500 people in comparison with 2002. 260 job places were established in the centres. Local people trust day care centres because they meet their needs. SIDA contributed to the development of this Project financing social workers skills upgrading programmes. Swedish specialists attended centres established in Lithuania and controlled how their staff implements acquired knowledge in practice. During last years supervision of centres was replaced by training of supervisors in Lithuania. After implementation of the Project this change will enable to disseminate experience taken over from Swedish partners both in such centres, and in other similar institutions all over Lithuania.

5.5. BUILDING ADMINISTRATIVE CAPACITIES

5.5.1. Establishment of the Positions of Attaché

In 2003, decision was taken to establish the position of the Social Security and Labour Attaché within the Permanent Representation of Lithuania to the European Union. This position is necessary to help the Ministry in guaranteeing satisfactory and effective representation of interests of the Republic of Lithuania in the institutions of the European Union. It should be noted that many ministries started setting up such posts already several years ago.

The present practice of the Ministry has shown that given the increased work burden and responsibility for activities carried out after Lithuania has
become a full member of the EU on 1 May 2004, it is necessary to establish the second post of the attaché, since representatives of the Republic of Lithuania participate in the work of EU bodies not as observers, but as full members with voting rights. The need to increase the number of the ministerial attaché posts is obviated by the fact that two areas – the issues of social protection as well as employment and labour relations – were assigned to the competence of the Ministry of Social Security and Labour. This would facilitate in obtaining more detailed information on issues discussed and analysed by the EU authorities, which is necessary with a view to ensuring effective provision of information to the Ministry as well as representation and coordination of Lithuania’s position.

Thus, the attaché performs the following main functions: where appropriate, participates in the work of the EU Council working groups, European Commission committees and other bodies of the EU within the limits of competence of the Ministry of Social Security and Labour, represents the interests of Lithuania in observance of given instructions, keeps the Ministry regularly informed about new initiatives, proposals and attitudes of the EU bodies on issues within the Ministry’s domain; renders proposals as to the urgency of meetings and representation needs, provides consultations to the Head of the Permanent Representation of Lithuania to the EU falling within the competence of the special social security and labour attaché, helps to organise the visits of ministerial officials to the EU authorities and visits of representatives of the EU authorities to the Republic of Lithuania.

In the end of 2003, it was decided to establish the position of social protection and labour attaché of the Republic of Lithuania within Permanent Missions to the United Nations Office and other international organisations in Geneva.

Lithuania was elected as full member to the Governing Body of the International Labour Organisation for 2002-2005 in the Government Group. The regional group of the Central and Eastern Europe countries is also represented by Bulgaria and Russia (permanent member). As a rule, work of the regional group is coordinated by one of the full members of Governing Body. Before ILO Conference held in June 2004, Russia performed the functions of group coordinator. According to the preliminary and unofficial agreement group coordination between 2004 and 2005 will be taken over by Lithuania, as a country with more extensive experience. This coordination period is considered to be the most complicated, because in addition to routine works, preparatory work for ILO Governing Body elections in 2005 will begin, including coordination of positions regarding nominees to the regional group and between regional groups.

Regional meetings are organised together with meetings of the European Union Member States to which since last year the representatives from accession countries are also invited to express positions of their governments and to bring them in line with positions of other countries seeking the common goal.

The new attaché coordinates activities of the whole group not only by representing Lithuania, but also by guaranteeing representation of the interests of the Ministry and other Lithuanian authorities and timely exchange of documents.

5.5.2. Skills Upgrading of Ministerial Staff

Due to the Lithuania’s membership in EU, the work burden and responsibility of ministerial staff considerably increased. It covers analysis of new documents of the EU and preparation of Lithuania’s positions. Moreover, all this work is related with continuous use of foreign languages, because the great majority of documents are received in the English, French, and German languages. Therefore, improvement of foreign language skills of the ministerial staff was continued during this
year. In the second half of 2003, 53 ministerial employees attended the courses of the English language, 8 people attended the French language course (as a rule this is the second foreign language), and 2 staff attended the German language courses. In the first half of 2004, 28 employees continued studying the English language, and 9 people – the French language.

Improvement of employees’ language skills is implemented professionally, in observance of the knowledge needs arising in practice. It is likely, that in future there will be more financial possibilities and time for individual training oriented towards particular needs with a view to ensuring that the absolute majority of employees obtain perfect knowledge of at least one foreign language. Increasingly rapid pace of life requires knowing at least two foreign languages, in particular the English and French languages.
6.1. MANAGEMENT STRUCTURE OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR
During 2004, the Ministry of Social Security and Labour has been achieving its strategic objectives through the implementation of 17 programmes.

The strategic objective “To assist residents in their integration into the labour market, ensure fair labour relations and safe working conditions” is being attained through the following programmes:

### 1.2. Unemployment reduction programme

Part of the funds allocated for the programme were used to implement the measure “To guarantee implementation of projects of local employment initiatives in the regions of Lithuania” under the Programme of increasing employment of the Republic of Lithuania for 2001-2004 approved by Resolution No. 529 of 8 May 2001. In 2004, funds allocated for this programme will be used for creating about 370 new jobs in the regions with high unemployment rate.

The funds allocated under the programme are also used for the development and implementation of the programme for vocational training and employment of ex-offenders and the programme of social, psychological and occupational adaptation measures for individuals serving sentences in penitentiaries. These measures are carried out in implementing the Republic of Lithuania Government Resolution No. 143 of 19 February 2004 on Amending the Republic of Lithuania Government Resolution No. 1179 of 25 October 1999 on Approval of the Programme of Social Adaptation of Ex-offenders Released from Penitentiaries, Reformatories and Institutions of Social and Psychological Rehabilitation for 2001 – 2004”. In 2004 vocational training will be organised for 150 individuals in reformatories; 200 individuals in reformatories will be provided with vocational counselling; and 83 ex-offenders will attend vocational training courses.

In 2004, the funds of this programme will also be allocated for participation of the Lithuanian Labour Exchange in EURES (European Employment Services) Network: for payment of remunerations to the staff of the coordinator’s institution and of 8 EURES offices within the territorial labour exchanges, training, IS maintenance and support.

Part of the programme funds is allocated for payment of subsidies to social enterprises for the purpose of implementing the Republic of Lithuania Law on Social Enterprises of 1 June 2004 (No. IX-2251). Appropriations are aimed at subsidising expenses related with employment of individuals marginalised in the labour market (disabled of groups I or II, long-term unemployed, ex-offenders, etc.) and at maintaining their employment. According to the plans, in 2004, about 700 individuals will be employed in social enterprises.

Appropriations are also allocated to the Fund in Support of Human Resources Development Programmes, the main objectives of which are to administer human resources development programmes implemented under PHARE social and economic cohesion programmes; and to prepare for administration of European Union Structural Funds’ support projects aimed at the development of human resources.

### 1.3. Programme of scientific research of the standard of living, social insurance and social support in Lithuania

Programme funds are allocated for the financing of competitive scientific works in specific fields of social security and labour. Part of funds allocated to this Programme is used for the purposes of the Policy Assessment Fund (according to the loan agreement concluded with the World Bank) to pay for competitive scientific works.
In 2004, the following scientific research ordered by the Ministry was carried out:

Preparation of the methodology for assessment of jobs and duties; employment policy implementation assessment and preparation of proposals on how to improve it; development of the EU Employment Strategy implementation measures; assessment of implementation of Phare Twinning Project Consensus III recommendations in all municipalities of Lithuania; preparation of a pilot model of the social map; assessment of supply and demand for social services provided in rehabilitation establishment, and of the cost price and effectiveness of measures aimed at victims of trafficking in human beings and forced prostitution; evaluation of demand and supply, and cost effectiveness of rehabilitation services provided to drug addicts; methodology of planning social services in municipalities; the main aspects and problems of practical application of the methodology and procedure for establishing the degree of disability and workability for the disabled; determining the structure of municipal authorities administering social support and standards for activities of their employees; analysis of the use of statutory benefits and compensations' administration costs in municipalities and development of methodology to be applied in determining them; analysis of experience in the field of domestic violence against women in countries of the EU (Austria, Germany, Nordic countries) and of the provisions of international legal acts, as well as the development of the concept of the plan of action to combat violence against women; social insurance coverage survey; analysis of EU practices in the field of combating poverty and social exclusion and their application in developing the national plan of action for combating violence and social exclusion in Lithuania; impact of Eurointegration on social risk in Lithuania; population ageing and sustainable social development of individuals within the framework of Lithuania’s integration into the European Union.

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

The programme funds are allocated for the implementation of the following measures: investigation of the effects of the implementation of directives; transposition of the European and international standards into the Lithuanian standards; capacity building of conformity assessment authorities through acquisition of equipment and other facilities necessary for the implementation of technical regulations; drafting legal acts regulating maintenance of potentially dangerous equipment; other works.

1.5. Programme for the use of the Guarantee Fund

The funds of the programme are used for payment of wages and other statutory labour relations-related benefits to those workers of bankrupt companies and companies under bankruptcy who have terminated their labour relations, as well as to those workers who maintain labour relations with a company under bankruptcy when the latter has not covered their outstanding claims. According to the plans for 2004, payments from the Guarantee Fund (from the State budget) will be disbursed to 1420 workers.

1.6. Special skills upgrading programme for social workers

In 2004, special funds of the programme are allocated for skills upgrading of social workers employed in the institutions of social sphere through courses and training organised by the Social Worker’s Training Centre.

For the purpose of attaining the strategic objective “To seek efficiency of the system of social support and guarantee social integration of
socially vulnerable groups” the following programmes are being implemented:

2.1. Programme for the provision of residents with compensatory equipment

The funds of the programme are allocated for supplying residents with compensatory equipment. Compensatory equipment is necessary not only for rehabilitation, but also for the prevention of diseases and treatment purposes. At present, disabled persons, disabled children, old age pensioners, persons undergoing treatment after acute traumas or injuries, also those who suffer from distinctly manifested disabilities and are treated in the in-patient or medical rehabilitation health care establishment are provided with compensatory equipment free of charge, excluding expensive equipment (over LTL 1,000). Provision of disabled people with compensatory equipment is regulated by the Minister of Social Security and Labour Order No. 57 of 18 April 2002 on Approval of the Procedure for Provision of the Compensatory Equipment and Nomenclature List of Compensatory Equipment Aids for the Persons Suffering from Mobility Disabilities, and provision of disabled persons with electric wheelchairs is regulated by the Minister of Social Security and Labour Order No. 152 of 27 November 1996 on Approval of the Procedure for Reimbursement of Costs of Purchasing Electric Wheelchairs for the Disabled. According to the plans for 2004, about 2000 units of compensatory equipment for the price exceeding LTL 500, and 14,000 units of such equipment for the price of up to LTL 500 will be procured.

2.2. Programme for the development of social services in the institutions subordinate to the Ministry

The funds of the programme are allocated to the following institutions subordinate to the Ministry: the Refugee Reception Centre, the State Commission of Medical Social Examination, the Centre of Technical Support for the Disabled at the Ministry of Social Security and Labour, the Department of Supervision and Audit of Social Institutions, the Secretariat of the Tripartite Council of the Republic of Lithuania and the Adoption Agency.

2.3. Programme of support to socially vulnerable groups and other activities of the Ministry

Funds under this programme allocated for the following purposes:

- Construction and purchase of flats for returning deportees, reimbursement of relocation expenses, courses of the Lithuanian language, retraining courses and employment programmes. All these measures are realised in implementing the Republic of Lithuania Government Resolution No. 320 of 5 March 2002 on the 2002-2007 Programme for the Return to Lithuania of Political Prisoners and Deportees and Their Families and Approval of the Procedure for Provision of Political Prisoners and Deportees and Their Families Returning for Permanent Residence to Lithuania with Housing under the Lease Agreement. This programme is implemented using the funds allocated from the State Budget and loan funds of the Council of Europe Development Bank. In 2004, about 13 families of political prisoners and deportees will be provided with flats from the State Budget funds, and 150 individuals will receive social integration support.

- Social integration of refugees and foreigners issued temporary residence permits for humanitarian reasons. The main trends of integration are the following: to provide temporary housing, to arrange for employment and education, to guarantee social and health protection, to inform the public about foreigners granted asylum. Social integration of foreigners granted asylum is regulated by the Republic of Lithuania Government Resolution No. 572 of 17 May 2001 on Approval of the
Procedure for Social Integration of Foreigners Granted Asylum. In 2004, 180 individuals should be provided with social integration support.

• Providing ministerial staff with modern office equipment and effective software, organise its technical maintenance, in order to update the hardware and software of the Ministry by about 30 per cent every year and to guarantee 100 per cent Internet connection throughput.

• Lithuania’s EU pre-accession works, and from the day of joining the EU – for discharging obligations of Lithuania as a Member State of the EU: in order to examine the impact of implementation of special directives; to build administrative capacities of the Ministry and institutions subordinate to it, etc.

• Skills upgrading and certification of social workers. The main purpose of certification is to provide social workers with basic professional knowledge and to assess the current situation in the field of social work, to evaluate individual competences of social workers and to provide them with conditions for continuous professional development. The term of initial certification of social workers practitioners was extended until 31 May 2004 based on the Minister’s Order No. A1-190 of 5 December 2003 on Amending the Minister of Social Security and Labour Order No. 127 of 16 October 2002 on Approving Qualification Requirements and Certification Procedure for Social Workers.

• Measures implementing the National programme against the commercial sexual exploitation and sexual abuse of children approved by the Republic of Lithuania Government Resolution No. 29 of 11 January 2000 on the National programme against the commercial sexual exploitation and sexual abuse of children. During 2004, specialist training will be organised in accordance with the developed skills upgrading programmes; psychological consultations will be provided to children victims of sexual abuse, rehabilitation, reintegration and other services will be rendered to children and their relatives; and methodical recommendations for rehabilitation and reintegration of children victims of social abuse will be issued.

• Administration of “Youth” programme. Lithuania’s participation in “Youth” programme was approved by virtue of the Republic of Lithuania Government Resolution No. Nr.1464 of 18 December 2000 on Draft Decision of the European Union and Republic of Lithuania Association Council Legalising the Conditions for Lithuania’s Participation in the Community’s Youth Programme. Programme administration is carried out by the Youth International Cooperation Agency.

• Provision of free psychological assistance to residents by phone. Appropriations for this programme are allocated in implementing the measure of the Suicide prevention programme for 2003-2005 approved by the Republic of Lithuania Government Resolution of 10 April 2003. According to the plans for 2004, 20 psychological assistance services will be joined into 9 telephone lines.

• Exchange of information and experience in the field of social security and labour. Funds are allocated for drafting legal acts, arranging workshops and conferences, attending ILO conferences, publishing information material, and for translations.

• Development and implementation of the policy of social security. Appropriations are aimed at covering administrative costs of the Ministry.

• Free meals to pupils from low-income families studying in schools of general education. Provision of free meals is organised in observance of the Procedure for Organising Free Meals to Pupils from Low-income Families Studying in Schools of General Education approved by the Minister of Social Security and Labour Order No. 64/955 of 16 August 1999. In 2004, free meals will be provided to about 28 per cent of general education school pupils.

• Measures implementing the National programme for the control and prevention of trafficking in people and prostitution for 2002-2004. This programme was approved by Government Resolution No. 62 of 7 January 2002. The funds are allocated for the financing of government organisations and NGOs’ projects of social support to victims of forced prostitution and their social integration, as well as of the development of purpose-
oriented psychological rehabilitation, professional orientation and employment. In 2004, financing will be allocated to about 10 projects and about 50 individuals will be supported.

• Informing the public about social policy and pension reform. Funds allocated for this measure are used for initiating the printing of articles in weekly newspapers; for radio broadcasts; and for publication of the Social Report.

• Social integration of ex-offenders released from reformatories. This measure is realised in implementing the Programme of social adaptation of convicts and individuals released from places of imprisonment for 2004-2007 approved by the Republic of Lithuania Government Resolution No. 143 of 9 February 2004. In 2004, financing will be allocated to 8 projects of social rehabilitation and integration of ex-offenders.

• Improvement of child rights’ protection. Funds are allocated for supplying child rights protection agencies with computer facilities, vehicles, and for staff skills upgrading in implementing the Programme for Improving Activities of Municipal Child Rights Protection Agencies approved by the Republic of Lithuania Government Resolution No.1179 of 18 September 2003. In 2004, 30 agencies will be supplied with computers and vehicles.

• Guaranteeing equal opportunities and equal treatment for women and men. Funds are allocated for implementation of measures under the National programme of equal opportunities for women and men for 2003 – 2004 approved by Republic of Lithuania Government Resolution No. 712 of 3 June 2003.

2.4. Social services infrastructure development programme

In 2004, the funds under this programme are allocated for implementing the projects aimed the development of the community network of institutions rendering diversified social services in the field of support to different social groups. The programme is carried out under the Social services infrastructure development programme for 2004 – 2006 approved by Resolution No. 1178 of 18 September 2003. In 2004, financing will be allocated to 10 – 15 social services institutions, which are being reconstructed or newly established. Since 1999, this Programme is being implemented in concert with the Council of Europe Development Bank.

2.6. Programme for the provision of social services in children day centres of NGOs

Funds of the programme are allocated for implementing the National programme for children day centres of NGOs for 2002-2004 approved by the Republic of Lithuania Government Resolution No. 731 of 24 May 2002. Allocations are aimed at the financing of projects of children day centres of NGOs selected by way of tender to addressing social problems of children of pre-school and school age from problem families.

45.1. National programme for the drug control and drug addiction prevention

Programme funds are allocated for implementing measures of the National programme for the drug control and drug addiction prevention approved by the Republic of Lithuania Government Resolution No. 970 of 6 September 1999. In 2004, provision of support is envisaged to 20 organisations delivering social and psychological control and drug addiction prevention services to drug addicts.

3.1. Programme of state and support (social) pensions and of state social support.

Funds under this programme are used for payment of pension of the President of Lithuania, per-
sonal pensions, state pensions of the first and second degree, state pensions to victims, pensions to scientists, support (social) pensions. The funds of the programme are also used for insurance of basic pensions of mothers raising children up to 3 years of age, clergymen, people nursing totally disabled individuals. One-time benefits are paid to participants of armed resistance and members of families of the diseased during the 1940-1990 occupation. Transport expenses are compensated to persons with mobility disabilities (25 per cent of MSL), as well as compensations of expenses related to the acquisition of special cars and their technical adaptation; nursing benefits are paid to persons with total disability, and persons who have suffered an accident at work or contracted an occupational disease receive compensation of damage in cases when the liability is passed to the State.

50.1. Special PHARE programme

Funds allocated under this programme are used to implement 4 PHARE projects:
2002 Project of financial support for adaptation to changing labour market conditions, for skills upgrading and social integration; 2002 Project of financial support to the Ministry in implementing free movement of workers and developing coordination of social security systems at the central and municipal levels; 2001 Project of institutional development in the field of disability pensions; 2001 Project for procuring equipment necessary for institutional development in the field of disability pensions.

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

In 2004, funds allocated for this programme are used to finance labour market and social services infrastructure development activities falling within the Ministry’s competence in implementing the measure “Development of the infrastructure of labour market, education, vocational training, science and studies institutions and social services” covered by the Single Programming Document of Lithuania approved by the Republic of Lithuania Government Resolution No. 1679 of 24 December 2003. This programme is co-financed from the European Regional Development Fund and from national sources of co-financing. In 2004, 70 objects will receive financing for establishment and renovation purposes.

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

In 2004, funds allocated for this programme are used to finance the implementation of measures: “Development of employability”, “Development of workforce competence and adaptability to changes” and “Social exclusion prevention and social integration” covered by the Single Programming Document of Lithuania approved by the Republic of Lithuania Government Resolution No. 1679 of 24 December 2003. This programme is co-financed from the European Social Fund and from national sources of co-financing. It is envisaged, that in 2004 financial support for training and labour market integration purposes will be allocated to 3,5 – 5 thousands of individuals; and 15 – 20 enterprises will receive financing for training of employees.

60.7. Special programme of the European Social Fund (for the implementation of the Community’s EQUAL initiative)

The programme funds are allocated for the implementation of the EQUAL initiative of the Eu-

### EXPENSES OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR FOR PROGRAMMES IN 2004 (THOUSAND LTL)

<table>
<thead>
<tr>
<th>Prpgrammes</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE OF THE APPROPRIATION MANAGER: TO ASSIST RESIDENTS IN THEIR INTEGRATION INTO THE LABOUR MARKET, ENSURE FAIR LABOUR RELATIONS AND SAFE WORKING CONDITIONS</strong></td>
<td></td>
</tr>
<tr>
<td>1.2. UNEMPLOYMENT REDUCTION PROGRAMME</td>
<td>9224</td>
</tr>
<tr>
<td>1.3. PROGRAMME OF SCIENTIFIC RESEARCH OF THE STANDARDS OF LIVING, EMPLOYMENT OF POPULATION, SOCIAL INSURANCE AND SOCIAL SUPPORT IN LITHUANIA</td>
<td>488</td>
</tr>
<tr>
<td>1.4. PROGRAMME FOR THE PREVENTION OF OCCUPATIONAL DISEASES AND IMPROVEMENT OF SAFETY AT WORK</td>
<td>742</td>
</tr>
<tr>
<td>1.5. PROGRAMME FOR THE USE OF THE GUARANTEE FUND</td>
<td>2000</td>
</tr>
<tr>
<td>1.6. SPECIAL SKILLS UPGRADING PROGRAMME FOR SOCIAL WORKERS</td>
<td>211</td>
</tr>
<tr>
<td><strong>OBJECTIVE OF THE APPROPRIATION MANAGER: TO DEVELOP AN EFFECTIVE SOCIAL ASSISTANCE SYSTEM AND ENSURE THE SOCIAL INTEGRATION OF SOCIALLY VULNERABLE GROUPS OF THE SOCIETY</strong></td>
<td></td>
</tr>
<tr>
<td>2.1. PROGRAMME FOR THE PROVISION OF RESIDENTS WITH COMPENSATORY EQUIPMENT</td>
<td>3120</td>
</tr>
<tr>
<td>2.2. PROGRAMME FOR THE DEVELOPMENT OF SOCIAL SERVICES IN INSTITUTIONS SUBORDINATE TO THE MINISTRY</td>
<td>8826</td>
</tr>
<tr>
<td>2.3. PROGRAMME OF SUPPORT TO SOCIALLY VULNERABLE GROUPS AND OTHER ACTIVITIES OF THE MINISTRY</td>
<td>83169</td>
</tr>
<tr>
<td>2.4. SOCIAL SERVICES INFRASTRUCTURE DEVELOPMENT PROGRAMME</td>
<td>2167</td>
</tr>
<tr>
<td>2.6. PROGRAMME FOR THE PROVISION OF SOCIAL SERVICES IN CHILDREN'S DAY CENTRES OF NGOS</td>
<td>1700</td>
</tr>
<tr>
<td>45.1. NATIONAL PROGRAMME FOR THE DRUG CONTROL AND DRUG ADDICTION PREVENTION</td>
<td>808</td>
</tr>
<tr>
<td><strong>OBJECTIVE OF THE APPROPRIATION MANAGER: TO MAINTAIN SUSTAINABILITY OF THE SOCIAL INSURANCE SYSTEM AND IMPLEMENT THE PENSION REFORM INTRODUCING ACCUMULATION IN PENSION FUNDS, AND CONCURRENTLY SECURING THE STABILITY OF CURRENT PAYMENT OF SOCIAL INSURANCE BENEFITS</strong></td>
<td></td>
</tr>
<tr>
<td>3.1. PROGRAMME OF STATE AND SUPPORT (SOCIAL) PENSIONS AND OF STATE SOCIAL SUPPORT</td>
<td>453027</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATIONS FOR PROGRAMMES OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR</strong></td>
<td>637138</td>
</tr>
</tbody>
</table>
### 6.3. TABLES AND CHARTS

**Formal Training Programmes to Which the Largest Number of Unemployed Were Referred**

<table>
<thead>
<tr>
<th>Training Programme</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training programme for cock program</td>
<td>282</td>
</tr>
<tr>
<td>Training programme for timber processing machine operator</td>
<td>249</td>
</tr>
<tr>
<td>Training programme for salesperson</td>
<td>202</td>
</tr>
<tr>
<td>Training programme for dressmaker-operator</td>
<td>185</td>
</tr>
<tr>
<td>Training programme for barman and salesperson</td>
<td>184</td>
</tr>
<tr>
<td>Training programme for manufacturer of pastry goods</td>
<td>160</td>
</tr>
<tr>
<td>Training programme for wide profile hairdresser</td>
<td>157</td>
</tr>
<tr>
<td>Basic computer skills</td>
<td>156</td>
</tr>
<tr>
<td>Training programme for cock and manufacturer of pastry goods</td>
<td>139</td>
</tr>
<tr>
<td>Training programme for tiller</td>
<td>125</td>
</tr>
<tr>
<td>Training programme for light clothes-maker</td>
<td>124</td>
</tr>
<tr>
<td>Training programme for joiner and timber processing machine operator</td>
<td>120</td>
</tr>
<tr>
<td>Training programme for florist – flower-seller</td>
<td>107</td>
</tr>
<tr>
<td>Training programme for manicurist</td>
<td>91</td>
</tr>
<tr>
<td>Cleaner</td>
<td>86</td>
</tr>
<tr>
<td>Training programme for metal welder and electric and gas-operated</td>
<td>85</td>
</tr>
<tr>
<td>Training programme for motor car body mechanic</td>
<td>63</td>
</tr>
<tr>
<td>Training programme for machinery mechanic and fitter</td>
<td>62</td>
</tr>
<tr>
<td>Training programme for waiter</td>
<td>61</td>
</tr>
<tr>
<td>Training programme for carpenter</td>
<td>60</td>
</tr>
<tr>
<td>Training programme for stocker of steam (up to 0.07 mpa) and water heating (up to 115 °C) boilers heated with solid and liquid fuel</td>
<td>58</td>
</tr>
<tr>
<td>Training programme for meat chopper</td>
<td>57</td>
</tr>
<tr>
<td>Training programme for painter and plasterer</td>
<td>57</td>
</tr>
<tr>
<td>Training programme for barman</td>
<td>56</td>
</tr>
<tr>
<td>Training programme for decorative cosmetics and manicurist</td>
<td>53</td>
</tr>
</tbody>
</table>

Chart P6.3.-1
## NON-FORMAL TRAINING PROGRAMMES TO WHICH THE LARGEST NUMBER OF UNEMPLOYED WAS REFERED

<table>
<thead>
<tr>
<th>Programme</th>
<th>Number of Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial accounting</td>
<td>316</td>
</tr>
<tr>
<td>Enterprise (office) work organisation</td>
<td>135</td>
</tr>
<tr>
<td>Introductory training course on construction</td>
<td>105</td>
</tr>
<tr>
<td>D, C, E category driver</td>
<td>100</td>
</tr>
<tr>
<td>C, E category driver</td>
<td>89</td>
</tr>
<tr>
<td>C category driver</td>
<td>82</td>
</tr>
<tr>
<td>IT use in rural community</td>
<td>67</td>
</tr>
<tr>
<td>Computer and Internet use in office work</td>
<td>58</td>
</tr>
<tr>
<td>Introductory training course on machinery</td>
<td>51</td>
</tr>
<tr>
<td>Mechanics and fitting</td>
<td>44</td>
</tr>
<tr>
<td>Introductory training course on cooking</td>
<td>43</td>
</tr>
<tr>
<td>Primary timber processing – cutting with cross, length, and band cutting tools and machines</td>
<td>41</td>
</tr>
<tr>
<td>D category driver</td>
<td>36</td>
</tr>
<tr>
<td>Preparation of pizzaiers</td>
<td>36</td>
</tr>
<tr>
<td>C, D1 category driver</td>
<td>36</td>
</tr>
</tbody>
</table>

## THE MOST POPULAR SAFETY AND HEALTH AT WORK PROGRAMMES (NUMBER OF INDIVIDUALS)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Number of Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Load hanging works</td>
<td>315</td>
</tr>
<tr>
<td>Height works</td>
<td>453</td>
</tr>
<tr>
<td>Specialist of office staff safety and health at work services</td>
<td>208</td>
</tr>
<tr>
<td>Employer and employer’s representation</td>
<td>172</td>
</tr>
<tr>
<td>Crane work management</td>
<td>160</td>
</tr>
<tr>
<td>Bridge crane ground control operator</td>
<td>151</td>
</tr>
<tr>
<td>Work in work in wells and other underground constructions, closed reservoirs</td>
<td>104</td>
</tr>
<tr>
<td>Height works manager</td>
<td>88</td>
</tr>
<tr>
<td>Works in lifting equipment cradles</td>
<td>77</td>
</tr>
<tr>
<td>Operator of hydro manipulator</td>
<td>58</td>
</tr>
<tr>
<td>Pressure vessel maintenance foreman</td>
<td>53</td>
</tr>
<tr>
<td>Operator of combustible gas and oxygen use for household purposes</td>
<td>48</td>
</tr>
<tr>
<td>Pressure vessel operator</td>
<td>45</td>
</tr>
</tbody>
</table>