Dear readers,

The Ministry of Social Security and Labour is presenting its annual publication “Social Report” which provides a detailed overview of the development and implementation of the social policy in Lithuania.

The social security of the people of Lithuania persists to remain the highest priority of the activity of the Ministry. The staff members of the Ministry of Social Security and Labour in cooperation with colleagues form subordinate institutions continue to pursue fulfil their mission—to develop and establish an efficient labour, social insurance and social support system in line with the European Union law capable of ensuring the social security for the population of Lithuania. It is a great pleasure to acknowledge that during the year 2002 the living standards of all residents of Lithuania including those subject to social risk were consistently improving.

The data of the survey of the economic and social development of 2002 conducted by the Department of Statistics produce an obvious evidence that during the year the economy of Lithuania was steadily growing (during 2002, the GDP of Lithuania increased by 6.8 per cent as compared to 2001), and favourably affected the trends in the living standards of the residents. The disposable income has been increasing, the share of food products and non-alcoholic beverages within the total consumer expenditures has decreased by 1.7 percentage points. In the IV quarter of 2002 the actual wages of employees in the national economy except employees of personal companies (sole proprietorships) showed an increase by 7.5 per cent, as compared with the IV quarter of 2001. The actual amount of the average monthly State social insurance old-age pension of non-working pensioners increased by 3.2 per cent as compared to 2001.

As of December 2002, the amount of the real minimum monthly wages was by 4.5 per cent higher than at the same time in 2001, which was basically the result of the increase of the minimum tax-exempt income from LTL 214 to LTL 250.

Some materially positive achievements were recorded in the area of increasing employment and reducing the level of unemployment. The measures were in particular focused upon regions of the highest unemployment rates, sectors of economy, areas and enterprises most adversely affected by processes of restructuring and privatisation, as well as groups of population most vulnerable in the labour market. Indicators characterising the situation in the labour market have notably improved: the demand for labour force has increased, the number of the unemployed has dropped, as well as the unemployment level, some alleviation was recorded in the regional differentiation of unemployment. The year 2002 was the year when the growth of unemployment was suppressed. The unemployment level in 2002 decreased by 2 per cent: from 12.9 per cent at the beginning of the year to 10.9 per cent at the end of the year, also by 5.3 per cent among young persons, the average number of long-term unemployed decreased by 12.4 per cent.

The Social Report presented to the readers also contains abundant data characterising the social security system which are followed by an overview of measures representing the efforts of the Ministry to improve the social security policy increasing the possibilities of the institution to meet the social needs of the Lithuanian population and ensure preparedness for the accession of Lithuania to the European Union.

The present publication is different from that of previous years in its structure and consists of two parts. The second part of the Report “The Report on the Lithuanian Social Security System” is largely devoted to the overview of the social security system operational in Lithuania. For the convenience of the user this part is also presented in a CD and in the Internet homepage of the Ministry of Social Security and Labour which will be regularly updated. Thus all those interested in the national social security and labour policy will be able to familiarize themselves with its current status and update their knowledge at their convenience.

I would like to wish the readers to find the publication useful and informative, and also I would like to express my gratitude to the working group in charge of developing the Report, and all those who contributed to the drafting and publication of the Social Report.

Minister of Social Security and Labour

Vilija Blinkevičiūtė
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ACTIVITIES OF THE MINISTRY IN THE FIELD OF
EUROPEAN INTEGRATION AND INTERNATIONAL CO-OPERATION
Milda Petrokaitė

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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.
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In 2002, the policy of social security and labour in Lithuania was developed under the favourable conditions of a vibrant and growing economy, financial stability of the country and declining unemployment rate of the population. The year 2002 was also the last year of preparation for the accession of Lithuania to the European Union. The preparation activities were duly reflected on the agenda of the Ministry of Social Security and Labour, which sought to introduce appropriate adjustments in the objectives of the social policy and in particular in the implementation of practical measures aimed at achieving these objectives. The present Report provides the reader with an outline of the most challenging assignments facing the staff of the Ministry of Social Security and Labour, and to take stock of progress in other activities carried out with an active participation of the staff of the Ministry.

The structure of the Social Report of 2002 is slightly different from that of the reports of the previous years; - it contains as a supplement the Report on the Social Security System of the Republic of Lithuania which covers the most important legal acts governing the system of social security and labour of Lithuania, the systems of administration of individual areas of social security, social benefits, the right to such benefits and procedures for computing the amount of such benefits. Therefore, in view of its limited scope, the present Social Report does not cover all the above matters under the assumption that a person, willing to acquire a deeper insight and knowledge of the social security system, will read the Report on the Social Security System of Lithuania; the present Social Report has been designed to outline the most relevant information on developments in the labour market and the social security system in Lithuania throughout the year 2002 and, in certain cases, at the beginning of 2003.

The Social Report provides a comprehensive set of the most recent indicators designed to measure progress in the development of the labour market, labour relations and working conditions, including social outcomes in the economic activity of residents of Lithuania and employment, followed by the main characteristics of unemployment. The Social Report presents an overview of new initiatives on employment promotion and protection of the unemployed undertaken by the Ministry of Social Security and Labour in the year 2002, problems related to labour relations and regulatory measures undertaken to tackle such problems. The section on payment for work also highlights the increase of the tax-exempt minimum wage, introduced at the beginning of 2003. Particular attention is being devoted to the violations of legal guarantees of labour, which is illustrated by abundant statistics on the established violations of labour law and supported with the data on accidents at work and the occurrence of occupational diseases.

The successful development of the national economy allowed significant improvements in funding the social insurance system. The Social Report describes at length the improving financial standing of the State Social Insurance Fund and specifies individual revenue and expenditure items of the budget of the Fund. Significant place has been dedicated to decisions concerning increase of retirement pensions, initiated after a time lapse of several years. The pension reform itself, the underlying concept whereof is the development of the system of private pensions, has been launched only at the beginning of 2003; therefore it has been left outside the scope of the present Social Report. Nevertheless, readers are welcome to familiarise themselves with the private pension system in the previously referred Report on the Social Security System of Lithuania.

The present Social Report introduces the social support policy starting with the monetary support. The Law on Social Monetary Support was drafted in 2002, and adopted in 2003. For the first time ever, the Law on Social Monetary Support introduced the concept of the property appraisal for the purpose of granting the monetary support. Other areas of social support include social services, the rights of the child, integration of the disabled and the social risk group. Each of these issues are covered in a separate chapter of the Report. During the recent years the area of social services has witnessed a significant development of the infrastructure and introduction of the system for attestation of social workers. An important event in the area of the protection of the rights of the child was the establishment of the Department of Family, Children and the Youth under the Ministry of Social Security and Labour. In respect of integration of the disabled, the Report addresses the issues of preparation of the National Programme for the Integration of the Disabled into the Society for 2003-2012 and the principal provisions of the Programme.

Victims and persons attributed to social risk groups enjoy protection against disadvantage and exclusion in the society and are integrated into the society] in accordance with special programmes. For that purpose several such programmes were designed in 2002; each of them is described in detail in the present Social Report.

The concluding section of the Report updates the overview of the activity of the Ministry of Social Security and Labour in the field of integration into the European Union and international cooperation including the outcome of the accession negotiations in the area of social policy, provisions governing employment and social policy in the Constitution for Europe, contribution of Ministry in drafting the Treaty of Accession between the EU and Lithuania. The Report ends with a comprehensive description of the commitments of the Ministry in the activities of international organisations and an overview of international projects under implementation of the Ministry of Social Security and Labour.
1. Labour Policy

1.1. LABOUR MARKET

During 2002, the Ministry of Social Security and Labour continued to observe and monitor changes taking place in the Lithuanian labour market. Having due regard to the prognosticated changes in the labour market, and the tasks and objectives defined in the Lithuanian Programme for Increasing Employment for 2001-2004, the Order of the Minister of Social Security and Labour defined the objectives and tasks for institutions implementing the labour market policy, i.e., the Labour Exchange of Lithuania and the Lithuanian Labour Market Training Service. Order No. 43 of March 26, 2002 of the Minister of Social Security and Labour “On the Establishment and Implementation of Objectives and Tasks of activities of the Labour Exchange of Lithuania and the Lithuanian Labour Market Training Service for the year 2002” defined the priority objectives of the labour market policy for the coming year:

- enhance the efficiency of the implemented labour market policy measures,
- improve the quality of services rendered to the unemployed and employers,
- reduce the long-terms unemployment.

During 2002, measures envisaged under the 2001-2004 Programme for Increasing Employment were further implemented, institutions of the labour market were assigned appropriate tasks, the scope of activities of the labour market institutions was being further expanded and improved. Besides, significant improvements were introduced in the legal acts regulating the labour market which are covered in detail below.

1.1.1. EMPLOYMENT

According to the data provided by the Department of Statistics, in early 2002 the population of Lithuania was 3,482 million, or by 11,500 less than at the beginning of 2001. The birth rate reduction tendency which started shaping itself in 1991, migration of population and the increased mortality rate resulted in the reduction of the population of Lithuania during 1992-2001 by 224,000, or by 6.4 per cent. As early as 1990 the population growth rates declined to 0.76 per cent, and since 1992 the population has been steadily decreasing. The decrease of population was effectively caused by the negative migration saldo, although since 1994 the negative natural population turnover has been to an extent adversely affecting the situation. In addition to the decreasing of population, composition of the population in terms of age undergo significant changes too. Low birth rate resulted in smaller population of children, while due to further progressing aging of population the share of people of 60 and over has been steadily growing. According to the employment survey conducted by the Department of Statistics, in 2002 the activity level among persons of both sexes decreased by 0.1 point as compared to 2001 and was 73.2 per cent among men and 65.7 per cent among women. An assessment of

<table>
<thead>
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<th>Age</th>
<th>Activity level</th>
<th>Employment level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td>Total</td>
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<td>57,9</td>
</tr>
<tr>
<td>15 – 19</td>
<td>8,6</td>
<td>6,8</td>
</tr>
<tr>
<td>20 – 24</td>
<td>59,6</td>
<td>58,2</td>
</tr>
<tr>
<td>25 – 29</td>
<td>87,0</td>
<td>86,6</td>
</tr>
<tr>
<td>30 – 34</td>
<td>88,7</td>
<td>89,1</td>
</tr>
<tr>
<td>35 – 39</td>
<td>91,7</td>
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<tr>
<td>40 – 44</td>
<td>90,7</td>
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<td>65 – 69</td>
<td>10,8</td>
<td>10,2</td>
</tr>
<tr>
<td>70+</td>
<td>3,1</td>
<td>1,5</td>
</tr>
<tr>
<td>15 – 64</td>
<td>69,4</td>
<td>69,3</td>
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</tbody>
</table>

Data of the Population Employment Survey, Department of Statistics of the Government of the Republic of Lithuania Table 1.1.1.
the situation by age groups showed a rather low activity level among young persons up to 25. As compared to the data of 2001, during 2002 the activity of men aged 20–24 was further declining – from 67.0 per cent to 64.5 per cent. Similarly, the activity of women belonging to the same age groups was also declining – from 52.1 per cent in 2001 to 51.7 per cent in 2002.

As compared to 2001, due to the improving general economic situation in 2002 the level of employment was also increasing, both among men and women. In 2002 the employment level in Lithuania was 59.6 per cent. The male employment level was 62.3 percent, and the employment level among women was 57. per cent. Differences become more apparent when analysing the employment level among women and men of younger age (up to 25), which in general is lower than the general level of unemployment. This proves that in Lithuania young people tend to engage in labour activity at an older age.

In view of the improving economic situation during 2002 the number of people having employment increased by 54,000 (4 per cent), as compared to 2001 and accounted for 1,406,000 (708,000 males and 698,000 females). In 2002, almost 21 per cent of employed people worked in industry and 6.6 per cent in construction industry. The service sector has been expanding and accounted for 54.7 per cent of all persons employed. However, in 2002, 17.9 per cent of the total employed persons were working in agricultural sector. The number of people working in agricultural sector continued to remain rather high, although certain problems, as low productivity and restricted mobili-

### Table 1.1.1.-2

<table>
<thead>
<tr>
<th>Age</th>
<th>Activity level</th>
<th>Employment level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td>Males</td>
<td></td>
<td></td>
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<tr>
<td>15 – 19</td>
<td>64,9</td>
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<td>11,1</td>
<td>8,6</td>
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<tr>
<td>25 – 29</td>
<td>67,0</td>
<td>64,5</td>
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<tr>
<td>30 – 34</td>
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<td>90,4</td>
</tr>
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<td>65 – 69</td>
<td>39,6</td>
<td>40,3</td>
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<tr>
<td>70+</td>
<td>12,2</td>
<td>13,2</td>
</tr>
<tr>
<td>15 – 64</td>
<td>73,4</td>
<td>73,2</td>
</tr>
</tbody>
</table>

**Data of the Population Employment Survey, Department of Statistics of the Government of the Republic of Lithuania**

### Table 1.1.1.-3

<table>
<thead>
<tr>
<th>Age</th>
<th>Activity level</th>
<th>Employment level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td>Females</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 – 19</td>
<td>53,0</td>
<td>52,4</td>
</tr>
<tr>
<td>20 – 24</td>
<td>6,1</td>
<td>4,9</td>
</tr>
<tr>
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<td>52,1</td>
<td>51,7</td>
</tr>
<tr>
<td>30 – 34</td>
<td>82,9</td>
<td>82,8</td>
</tr>
<tr>
<td>35 – 39</td>
<td>85,2</td>
<td>86,0</td>
</tr>
<tr>
<td>40 – 44</td>
<td>90,6</td>
<td>88,1</td>
</tr>
<tr>
<td>45 – 49</td>
<td>91,7</td>
<td>90,7</td>
</tr>
<tr>
<td>50 – 54</td>
<td>87,9</td>
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<td>55 – 59</td>
<td>84,1</td>
<td>83,3</td>
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<tr>
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<td>65 – 69</td>
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<tr>
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<td>8,2</td>
</tr>
<tr>
<td>15 – 64</td>
<td>65,8</td>
<td>65,7</td>
</tr>
</tbody>
</table>

**Data of the Population Employment Survey, Department of Statistics of the Government of the Republic of Lithuania**
ty of rural population persist to be characteristic problems in this sector. Due to concentration of production in small and inefficient farms, adverse climatic conditions and che-
ap agricultural production imported from the EU States farmers find it increasingly difficult to market their produce and compete in the international market. Alternative activi-
ties (tourism, ecological farming, growing of drug plants), currently are being developed rather slowly, and hardly facilitate employment in the countryside in areas other than agricultural production.

With the economic situation improving in 2002 the num-
er of employers and self-employed increased by 15,000 (or 6.5 per cent), as compared to 2001. In 2002 persons so employed accounted for 16.6 per cent (62 per cent – males, and 38 per cent – females). However, the largest share of all the employed persons were hired employees. The survey reported that hired employees accounted for nearly 80 per cent of all the employed. Although during 1997-2000 the number of hired employees decreased by 23,000 (or 2 per cent), during the recent years the number increased again, and in 2002 totalled 1,124,000, or nearly 80 per cent of all employed persons. 48 per cent of all working males and 52 per cent of all working females were hired employees. The major part of men were employers or self-employed, the major part of hired employees were women.

According to the population employment survey data, in 2002 only 10.8 per cent of all employed were part-time workers, of which 44 were males and 56 per cent – females. In Lithuania such form of employment is not very common. The difference is especially showing itself in the case of wo-
en, 88 per cent of which work full time and only 12 per cent are employed on a part-time basis.

Working part-time is probably the most frequently ap-
plicable non-traditional form of employment. However, some other more flexible forms of work or labour organi-
sation are still introduced merely on occasional basis. This applies to such forms as tele-work, work at home, flexible working hours, rotation of jobs, etc. This to an extent pre-
vents the labour force from adapting to the structural and economic changes.

### 1.1.2. THE UNEMPLOYED

The year 2002 marked the beginning of decline of the unemployment which had been growing since 1997. The population employment survey conducted by the Depart-
ment of Statistics also affirmed the positive changes taking place in the labour market: the number of the unemployed decreased by 60,000 or by 21 percent. During the year the unemployment rate declined to 13.8 per cent, and was the
The improving general economic situation was also reflected in bettering indicators of the labour market: increased demand of labour, decreasing numbers of the unemployed including the long-term unemployed persons, the declining unemployment rate and alleviation of its territorial differentiation. According to the data of the Labour Exchange of Lithuania, in 2002, the average annual unemployment rate in Lithuania was 11.3 per cent, and was by 1 point lower than in 2001. Although the unemployment was declining both among men and women, the unemployment among males still remained higher. During the year the male unemployment level decreased by 2.7 point, and the average annual rate was 11.4 per cent. Over 2002, the female unemployment rate declined by 1.2 point and the average annual rate recorded was 11.3 per cent.

Over the year 2002 the unemployment rate on the national scale declined by 2 points, from 12.9 per cent at the beginning of the year to 10.9 per cent at the end of the year. Over this year the male unemployment level decreased by 2.7 point and accounted for 10.8 per cent at the end of the year. The corresponding indicators in the case of women were 1.2 point and 11 per cent. The most notable changes were recorded in respect of unemployment among young people, where the rate over the year declined by 5.3 point to 13.4 per cent at the end of the year. Nevertheless, the average annual unemployment among young people remained rather high – 14.9 percent (in 2001 – 15.3 per cent).

As of January 1, 2003 the labour exchanges of Lithuania registered 191,100 unemployed persons, i.e., by nearly 33,000 less, than in the beginning of 2002. During 2002 the unemployment level dropped in all counties, most notably in Šiauliai (by 3.3 point) and Marijampolė (3.1 point) counties. The unemployment was declining by 1–4 points in nearly all municipalities countrywide, except the Municipality of Varėna, Pasvalys, and Neringa, where the unemployment rate remained unchanged. In Kietavas Municipality the unemployment rate increased by 3.5 point. The unemployment rate in excess of 20 per cent was recorded in seven municipalities of the country (in 2001 – in 13 municipalities). Like in the previous years the highest average annual unemployment rate was recorded in Druskininkai (26.1 per cent), and the lowest – in Vilnius and Kretinė municipalities (6.1 per cent).

The implementation of measures within the employment programme in the context of the general improvement of the economic situation produced positive impact upon the growth of employment rate, was decreasing the unemployment and brought about stabilisation in the labour market.

The increased supply of labour. The territorial labour exchanges recorded about 135,000 new job offers, including 93,400 offers for full-time jobs. The increasingly stabilizing financial situation of national enterprises enabled the employers to create more new jobs. As compared to 2001, the number of full-time job offers increased by 4,700, or by 5.4 per cent. The largest number of job offers – 66,000 (47 per cent) was registered in the service sector.

Transition from passive towards active support of the unemployed. After the Law on Support of the Unemployed was supplemented by new provisions, and some improvement was achieved in the timeliness of financing of the labour market measures, 125,000 job seekers for the first time were involved in the active labour market programmes (by a quarter more than in 2001).

More permanent and temporary jobs were created. The creation of new jobs for the group of additionally supported persons (disabled, youth, long-term unemployed, persons raising minors) was expanded by nearly one time and a half. 2,600 new jobs were created for this category of persons.

Creation of new jobs in territories of the highest unemployment rates was also expanding. By granting State subsidies to the projects of local employment initiatives 377 jobs were created to employ the unemployed registered in the labour exchanges. Of those employed every third was a long-term unemployed, every forth – a young person, and every seventh was from socially supported families.

In 2002, the number of temporary jobs in public works was increased by one third (up to 48,000). In average, such jobs provided employment for a period of 2.3 month. The benefit brought about by such works to local communities became especially apparent: over 2,500 of unemployed persons were employed in the social sphere, over 7,000 were repairing schools, kindergartens, hospitals and other social facilities.

4,800 unemployed persons were enrolled in the programmes of supported works, accounting for a quarter more than in 2001.

Due to mediation of territorial labour exchanges 133,700 job seekers obtained employment, or every second of those seeking a job.

Support to long-term unemployed and social security of the unemployed of pensionable age was enhanced. Over 2002, the number of long-term unemployed decreased by 22 per cent. As soon as the measures aimed at the refreshing of professional knowledge and skills of long-term unemployed was launched, 1,500 unemployed with an unemployment record exceeding one year availed themselves to such measures. Benefits for unemployed of pensionable age were allocated, upon consent of the beneficiaries, to the unemployed being within not more than 2 years from becoming eligible to old-agepensions, with at least 15 years of state social insurance record. Such benefits were allocated to 14,400 unemployed persons.

LTL 75.3 million were allocated for the active support to the unemployed, which makes up 40.3 per cent of the
funds of the Unemployment Fund (in 2001 – 34.9 per cent). LTL 62.5 million were allocated for unemployment benefits, or, accordingly, 33.5 per cent of the Fund (in 2001 – 41 per cent).

During last year, through the efforts of the Labour Exchange of Lithuania 737 persons were employed abroad – in Germany, Sweden, Ireland, Norway and Austria. Companies providing mediation services for employment abroad offered jobs to 950 persons, of which 54 per cent were men, and 46 per cent – women. Out of those employed abroad 45 per cent were unemployed in Lithuania. The largest number of persons thus employed were in Ireland, United Kingdom and the USA.

1.1.3. IMPROVEMENT OF LEGAL BASIS REGULATING THE LABOUR MARKET

The General Document for the Assessment of Priorities of the Lithuanian Employment Policy of the Government of the Republic of Lithuania nad the Europena Commission¹ was developed and signed in early 2002. The main purpose of the Document is to analyse and assess the progress achieved by the State in developing and implementing the employment policy, formulate the harmonised goals of the employment and labour market policy which need to be achieved in order to accelerate the changes in the labour market and ensure preparedness for the participation in the process of coordination with the European Union employment policy. On April 17, 2002 a workshop was held in Vilnius with a participation of representatives of the Directorate General of Employment and Social Affairs of the European Commission. The agenda of the workshop included the discussion of the monitoring procedure and actions. Indicators necessary for the assessment of progress are notified to the European Commission within the time limits of the agreed schedule.

For the purpose of implementing the measures of the Lithuanian Programme for Increasing Employment for 2001-2004:

- the Committee of the Strategic Planning of the Government of the Republic of Lithuania considered the concept of the Law on the Unemployment Insurance². It was proposed to approximate the unemployment insurance system with the national social insurance system as constituting part of the latter, to bring it closer in line with the system of monetary social support, to modify the currently effective funding model for the active labour market policy by transferring the funding of such measures from the social insurance budget to the State budget. Funding of the active labour market policy measures from the State budget was proposed to be implemented gradually, – within the period from 2004 to 2008. The Committee on the Strategic Planning of the Government of the Republic of Lithuania approved the concept of the Law on Unemployment Insurance and obligated the Ministry of Social Security and Labour to prepare a draft of the Law on the Social Insurance of Unemployment.

- the concept of the Law on Social Employment Enterprises³ was developed. The Law on Social Employment Enterprises of the Republic of Lithuania purports, by means of financial measures to promote the establishment of social employment enterprises and employ individuals, who for a variety of reasons have lost their professional or general working capacity and therefore experience difficulties to enter the open labour market.

During 2002, projects of local employment initiatives were further successfully implemented in areas worst stricken by unemployment, every third of such projects was implemented in rural areas. Projects of local employment initiatives attracted significant interest and induced the activity of social partners in their efforts to implement ideas beneficial for the economic and social development of local territories.

The guiding idea of the projects is to involve into the decision making processes as many interested parties as possible (municipalities, enterprises, people generating business development ideas, etc.), and seek more efficient utilisation of the material resources currently at the disposal of such parties (different facilities, buildings, etc.). Granting of State support to such projects is related to the employment of job seekers experiencing difficulties in assimilation in labour market in the newly created jobs. Seeking the enhanced quality of such projects and more efficient utilisation of the provided State support, also having due regard to the experience accumulated during the last year some major improvements were introduced in the procedure for the implementation of local employment initiatives. The Order of the Minister of Social Security and Labour approved the new reading of the Procedure for the Implementation of Local Employment Initiatives⁴. The local employment initiatives supervisory committee was formed under the Labour Exchange of Lithuania, composed of equal number of employees, employers and public authorities, all representatives enjoying equal rights, and Local employment initiatives selection commissions were formed under the territorial labour exchanges.

Seeking to enhance the flexibility of vocational training offered by the labour market by implementing individual models of one or several programmes, some amendments were introduced in the Procedure for Labour Market Vocatio—

² Minutes No. 32 of the Committee on the Strategic Planning of the Government of the Republic of Lithuania held on November 22, 2002, agenda item 2.
³ Minutes No. 32 of the Committee on the Strategic Planning of the Government of the Republic of Lithuania held on November 22, 2002, agenda item 1.
⁴ Order No. 59 of April 24, 2002 of the Ministry of MSSL (Official Gazette, 2002, No. 45–P35)
The unemployed to whom the labour exchange cannot offer work corresponding to their professional qualification and status of health, also the unemployed lacking any professional training may be referred to acquire profession demanded in the local labour market, or to the improvement of their qualifications. Based on the amendments to the Law the unemployed may be referred to training classes according to individual models of one or several labour market professional training programmes. The vocational training of the unemployed is financed and the unemployment benefits from the Unemployment Fund are paid for a period of time including the duration of training with interruptions according to individual models and programmes for a period not longer than 6 months. However, in case the acquisition of a specific profession requires more time, on the proposal of the tripartite commission under the Labour Exchange the financing of the vocational training and payment of unemployment benefits may be extended for a period up to 10 months.

Seeking to ensure the prevention of the long-term unemployment and assisting the unemployed in their job seeking efforts, short-term training courses of the duration up to one month were opened in places of residence of such unemployed. Such courses seek to provide the knowledge to the unemployed about the situation that they are in and how to behave in such situation. The course also introduce certain professions which they could choose or would be willing to deepen the knowledge they already have. The Ministry of Social Security and Labour developed The Procedure for the organisation and implementation of measures for updating of professional knowledge and practical skills of long-term unemployed. The purpose of such measures is to assist the long-term unemployed in their efforts to renew their professional capacities, work skills and encourage them to acquire a profession in demand in the labour market.

The short-term study programmes were drafted to introduce 27 most popular professions in the labour market. Such programmes enable the long-term unemployed to refresh their knowledge of the profession they had acquired, assess their possibilities, and further obtain employment, or provide knowledge about a new profession and the possibilities to acquire such profession. Highly qualified vocational training specialists and psychologists conduct classes with small groups of the unemployed, seeking to find solutions for the unemployment issues acceptable to the job seekers. In 2002, 1,500 long-term unemployed with a record of unemployment not exceeding one year, participated in such programmes. They were offered 13 study programmes and 14 programmes for the renewal of professional knowledge and practical skills. Specialised psychology classes for enhancement of self-confidence, adaptability to the changes were attended by over a thousand of long-term unemployed.

Provisions of the Procedure for the support of the unemployed additionally supported in the labour market, The procedure for employing in jobs supported by the Employment Fund, and Procedure for Registration of vacancies in the Labour Market have been harmonized with the Labour Code of the Republic of Lithuania.

The Labour Training and Employment Programme for the Roma of Vilnius as well as the measures implementing the Programme for 2003 – 2005 provided for vocational orientation and labour market vocational training specially designed for the Roma community. Taking into account the education of the Roma, 7 training programmes relevant and demanded in the labour market were adapted specifically for the audience in question, in addition to 3 programmes of informal training which could be useful in the day-to-day life of the Roma. However, so far it proved quite difficult to implement such programmes in practice, due to an extremely low activity of this particular demographic group and their motivational attitudes.

1.2. LABOUR RELATIONS

In 2002, significant attentions 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 adoption of the Labour Code. On June 4, 2002, the Seimas of the Republic of Lithuania passed the Labour Code which came into effect on January 1, 2003. While drafting the Labour Code due regard was given to the experience accumulated in the States of East and Central Europe, provisions and recommendation of the Conventions of the International Labour Organisations, and the Social Charter of Europe (as amended), most of the directives of the European Union were transposed into the provisions of the Labour Code.

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 prepared as required by Resolution No. 1189 of July 19, 2002 of the Government of the Republic of Lithuania. According to the plan, the Ministry of Social Security and Labour in conjunction with other public authorities is obligated to draft the legal acts concerned or bring them in line with the provisions of the Labour Code. While implementing the measures envisaged by the plan actions were taken to draft the law amending the Law on Trade Unions, also the Law on Labour Councils, the Law

1 SADM 2002-09-26 įsakymas Nr.115 “Dėl išgaliųjų bedarbių profesinio žininių ir praktinio igaudžių atnaujinimo organizavimui ir vykdymo tvarkos”, (Žin. 2002,Nr.96—224)
2 SADM 2002—1189 įsakymai Nr. 168, Nr.169, Nr. 170
3 SADM 2002—E—3 įsakymas Nr.171 „Dėl Vilniaus miesto romų darbinio mokymo ir užimtumo programos patvirtinimo”
on European Councils of Labour, and the Law on State Labour Inspection. The Government of the Republic of Lithuania passed relevant new Resolutions and introduced the necessary amendments in the effective Resolutions on the procedure of registration of collective agreements, model form of the employment agreement, seasonal labour, assistance, voluntary works, the amount of compensations when the work is performed during a trip, outside work, related to trips, or is of movable nature, the duration of and the order and the conditions for granting additional holidays, the rules of registration of employment contracts, the procedure for the issue and holding of the worker’s identification certificate and the submission of such certificate to controlling authorities, the procedure of compiling the list of the categories of employees entitled to extended holidays, and the procedure for confirmation of duration of such holidays, the procedure of the assessment of work in enterprises funded from the State or municipal budgets, and the procedure for the calculation the working record. Resolution of the Government governing the peculiarities of certain types of employment contracts, the procedure for shortening the working hours, work regulations in public and municipal institutions, enterprises and organisations, part-time work have been drafted and currently under the approval procedure with the relevant public authorities and social partners.

In an attempt to strengthen the combat with illegal work the Central Coordination Unit of Control of Illegal work in cooperation with the State Labour Inspection developed the plan for investigation of cases of illegal work and its prevention for the year 2003, which was approved on March 13, 2003. A number of authorities will be involved in the implementation of measures envisaged under the plan, including the State Labour Inspection 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.

1.2.1. BILATERAL AND COLLECTIVE LABOUR RELATIONS

Bilateral 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 subject to 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 a conclusion that bilateral labour relations remain prevailing in Lithuania. Still, contrary 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.

Currently an enhanced attention is being paid to collective labour relations, since in view of integration of Lithuania 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 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 (further in the text – the Tripartite Council) is made up of an equal number of representatives of the central (national) trade unions, organisations of employers, and the Government, all 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 eth basis of equitable tripartite or bilateral cooperation.

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.

No accurate data on collective agreements operating on enterprise (institution, organisation) level currently in effect are available, since there is no requirements to formally register such agreements. National, sector or territorial collective agreements are concluded with a view to regulating
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 there were no strikes organised in Lithuania, while 34 strikes, including 29 token strikes\(^1\) were held during 2001. The main grounds for such strikes were disputes over labour remuneration or the infringements of the procedure for payments of wages. The fact that no strikes were organised a during 2002 reflects the general improvement in the economic situation in Lithuania.

Individual labour relations are the relations which arise from the employment contract whereby one of the parties (the employee) undertakes to perform the work according to the specified qualification, profession or speciality, and perform certain duties while complying with the established working 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 the 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 ensuring 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 features of work 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:

1) the workplace of the employee (enterprise, institution, organisation, structural division, etc.);

2) work functions, the work to be performed by virtue of an agreed qualification, profession or speciality or certain assignments.

The Labour Code stipulates that agreements concerning working conditions (agreements on the duration of the employment contract, seasonal work, etc.), may be concluded in accordance with laws, collective agreements and on the basis of the mutual consent of the parties. In addition, every employment contract must provide for the payment conditions (the system of payment for work, amount of the payment for work, the procedure for payment, etc.).

Individual labour relations concern the following types of the institution of the employment contract: term contract of limited and unlimited duration, part–time work, seasonal and other employment contracts, the procedure for admission to and dismissal from work, labour discipline and other issues.

1.2.2. LABOUR RELATIONS: REGULATIONS AND IMPROVEMENT

The regulation and improvement of labour relations are important both to employees and employers, therefore, as it has been previously noted, the new Labour Code was adopted in 2002. In drafting the Labour Code due regard was given to the experience of East and Central European Countries, provisions of the Conventions of the International Labour Organisation, and the Social Charter of Europe (as amended), provisions of most of the European Union directives governing the field have been transposed in the


In respect of most of the issues the Labour Code provides abstract regulatory guidelines, without covering the issues that are regulated by secondary legislation. While drafting the Labour Code, due account was taken of the experience accumulated in the States of the East and Central Europe which have already reformed their labour law (Hungary, the Czech Republic, Poland), besides, most of the provisions governing the area of the European Union directives have been accordingly implemented. Thus, by adopting this Labour Code Lithuania in principal fulfilled its obligations concerning the harmonisation of its legal acts with the labour law of the European Union, and embedded the principal provisions of the relevant legal acts of the European union, the International Labour Organisation and the Social Charter of Europe (as amended). It should be noted that social partners took an active part in the process of drafting the Labour Code.

Most provisions of the Labour Code are only conceptual reflecting the pursuit to avoid the regulation of labour relations by sectors of economy (private and public). Neither does the Code regulate issues falling within the competence of the Government which should be regulated by acts of secondary legislation. The purpose of the Code is to approximate the basic provisions of the legal acts of the European Union and the International Labour Organisation, as well as the Social Charter of Europe (amended) eventually transforming them into the provisions of primary legislation of Lithuania. Furthermore, taking into consideration the growing importance of the social partnership throughout Europe and in Lithuania the Code is expected to become the guiding document in coordinating the interests of social partners.

The Labour Code consists of three parts: general provisions, collective labour relations and provisions governing individual labour relations.

With the coming into effect of the Labour Code a number of laws have been declared invalidated, including the Law on Wages, the Law on Collective Agreements and Contracts, the Law on Employment Contract, the Law of Holidays, and the Law on Regulating the Collective Disputes. Upon coming into effect of the Labour Code, relevant laws and regulations specifying individual provisions of the Labour Code and necessary for the implementation thereof have been adopted or are being drafted.

1.3. PAYMENT FOR WORK

During 2002, certain changes were effected in the area of payment for work in Lithuania. In an attempt to improve the system of payment of work and seeking to ensure that the conditions for payment for work to civil servants and officials of the institutions financed from the State or municipal budgets were based on equivalent criteria and the principle of equality, it has been established that starting from July 1, 2002 civil servants are remunerated in accordance with the provisions of the Law on Public Service of the Republic of Lithuania (Official Gazette, 2002, No.45–708).

The currently effective system of payment for work to employees of budgetary institutions and organisations working according to the employment contract is governed by Resolution No. 511 of July 8, 1993 of the Government of the Republic of Lithuania “On the Improvement of the Procedure of Payment for Work of Employees of Budgetary Institutions and Organisations” (Official Gazette, 1993, No. 28–655, with subsequent amendments and supplements). The procedure of payment for work as laid down in the said Resolution is applicable to employees of institutions and organisations of education and culture, health (except the public foundations), social, and other budgetary institutions. Resolution No. 483 of November 23, 1991 of the Government of the Republic of Lithuania “On Payment for Work of Scientists and Pedagogues of Science and Educational Institutions” (Official Gazette, 1991, No. 5-87, with subsequent amendments and supplements) governs the order of payment of work to pedagogues and scientists.

The Minimum Wage

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 motion of the Tripartite Council the Government shall establishes a minimum hourly pay and a minimum monthly wage. On the

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proposal of the Tripartite Council the Government may
establish different minimum hourly pay and minimum
monthly wages in respect of individual sectors of econo-
my, 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.

Currently the draft Law on Indexing the Wages is being
considered by the Seimas of the Republic of Lithuania.

Issues related to the establishment of the minimum
monthly wage and the minimum hourly pay (MHP) were
considered in the meeting of the Tripartite Council held on
January 14, 2003. The Standing Commission of Payment for
Work of the Tripartite Council was obligated to draft pro-
posals concerning the regulation of the minimum monthly
wage. Having considered the consumer price index which
equalled 1.025 (as of December 2002, compared to the index
in June 1998 when the MMW was indexed last), and the
changes of the tax-free income (from LTL 214 to LTL 290),
as well as the rates of increase of other income the com-mis-

[Official Gazette, 2003, No. 73–371]

'sion decided to submit a proposal to the Tripartite Council
to increase the minimum monthly wage. The proposal was
approved by the Tripartite Council and Resolution No. 937
of July 18, 2003 of the Government of the Republic of Lit-
huania “On the Increase of the Minimum Monthly Wage”
(Official Gazette, 2003, No.73–371) approved to be effective
from September 1, 2003:

1. minimum hourly pay – LTL 2.67 and the minimum
monthly wage – LTL 450 in respect of employees of enter-
pri ses, 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;

2. minimum hourly pay – LTL 2.55 and minimum mon-
thly 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.

The Basic Tax-Exempt Minimum

According to Article 6 of the Law on Income Tax of Na-

tural Persons (Official Gazette, 2002, No. 73–385), the basic
tax–œempt minimum (further – TEM) is established at LTL

290, to be in effect from January 1, 2003.

Individual tax–œempt minimum wages are applied to
other permanent residents of Lithuania:

1) for the disabled of Group 1 – LTL 430 a month;

2) for the disabled of Group 2 – LTL 380 a month.

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 a month, besides the TEM 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 TEM is in-
creased by LTL 53 for the second and each subsequent child
(foster child);

5) for employees of enterprises producing agricultural
products whose annual income for the marketed agricultu-
ral 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.

The basic tax–œempt minimum income is applied for the
purpose of calculation of the taxable income of permanent
residents of Lithuania. For the purpose of calculation of
taxable income of other residents of Lithuania, the TEM is
applied only in respect of income earned by way of labour
relations or relations by their essence corresponding the la-
bour relations, received from a source outside Lithuania.

Average monthly wage (AMW)

This indicator of the wage is expressed by two amounts:

· average monthly gross wage (AMW gross) – shall be the
wage exempt from the income tax of natural persons and
social insurance contributions payable by the employee;

· average monthly net wage (AMW net) – shall be the
wage obtained having deducted from the AMW gross the
income tax of natural persons and the social insurance con-
tributions payable by the employee.

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 the third quarter of 2202 was LTL 1127.4,
and has increased by 1.3 per cent, if compared to the second
quarter of 2002, in the public sector – LTL 1141.0 and has
increased by 0.1 per cent as compared to the second quar-
ter of 2002, in the private sector – LTL 1115.4 and showed
an increase by 2.4 per cent during the same period. During
the first quarter of 2003, the AMW (gross) in the national
The average monthly gross wage in the national economy, excluding the private companies (sole proprietorships) in the third quarter of 2002, as compared to the third quarter of 2001, increased by 5.6 per cent, in the public and private sectors, respectively – by 3.7 and 7.6 per cent.

The average monthly gross wage of workers in the national economy excluding private companies (sole proprietorships) was LTL 843.7, and has increased as compared to the second quarter of 2002 by 2.4 per cent, in the public sector – LTL 791.1, and has decreased by 2.0 per cent, as compared to the second quarter of 2002, while in the private sector – LTL 869.9 and has increased by 4.4 per cent.

The average monthly gross wage of employees in the national economy excluding private companies (sole proprietorships) in third quarter of 2002 as compared to the third quarter of 2001 increased by 3.8 per cent, in the public sector it decreased by 0.7 per cent and increased by 5.9 per cent in the private sector.

The average monthly gross wage of employees in the national economy excluding private companies (sole proprietorships) was LTL 1381.0, and has increased as compared to the second quarter of 2002 by 1 per cent, in the public sector – LTL 1317.7, and has increased by 0.4 per cent, as compared to the second quarter of 2002, while in the private sector – LTL 1473.29 and has increased by 1.5 per cent. The average monthly gross wage of employees in the national economy excluding private companies (sole proprietorships) in third quarter of 2002 as compared to the third quarter of 2001 increased by 5.2 per cent, in the public sector – by 3.2 per cent and in the private sector – by 7.8 per cent.

As evident from the provided figures, during 2002 in the private sector the average wage was rising due to the increase of volumes of production and service provision.

Guarantee of Wages to Employees of Bankrupt Enterprises and Enterprises under bankruptcy

Within the framework of the implementation of 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 September 12, 2000, which came into effect on October 1, 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 defined the types of the compensated payments related to the labour relations. These shall be payments in relation to the unpaid wages, cash compensation for an unused annual holiday, severance pay, a pay for the damage caused by occupational accidents or diseases, and lay-off payments. In accordance with the provisions of the Law on Guarantee Fund the Resolution No. 2103 of December 31, 2002 of the Government of the Republic of Lithuania “On the payments form the Guarantee Fund” (Official Gazette, 2003, No. 2-73) fixed the maximum amounts of the payments concerned. After all necessary legal acts were adopted, the Guarantee Fund actually was made operational from August 2001.

During the period from August 2001 until July 2003, employees were paid the following payments from the Guarantee Fund:

- August–December 2001: 20,655 employees of 250 enterprises were paid LTL 25.1 m.
- 2002 – 15,214 employees of 505 enterprises – LTL 21.3 m.
- First quarter of 2003 – 10,497 employees of 386 enterprises were paid LTL 11.36 m.

According to the Law on Guarantee Fund contributions to the Fund are made not only by the employers. The assets of the Guarantee Fund are comprised of resources of the Privatisation Fund and State Budget resources allocated within the framework of a separate programme, resources received from enterprises under bankruptcy and bankrupt enterprises in satisfaction of creditor claims of the Guarantee Fund, and voluntary contributions by legal and natural persons. All employed to whom the employer (former employer) is indebted, shall be entitled to the payments from the Guarantee Fund. According to par. 2 of 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 of Art. 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 in accordance 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.

In accordance with the laws currently in effect in Lithuania employee shall be enterprises, institutions and organisations of any type. Article 3 of the Law on Guarantee Fund establishes that Assets from the Guarantee Fund shall be allocated to the employees of enterprises under bankruptcy or bankrupt enterprises, as well as to the employees who continue employment relationships with an enterprise under bankruptcy when the enterprise is indebted to them.

The procedures of bankruptcy of enterprises are governed by the Enterprise Bankruptcy Law. This Law is applied to all enterprises (including insurance undertakings, agricultural enterprises, intermediaries of public trading in securities, and investment companies), public foundations, banks and credit unions, i.e., all enterprises registered in Lithuania in the manner stipulated by laws, also to enterprises belonging to a group of enterprises operating in territories of more than one State, which were registered in Lithuania in the manner provided by laws. Therefore the provisions of the Law on Guarantee Fund are applied only to enterprises which fall in the scope of regulation of the Enterprise Bankruptcy Law, i.e., those which may be subject to the bankruptcy proceedings. Enterprises, institutions and organisations financed from the State or municipal budgets fall outside the scope of regulation of the Enterprise Bankruptcy Law and shall not be subject to provisions of the Law on Guarantee Fund.

Directive 2002/74/EC sets forth the requirement that national provisions related to the protection of employees in the event of insolvency of their employer are made applicable in respect of employees of branches or subsidiaries of enterprises of the European Union operating in the territory of Lithuania, and that guarantee authority (in this case the Guarantee Fund) is competent to deal with the issues of guarantees of such employees and is authorised to act as a “communication” agency with the relevant authorities of other Member States. However, provisions of the Law on Guarantee Fund currently in effect prove that the said provisions of the Directive have not been implemented in the Lithuanian law. Thus, in the future it is necessary to supplement the Law on Guarantee Fund by introducing the relevant provisions of the said legal act of the European Union. Furthermore, functions of the administrator of the Guarantee Fund should be expanded by assigning the administrator with the responsibility of “communication” between the relevant authorities of the Member States.

1.4. LEGAL GUARANTEES OF LABOUR

The State Labour Inspectorate (SLI) is the authority in charge of enforcement of legislation of labour relations, and prevention of violation of such legislation in enterprises. For the purpose of the supervision over the compliance with labour legislation the SLI conducted inspections in 12,808 enterprises in total employing 578,113 persons. Violations of labour legislation were established in 7,876 enterprises, which accounted for 61.49 per cent of all inspected enterprises. The number of enterprises established as violating the regulations concerned have increased by nearly 1.5 per cent, as compared to 2001 (violations established in 7,764 enterprises). In general, the number of violations also showed some increase: in 2001, 22,800 violations were recorded, while in 2002 – 24,563, or by 7.7 per cent more. The structure of violations established in 2002 by their nature is as follows: violations in respect of conclusion of employment contracts – 38.45 per cent; payment for work – 13.26 per cent; violation of organisation of work and rest, recording of working time – 24.2 per cent; violations of other labour legislation – 24 per cent. The data on the character of violations of labour legislation are presented in Chart 1.4.–1.

It needs to be noted that although in actual figures the number of violations of labour legislation during 2000 (24,600) are higher than in 2001 (22,800), the share of such violations as a per cent of the total number of established violations is declining. In 2001, violations of labour legislation accounted for 34 per cent of the total violations, while in 2002, they accounted for 32.6 per cent. The data on the number of violations of labour legislation and the share of such violations within the total number of established violations are presented in Chart 1.4.–2.

Inspectors issued binding orders to eliminate the violations of legal acts in respect of each individual case of violation, in total 24,563 orders.

Violations of the procedure for conclusion of employment contracts

Enterprises established as having violated the procedure for the conclusion of employment contract constitute the largest share within total enterprises violating the labour law. Such violations were established in 4,663 enterprises, or in 59 per cent of all enterprises subject to this kind of inspection. The comparison of the situation with that during other years shows the following: in 1999, the share of enterprises established as having violated the procedure

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1 Enterprise Bankruptcy Law of the Republic of Lithuania (Official Gazette, 1992, No.29-843)
Nature of established violations of labour legislation 2000 – 2002

Data provided in the State Labour Inspectorate Report for 2002

Chart 1.4.-1

Number of violations of labour legislation within the total number of violations 1997 – 2002

Data provided in the State Labour Inspectorate Report for 2002

Chart 1.4.-2

of concluding the employment contracts within the total number of violating enterprises was 57 per cent; in 2000 – 50 per cent; and in 2001 – nearly 50 per cent. Graphically the curve representing such violations, after having reached its peak slides downwards, remained stable for some time, however, two accounting periods later it turned up exceeding even the level of 1999. This trend is also reflected in the statistics of violations of the procedure for the conclusion of employment contracts: in 2001 the inspectors established 6,871 violations of this type accounting for 30 per cent of
the total number of violations, in 2002 the corresponding figures were 9,445, or over 41 per cent. In respect of each individual violation of the procedure for the conclusion of employment contract the inspectors instructed employers to eliminate the violations concerned. In total the inspectors issued 9,445 such orders.

The growing tendency of violations in the procedure of concluding employment contracts is also confirmed by the number of incorrectly registered employment contracts which are accounted separately: in 2001 there were 25,060 such violations, while in 2002 – 26,596, representing an increase by 6 per cent. Complaints and petitions concerning the procedure for the conclusion of employment contracts represent the major part of all complaints concerning labour law – 1,274 out of 4,596, or nearly 28 per cent (in 2001 – 954 out of 4,526, or 21 per cent).

**Violations of the procedure for payment for work**

In 2002, inspections on the compliance with the regulations of payment for work were carried out in 10,025 enterprises. Violations of this specific kind were established in 2,009 enterprises, which account for one fifth of all enterprises subject to this kind of inspection, and one fourth of all enterprises established as having violated labour law provisions (in 2001 – 3 per cent). 3,258 violations of the procedure of payment for work were registered accounting for slightly more than 13 per cent of all violations established during 2002. However, in 2001, violations of this particular type accounted for nearly 16 per cent of all established violations, which allows a conclusion that violations of the kind are becoming less frequent.

The most frequent type of violation of the procedure of payment for work is the delay in payment: the inspectors established 1,261 cases of violations of this particular type (nearly 39 per cent of all established violations), (in 2001 – 33 per cent). Appropriate response was given in respect of each case of such violations: 1,261 binding instructions to eliminate the violations were issued. The number of enterprises failing to pay their workers for a period of 2 months and more, as well as the number of workers which have not been paid for the same period have decreased significantly. In 2001, the number of such enterprises was 412, and accordingly 32,595 employees, while in 2002, the corresponding numbers decreased to 141 (or 34 per cent), and 15,947 (or 49 per cent, i.e., less than half of the number established in 2001).

The second in row of violations related to the procedure of payment for work is the failure to pay premiums and other compensatory allowances. In 2002, violations of such kind were established in 473 enterprises, which accounted for 24 per cent of all enterprises established as having violated the procedure of payment for work (in 2001 – about 25 per cent).

The number of cases of violations in respect of payment of the minimum wage remains nearly unchanged: in 2002, such violations were established in 44 enterprises, while in
In 2002, the inspectors established 3,258 cases of violations of the procedure of payment for work. Enterprises in which the wage has not been paid for 2 months or more – 141. Complaints and petitions concerning issues concerning violations of the procedure of payment for work: in 2001– 2,099; in 2002 – 1,799. Complaints and petitions concerning the non-payment for work for 2 months or more: in 2001– 283, in 2002– 173. Indicators of violations of procedure of payment for work in 2000-2002 are presented in Chart 1.4.–3.

Share of enterprises violating the procedure of payment for work within the total number of enterprises inspected in respect payment for work: in 2001– 23.48 per cent; in 2002– 20 per cent

Number of employees who have not been paid for 2 months or more: in 2001 – 32.600, in 2002 – 15.900.

The comparison of the number of enterprises established as violating the procedure of payment for work, and the number of employees working therein who have not been paid for 2 months or more in 2000 – 2002, is presented in Chart 1.4.–4.

Illegal work

Institutions were further implementing Resolution No. 1407 of November 26, 2001 of the Government of the Republic of Lithuania “On the Implementation of Control over Illegal Work”, and enhancing the attention to the compliance with the procedure for registration of written employment contracts. For that purpose the Central Coordination group for the investigation of reasons for illegal work and the control of illegal work was established. The group also approved its working regulations. The first meeting of the group approved the plans for the investigation of the reasons for illegal work, measures for the prevention of illegal work and the main guidelines for its activity for 202. Groups for control of illegal work were established in all counties. The methodology for the control of occurrences of illegal work, as well as the procedure for exchange of information with the Labour Exchange were developed, results of the control of the illegal work are regularly analysed and the results of such analysis are expediently submitted to all institutions in charge of control of illegal work. Three meetings were held for the purpose of coordination of institutions concerned which discussed a range of issues related to illegal work, as well as issues related to cooperation between all institutions concerned.

In 2002, the State Labour Inspectorate conducted inspections in 11,601 entities. Violations of Law on the Employment Contract were established in 40.2 per cent of all inspected enterprises, 1,266 persons were found to be working without any written employment contract. The data on the changes in the numbers of incorrectly registered employment contracts, and the number of employees working without employment contracts during 1998 – 2002,
of illegal work, assessment of evidence and imposition of penalties were in 2002 discussed in the Supreme Court of the Republic of Lithuania, indicators reflecting the efficiency of investigation of such cases improved considerably, e.g., during 2001 the penalty of LTL 10,000 for each illegally working person was imposed in average upon 5.1 per cent of violators, while in 2002 the corresponding number increased to 7.1 per cent. The number of penalties the amount whereof is smaller than that provided for by regulations also increased: in 2001 the average amount of penalties was about LTL 450, while in 2002 the average penalty was LTL 780. During 2002, fewer cases were terminated: in 2001 in average 48 per cent of cases of the kind were terminated, while in 2002 – the corresponding number was 40.7 per cent.

Investigation of cases related to labour law in courts in 2002 is shown in Chart 1.4.–6.

While conducting inspection in respect of illegal work, the largest number of inspections was carried out in Vilnius County (935 inspections), Šiauliai County – (804 inspections), while the largest number of illegally working were established in Vilnius County – 317 persons, Kaunas County0 –211, and Šiauliai County – 140 illegally working individuals.

The number of established illegally working individuals

Changes in the number of inspections of illegal activity and the number of established illegal workers in 1998 –2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Inspections of illegal activity</th>
<th>Established illegally working</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>3210</td>
<td>282</td>
</tr>
<tr>
<td>1999</td>
<td>6346</td>
<td>407</td>
</tr>
<tr>
<td>2000</td>
<td>2037</td>
<td>360</td>
</tr>
<tr>
<td>2001</td>
<td>6155</td>
<td>1255</td>
</tr>
<tr>
<td>2002</td>
<td>3842</td>
<td>1266</td>
</tr>
</tbody>
</table>

Data provided in the State Labour Inspectorate Report for 2002 Chart 1.4.–5
The process of investigation by courts of cases against employers (Art. 413 of the CAV)

Not completed cases 29,9%
Investigated 70,1%
Terminated cases 40,6%
Penalty as provided for by sanctions imposed 8,1%
Penalty smaller that provided for by sanctions imposed 51,3%

Data provided in the State Labour Inspectorate Report for 2002

by Counties is illustrated in Chart 1.4. -7.

The analysis of the results of inspections and the rates of established violations by sectors of economy in 2002, it is obvious that the largest number of illegal workers was reported in respect of manufacturing industry – 29.15 per cent, of which 8.29 per cent of illegal workers in each of sewing, manufacture of wood and wood products, also in construction – 28.75 per cent, and retail and wholesale trading – 8.85 per cent. The data on the established illegally working persons in 2002 by sectors of economy are shown in Chart 1.4.–8.

Chart 1.4.–9 presents information on the established cases of illegal work by sectors of economy. As was the case previously, most illegal workers are established in enterprises – 74.2 per cent of all illegally working individuals, and in 16 per cent of cases the illegal work was being performed for natural persons.

Violations of organisation of work and rest

During 2002, inspections on the compliance of the procedure for the organisation of work and rest were carried out

Established illegally working persons in counties 2000 –2002 (numbers and %)

Data provided in the State Labour Inspectorate Report for 2002
Number of established illegal workers by types of economic activity in 2002
Data of 2002 12 31

[Bar chart showing the percentage distribution of illegal workers by type of economic activity in 2002. Construction is the highest, followed by wholesale and retail trade, manufacture of food products and beverages, agriculture, and forestry.]

Percent of illegally working persons discovered in 2002 year according the subjects of economy (2002.12.31)

[Bar chart showing the percentage of inspections carried out and the percentage of illegally working individuals established in various sectors. Enterprises are the highest, followed by natural persons, farmers, in patented activity, and without incorporation.]

Data provided in the State Labour Inspectorate Report for 2002

Chart 1.4.–8

in 10,717 enterprises. Violations of legal acts governing the organisation of work and rest (including holidays) were established in 3,654 enterprises, or 34.1 per cent of all enterprises thus inspected. As compared to 2001, the number of enterprises recorded as violating the requirements in question remained nearly unchanged. However, there were more enterprises established as violating the procedures for the recording of working time. In 2002, violations of the pro-
cEDURE for the recording of working time were established in 2,621 enterprises (24.5 per cent of all thus inspected), i.e., by 4 per cent more than in 2001. Numbers of established cases of violation of the procedure for the organisation of work and rest have increased: in 2001, 4,547 violations were established, while in 2002 this number increased to 5,944 (increased by 30.1 per cent).

Indicators of violations of work and rest during 2000-2002 are shown in Chart 1.4.–1.

Other violations account for just a small percentage of all
violations – in two enterprises the inspectors established failures to ensure the supplementary guarantees for the labour of young people, and in eight enterprises the same violation was committed in respect of women.

Investigation of complaints and petitions

In 2002, 3,822 complaints and petitions were received and investigated, the number exceeding the number for 2001 by 2.6 per cent. Facts specified in 2,286 complaints and petition were proven true (59.8 per cent of all received complaints and petitions). Although more complaints and petitions were received during the 2002, fewer complaints and petitions asserted facts that later on proved true (less by 6.4 per cent). The number of complaints and petitions investigated and proved as containing truthful facts in 1997-2002 is presented in Chart 1.4.

Noteworthy, the number of issues referred to in complaints and petitions is increasing, nevertheless, like in previous years, issues related to labour law remain prevailing. These particular issues were raised in 4,596 (out of 5,113 issues raised in petitions) accounting for 89.9 per cent of all issues raised in complaints and petitions. About 57 per cent of all issues raised in complaints and petitions proved out, i.e., persons were justifiably claiming violation of their rights and legitimate interests. The issue of payment for work is a dominating problem raise in the petitions, – in 1,799 cases (35.2 per cent of all issues raised in complaints and petitions). In 72.8 per cent of cases the facts asserted by complainants were confirmed. Issues concerning the employment contracts account for 24.9 per cent of all issues, however only 43 per cent of the facts were confirmed, in 679 cases (13.3 per cent) the complaints were filed concerning the organisation of work and rest (including holidays), other issues of labour law were referred to in 729 complaints and petitions, they accounted for 14.3 per cent of all issues raised. There were 263 complaints concerning the issues of safety and health at work (5.1 per cent), 42 complaints concerned issues of occupational diseases (0.8 per cent), investigation of accidents at work – 8 cases (1.9 per cent), other issues raised – 114 cases (2.2 per cent).

Issues raised in complaints and petitions in 2001 and 2002 are presented in Chart 1.4.–12 and 1.4.–13.

Information on report of violations of administrative law, and decisions to impose penalties is presented in Chart 1.4.–14.

In the majority of cases reports documented by labour inspectors concerned violations specified in Art. 411 of the Code of Administrative Violations, i.e., illegal work. These constituted 592 reports, accounting for 36 per cent of all reports, 484 reports (29.5 per cent) were documented according to Art. 411 of the CAV for violations of legal acts governing the safety and health of workers, 147 or 8.9 per cent reported violations in accordance with Art. 412 of the CAV, – failure to act upon the legitimate requirements of labour inspectors, 139 or 8.5 per cent reported violations of the procedure of payment for work, and 136 or 8.3 per cent of all reports of violations concerned the violations of the procedure of the recording of working time. The labour inspectors documented 1,641 reports on violations of labour law and in 876 cases imposed administrative penalties in the amount of LTL 510,530. Other reports were referred for investigation to courts according to the relevant areas of competence.

1.5. SAFETY AND HEALTH AT WORK

Safety and health at work – is an important field of the
labour policy the purpose whereof is to ensure safe and healthy conditions for workers at work. This includes all preventive measures designed 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.\footnote{The Law on the Safety and Health of Workers No. IX–1672 (Official Gazette, No. 70–370)} This Chapter of the Report describes the status of safety and health at work in the country in 2002, and amendments introduced in the legal basis during 2002–2003.

1.5.1. SAFETY AND HEALTH AT WORK IN ENTERPRISES IN 2002

Working conditions in enterprises

The entity in charge of enforcement of legal acts regul–
lating the safety and health at work, and prevention of irregularities in the implementation of such legal acts is the State Labour Inspectorate (SLI).

During 2002, labour inspectors conducted inspections in 11,300 enterprises (according to the data of the Department of Statistics, in 2002 in Lithuania there were 62,700 operating enterprises) mainly focusing of issues of safety and health of workers.

The inspections revealed over 50,000 infringements of legal acts regulating safety and health at work, including:

- violations of labour organisation – 79.7 per cent
- violations of technical requirements – 20.3 per cent.

As the data presented in Table 1.5.1.–1 show, the number of hired workers in inspected enterprises and their branch enterprises who worked in very harmful working conditions, and harmful working conditions in 2002, as compared to 2001, slightly decreased and accounted, respectively for 5.2 and 0.1 per cent of all workers. It has been established that 70 hired workers were working when harmful factors exceeded the values of very harmful factors. As compared to the year 2000, in 2002 working conditions in enterprises inspected have improved.

In response to the established violations the inspectors of the SLI documented the requirements to eliminate the irregularities, and stopped the work or prohibited the use of working equipment in 224 enterprises.

Accidents related to work

Recorded in Lithuania during 2002:

- 74 fatal accidents,
- 145 serious accidents,
- 2311 minor accidents at work,
- the investigation whereof deemed them related to work.

This is 12.9 serious accidents and 6.6 fatal accidents at work per 100,000 workers.

Most fatal (30 per cent) and serious (32 per cent) accidents at work were caused by inappropriate organisation of labour, while minor accidents (49 per cent) occurred mostly as a result of actions of the persons involved.

The comparative analysis of all accidents at work that occurred during 2000-2002 (see Table 1.5.1.–2) revealed that in 2002, as compared to 2001, the number of serious and fatal accidents at work decreased, while compared to 2000, these figures increased, respectively, by 3 and 9 per cent. The number of minor accidents at work increased as compared to the number during 2001, and the comparison with the number during 2000 showed a decreasing trend. The comparison of the numbers of accidents at work during 1998-2002 shows that the total number of accidents at work and minor accidents at work decreases, while the number of serious and fatal accidents is varying and average, respectively at 156 and 76. Comparing general number of accidents at work in 1998-2002, we can see that is strongly decreasing (see Chart 1.5.1–1).

Occupational Diseases

In 2002, the State Register of Occupational Diseases recorded 801 cases of occupational diseases and 469 individuals sick with such diseases. The share of occupational diseases

<table>
<thead>
<tr>
<th>Year</th>
<th>Workers in harmful environment</th>
<th>Workers in very harmful environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7,4</td>
<td>0,6</td>
</tr>
<tr>
<td>2001</td>
<td>4,4</td>
<td>0,03</td>
</tr>
<tr>
<td>2002</td>
<td>5,2</td>
<td>0,1</td>
</tr>
</tbody>
</table>

Data provided in the State Labour Inspectorate Report for 2002

Table 1.5.1–1

<table>
<thead>
<tr>
<th>Year</th>
<th>Minor accidents</th>
<th>Serious accidents</th>
<th>Fatal accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2989</td>
<td>164</td>
<td>96</td>
</tr>
<tr>
<td>1999</td>
<td>2681</td>
<td>154</td>
<td>68</td>
</tr>
<tr>
<td>2000</td>
<td>2577</td>
<td>141</td>
<td>62</td>
</tr>
<tr>
<td>2001</td>
<td>2274</td>
<td>164</td>
<td>79</td>
</tr>
<tr>
<td>2002</td>
<td>2311</td>
<td>145</td>
<td>74</td>
</tr>
</tbody>
</table>

Data provided in the State Labour Inspectorate Report for 2002

Table 1.5.1–2

1 Work organisation requirements
2 Technical requirements
3 When one or more harmful factors of the working environment or total quantities of factors having a similar effect during the day time constantly exceed allowable values established by safety and health legislation. (The Law on the Safety and Health of Workers No. VIII-2063 (Official Gazette, 2000, No. 95-2968).
4 When one or more harmful factors of the working environment or total quantities of factors having a similar effect during the day time at different time period exceed allowable values established by safety and health legislation. (The Law on the Safety and Health of Workers No. VIII-2063 (Official Gazette, No. 95-2968).
registered in respect of males was the largest since 1997, and accounted for 88.7 per cent.

The comparison of cases of occupational diseases during 1997-2002 (see Chart 1.5.1.-2) demonstrates that in 1997–2001 the number of cases of occupational diseases decreased from 701 to 570, while in 2002 it reached 801. The records showed that in 2002 there were by 231 (41 per cent) cases of occupational diseases and 95 persons (25 per cent) sick with such diseases more than in 2001¹. The increased number of cases of occupational diseases was reported due to the larger number of victims of such diseases to whom the disease was diagnosed. In addition, as compared to 2001, the number of persons with a working record 30–39 years to whom the occupational disease was diagnosed almost doubled.

As was the case in 1998–2002, in 2002 the following diseases were prevailing:

- cases of vibration disease (37.3 per cent);
- cases of ear disease (44.7 per cent).

However, in 2002, differently from previous years, the number of cases of ear diseases exceeded the number of cases related to the effect of vibration (see Chart 1.5.1.–3). The number of cases of ear diseases in per cent of the total number of cases in 1998–2002 was growing. Cases of diseases related to the effects of vibration in per cent of the total number of cases during 1998–2000 was increasing, and has been showing a declining trend since 2001.

1.5.2. LEGISLATIVE AMENDMENTS IN 2002-2003

The Labour Code

The most important legal act in the field of safety and health at work adopted in 2002 is the Labour Code². The Labour Code came into effect on January 1, 2003, and necessitated bringing into line with it of other legal acts. Therefore during the second half of 2002 – and the first half of 2003 some new legal acts were drafted or the existing ones were brought into line with the provisions of the Labour Code.³

The most important legal act thus adopted was the Law on the Safety and Health of Workers⁴ which came into effect on July 16, 2003.

Legal Acts Regulating Product Safety

In 2002, the technical regulation “Cableway installations designed to carry passengers” was approved⁵ (comes into

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¹See Chapter 4.4.1. of the Social Report 2001.
⁴July 1, 2003, No. IX–1672 (Official Gazette, No. 70–3170)
effect on October 10, 2003) setting forth the safety require-
ments in respect of cableway installations – systems
designed to carry passengers in vehicles or by towing
devices suspended or towed by one or several cables. The
regulation was drafted seeking to implement the relevant
harmonisation of laws of Member States related to the
cableway installations designed to carry passengers”. The
purpose of the regulation is to ensure the free movement in
the market of cableway installations, their subsystems, units
and elements, including safety components, also ensure
protection of animals and property and establish the safety
and purpose requirements for cableway installations.
Conclusions

During the year 2002, inspectors of the State Labour Inspectorate inspected a large number of enterprises and established over 50,000 violations of the legal acts regulating safety and health at work. Compared to 2001, in the inspected enterprises and their branches there were fewer workers working in harmful and very harmful conditions, and compared to the year 2000, in general the working conditions showed some improvement.

The number of cases of occupational diseases during 2002 as compared to that in 2001 increased from 507 to 801 cases. Like in previous years, the largest number of established cases were ear diseases and diseases related to the effect of vibration. The comparison of the number of ear diseases as a per cent of the total number of cases during 1998-2002 showed that the share of ear diseases tend to increase. In 2002 the number of cases of ear diseases reached its peak and accounted for 45 per cent of all cases of occupational diseases.

During the second half of 2002 and the first half of 2003 some legal acts implementing the Labour Code were adopted and amended. The most important legal act adopted in this area was the Law on the Safety and Health of Workers.
2. State Social Insurance and Pensions

2.1. THE IMPROVING BUDGET OF THE STATE SOCIAL INSURANCE FUND AND THE OBJECTIVE TO ELIMINATE THE DEFICIT ACCRUED BY THE BUDGET OF THE STATE SOCIAL INSURANCE FUND

The budget of the State Social Insurance Fund, rates of contributions of the State social insurance and their amounts for different types of insurance are approved every year by the Law on the Approval of Indicators of the Budget of the State Social Insurance Fund. In 2002, the State social insurance contribution rate of the insurer (employers) and the insured (workers) remained unchanged as compared to 2001 and were set at accordingly, 31 per cent and 3 per cent.

The general 31 per cent State social insurance contribution rate of the insurers and its allocation for different types of insurance was set as follows: pension insurance – 22.5 per cent; sickness and maternity social insurance – 3 per cent; unemployment insurance – 1.5 per cent; accidents at work and occupational diseases insurance - 1 per cent; health insurance – 3 per cent. The 3 per cent State social insurance contributions rate of the insured and its amount for different types of insurance was set as follows: for pension insurance – 2.5 per cent; for sickness and maternity insurance - 0.5 per cent.

Results of the execution of the approved budget for 2002 of the State Social Insurance Fund (approved revenue – LTL 4,584,312,000, approved expenditures – LTL 4,618,612,000) were as follows:

- the revenues actually generated were by 0.3 per cent or LTL 14,282,400 less than planned, however, compared with 20001, the revenues increased by 3 per cent.
- the expenditures were by LTL 157,542,600 less than planned. The plan was executed by 96.6 per cent. In 2002, expenditures of the State Social Insurance Fund in 2002 increased by 0.2 per cent if compared to those in the year 2001.

Structure of revenues
Social insurance contributions by the insurers and its allocation for different types of insurance was set as follows: pension insurance – 96.9 per cent (LTL 4,429,628,800) representing an increase by 3.7 per cent if compared to the year 2001. The actual amount of contributions made was by 0.7 per cent less than planned.

The factors which determined the extent of fulfilment of the plan on the contributions of the insured and the insured were the following:

- the number of individuals insured by social insurance was by 11,200 less than planned, as a result the amount of actual contributions was by LTL 41,700 m less than planned;
- the average wage of individuals insured by social insurance was by LTL 1.8 larger than planned, as a result, the amount of actual contributions was by LTL 9.3 m larger than planned;
- the wages fund of officials insured exclusively by social insurance was by LTL 5,500 larger than planned, therefore the actual revenues of the Social Insurance Fund were by LTL 5.5 m larger than planned;
- the number of non-working mothers raising children from 1 to 3 years was by 5,500 smaller than prognosticated therefore the amount of contributions in relation to the social insurance basic pension was by LTL 3.3 less.

Contributions by self-employed people and other persons in comparable position totalled LTL 59,370,500, or were by 14.9 per cent more than planned, and by 19.8 per cent less than in 2001 (on May 18, 2001, the Government of the Republic of Lithuania approved the procedure of social insurance for patent holders, according to which all the patent holders had to pay compulsory contributions for the preceding periods).

Contributions of the voluntary State social insurance in 2002 generated LTL 652,900, less than planned by 21.1 per cent. As compared to the year 2001, revenues from contributions of this type decreased by 13.3 per cent.

Revenues from late payments and penalties generated LTL 30,890,500, i.e., LTL 4,097,500 or 11.7 per cent less than planned. As compared to 2001, revenue from these sources was by 30.7 per cent less, essentially due to the fact that late payment is now being computed for a period not exceeding 180 days.

Structure of expenditures
Pension insurance expenditure amounted to LTL 3,325,308,100, or 74.5 per cent of the total expenditure of the SSIF. The amount of the pension insurance expenditure was by 2.4 per cent larger than in 2001, and by 0.1 per cent smaller than planned. When all restrictions concerning the pensions of the working pensioners were lifted in accordance with the ruling of November 25, 2002 of the Constitutional Court of the Republic of Lithuania the budget of the Fund additionally generated LTL 5 m.
In 2002, the average monthly number of the pension payments made from the SSIF was 1,067,500, i.e., only by 91 less than in 2001. The number of the recipients of old-age pensions in 2002 decreased, as compared to 2001, by 1.8 per cent, or 11,500 persons, however, the number of recipients of disability pensions increased by 3.8 per cent, or by 6,900 persons. The number of persons entitled to the survivor’s or orphan’s pensions increased by 3.4 per cent, or by 7,200 persons.

In 2002, the average annual social insurance pension of all categories was LTL 254.72, i.e., by 0.6 per cent higher than planned. The average monthly old-age pension of non-working persons was LTL 323.05, and accounted for 48.4 per cent of average wage of the working person insured by full social insurance. In December 2002, the average old-age pension of a non-working pensioner as compared to December of 2001 increased by 3.2 per cent, or LTL 10.01, however, given the deflation rate, the actual old-age pension of non-working person increased by 4.2 per cent. Such an increase in the amount of pensions primarily resulted from the increase in the basic pension from LTL 138 to LTL 147.

In 2002, the average annual social insurance pension of all categories was LTL 254.72, i.e., by 0.6 per cent higher than planned. The average monthly old-age pension of non-working persons was LTL 323.05, and accounted for 48.4 per cent of average wage of the working person insured by full social insurance. In December 2002, the average old-age pension of a non-working pensioner as compared to December of 2001 increased by 3.2 per cent, or LTL 10.01, however, given the deflation rate, the actual old-age pension of non-working person increased by 4.2 per cent. Such an increase in the amount of pensions primarily resulted from the increase in the basic pension from LTL 138 to LTL 147.

In 2002, sickness and maternity social insurance benefits totalled LTL 333,167,200, i.e. by 21.7 per cent less than planned. The expenditure of this item of the budget decreased due to a fewer sickness days covered per one insured, and the decreased number of recipients of maternity (paternity) benefits. As seen from the data in Table 2.1-1, expenditures for this type of insurance are decreasing, therefore, it is obvious that during the previous year the transfer of the function of payment of sickness and maternity benefits to territorial branches of SoDra and especially strict control of such payments produced tangibly positive results.

Benefits related to the sickness and maternity social insurance amounted to LTL 16,039,100, representing 49 per cent of all expenses planned for this kind of benefits. Expenditures in relation to accidents at work and occupational diseases amounted to LTL 16,039,100, - 49 per cent of total expenditures planned for this kind of expenditures and by 28.7 per cent more than in 2001. The actual amounts are significantly different from those planned, since the forecasts of the expenditures were based purely on assumptions, there being no comprehensive data base accumulating the data for several years. As seen from the data presented in Table 2.1.-1, starting from 2000, when this kind of insurance was first introduced, the respective expenditures have been steadily growing, among other reasons due to the annual obligatory compensations payable until the person is recognised as having lost over 30 per cent of his working capacity.

Other expenditures of the budget of the State Social Insurance Fund:
- amounts of bad or doubtful receivables in the amount of LTL 92,328,800 (80.3 per cent of the planned amount) have been transferred to the expenditure side. This accounts for 2.1 per cent of the total expenditures of the budget of the State Social Insurance Fund;
- operating expenses of the State Social Insurance Fund amounted to LTL 137,859,7000, i.e., 91.6 per cent of planned amount (or by LTL 12.6 m less), which accounted for 3.1 per cent of the total expenditures of the State Social Insurance Fund budget.

The net result of the budget of the Social Insurance Fund for the year 2002 was that revenues exceeded the expenditures by LTL 108,960,200, however, the comparison of the revenues of the State Social Insurance Fund budget including the proceeds from their investment activity and the impact of fluctuations in the exchange rate with the actual...
ally incurred monetary expenditures (excluding the bad and doubtful receivables, reduction of depreciation of long-term assets and long-term investment), including expenses for investment activity shows that the balance of the budget of the State Social Insurance Fund for the year 2002 is positive and totals LTL 117.2 m.

It is important to notice that the indebtedness of the budget of the State Social Insurance Fund is steadily decreasing, and late in 2002 accounted for LTL 301 m (in late 2001 - LTL 444 m.).

The deficit-free budget of the State Social Insurance budget\(^1\) was approved at the end of 2002, - LTL 4,759,260 in revenues and LTL 4,758,435 in expenditures (revenues exceed the expenditures by LTL 825,000).

The State social insurance contribution rate of the insurer and the insured and the amount of such rate in respect of individual types of insurance were approved. Although the general rate remained unchanged, the rate in respect of individual types of insurance have been revised and set as follows:

- rates of contributions by the insurer for individual types of insurance: 1) pension insurance - 23.4 per cent; 2) sickness and maternity insurance – 2.8 per cent; 3) unemployment insurance – 1.5 per cent; 4) accidents at work and occupational diseases – 0.3 per cent; 5) health insurance – 3 per cent.

- rates of contributions by the insured for individual types of insurance remained unchanged from those in the year 2002.

The State Social Insurance budget was approved as a deficit-free, which provides favourable preconditions for the Fund to discharge its obligations and reduce the indebtedness of the budget of the State Social Insurance Fund. Having reduced the indebtedness of the Stat Social Insurance Fund and provided the obligations assumed are properly discharged new possibilities will emerge to further the implementation of the pension reform, and the transfer to the State Tax Inspectorate of the function of administration of the Social insurance contributions.

2.2. PECULIARITIES OF SOCIAL INSURANCE OF SELF-EMPLOYED PERSONS

Amendments to the Law on State Social Insurance adopted in late 2001 and effective as of January 1, 2002 stipulated that self-employed owners of sole proprietorships, advocates, assistant advocates, notaries, members of general partnerships and general partners of limited partnerships shall be obligatory insured no only for the basic, but also for the supplementary part of the pension, as a result, changing the amount of contribution of compulsory social insurance. Contributions in respect of the basic pension remained unchanged, i.e., accounting for 50 per cent of the amount of the basic pension (in 2002 – LTL 69 per month). The rate of contributions in respect of the supplementary part of the pension was established at 15 per cent of the income amount declared for the purpose of State social insurance in the manner provided by laws.

The said amendments introduced a provision that contributions for the basic pension shall be equal in respect of all categories of self-employed persons and shall be payable regardless of the amounts of earnings. The amounts of contributions for the supplementary part of the pension are of different rates. The amount depends on the amount of the annual taxable income of the self-employed person. Self-employed persons shall pay contributions computed from the amount of income used as basis for the computing of income and profit tax in accordance with the taxation legislation. The annual amount of income declared for the purpose of social insurance shall be not less than the annual taxable amount and not larger than 60 amounts of average annual insured income approved by the Government on the basis of the data of the year. Exempted from the payment of contributions for supplementary part of the pension shall be only those self-employed persons the annual taxable income whereof is not larger than 3 amounts of average monthly insured income approved by the Government on the basis of the data for the year.

Obligated to pay contributions of the compulsory social insurance shall also be the persons having additional jobs under employment contract. The law provides that exemption from the contributions (in respect of the basic and supplementary part of the pension) is awarded only to those owners of personal companies (sole proprietorships), lessees of personal companies (sole proprietorships), advocates, assistant advocates, notaries, members of general partnerships and general partners of limited partnerships which are pensioners of the State Social Insurance Fund, disabled of Group I and Group II since childhood, social assistance pensioners, and persons of personable age recipients of social pension in accordance with the Law on Social Pensions.

However, at the beginning of 2002, in view of discontent amongst small businessmen and the population in general concerning the excessive taxation burden upon small business, the Seimas revised the Law on State Social Insurance\(^2\) introducing amendments in the procedure of the State social insurance of self-employed persons. A different amount used as the base for computing contributions for the supplementary part of the

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\(^1\) The Law on the Approval of Indicators of the 2003 Budget of the State Social Insurance Fund passed on December 10, 2002 (Official Gazette, 2002, No. 123-5528)

\(^2\) The Law on the Amendment and Supplement of Article 34 of the Law on State Social Insurance (Official Gazette, No. 73-3095)
pension was introduced in respect of self-employed persons (sole proprietors, advocates and notaries). Provided their annual income is not less than 12 MMW these persons are obligated to pay contributions for the supplementary part of the pension computed from the income declared to the State Social Insurance Fund which shall be not less than 12 MMW. This kind of arrangement enhanced the social guarantees of self-employed persons.

2.3. IMPROVEMENTS IN CONDITIONS OF THE SICKNESS AND MATERNITY SOCIAL INSURANCE

The Law on Sickness and Maternity Social Insurance that came into effect on January 1, 2001, set forth that in case insured persons recipients of the State social disability pension temporarily loose their working capacity and hence loose part of their income, they shall be entitled to the sickness benefit from the resources of the State Social Insurance Fund for a period not longer than 30 calendar days in a calendar year.

However, a number of persons suffering from long-term and severe sickness and assigned a group of disability, individual working recipients of the State social insurance disability pensions and the societies of the disabled expressed their discontent concerning the very short duration (30 days) of entitlement to the sickness benefit which ordinarily is not sufficient even in treating sicknesses of average severity. At the beginning of 2002, having regard to requests filed by persons concerned the Seimas amended the Law on Sickness and Maternity Social Insurance1. The amendment extended the duration of entitlement to sickness allowance up to 90 calendar days during a calendar year; it also expanded the list of diseases creating entitlement to the sickness benefits for the recipients of the State social insurance disability pension.

The Seimas also introduced amendments to the Law on Sickness and Maternity Social Insurance at the end of 20022 and early in 20033.

The first amendment was designed to approximate the provisions of the law concerning the maternity benefits to persons which have adopted newborns and were appointed as their guardians with the provisions of the new Labour Code of the Republic of Lithuania that came into force on January 1, 2003.

The second amendment provided for the entitlement to the social insurance maternity (paternity) benefit in respect of persons who were dismissed from their employment in case of bankruptcy or liquidation of an enterprise. Having coordinated the provisions of the Law on Sickness and Maternity Social Insurance with the Enterprise Bankruptcy Law it was provided that maternity (paternity) benefits could also be paid to women who were dismissed from work due to bankruptcy or liquidation of an enterprise during their pregnancy period, and other persons who are dismissed from work because of bankruptcy or liquidation of an enterprise and for that reason will not be granted the maternity leave for raising a child until the child reaches one year of age. These benefits shall be paid only to persons who have been socially insured in respect of sickness and maternity for a period established by law.

2.4. CHANGES IN THE SOCIAL INSURANCE OF ACCIDENTS AND WORK AND OCCUPATIONAL DISEASES

Investigation of serious and fatal accidents at work

At the beginning of 2002 the Board of the State Social Insurance Fund and the State Labour Inspectorate agreed to cooperate in conducting investigations of serious and fatal accidents at work. Such cooperation has been provided for in the Law on Social Insurance of Accidents at Work and Occupational Diseases.

Upon receipt of a notification on a serious or fatal accident at work the Inspection division of the State Labour Inspectorate shall notify thereof the appropriate territorial branch of the Board of the SSIF, the head whereof shall appoint a specialist for the participation in the investigation. As a result of such closer cooperation between the institutions concerned repeated or expanded investigations of accidents at work have become considerably less frequent, with less interference with the work of the victims and the insurers. In addition, institutions concerned have a good opportunity to exchange information and their work experience.

Taking over of the payment of compensation for damage

From January 1, 2002, the obligation to pay compensation of damage to recipients that are paid from the State budget in accordance with the Provisional Law on Damage Compensation in Accident at Work or Occupational Disease Cases was passed form the care and welfare departments of cities and regions to the territorial branches of the Board of the State Social Insurance Fund. In cases the damage compensation is paid from the municipality

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1 The Law on the Amendment and Supplement of Articles 5, 9, 10, 11, 12, 14 and 20 of the Law on Sickness and Maternity Social Insurance of the Republic of Lithuania (Official Gazette, 2002, No. 13-469)
2 The Law on the Amendment and Supplement of Articles 16 and 17 of the Law on Sickness and Maternity Social Insurance of the Republic of Lithuania (Official Gazette, 2002, No. 124-5622)
3 The Law on the Supplement of Articles 16 and 19 of the Law on Sickness and Maternity Social Insurance of the Republic of Lithuania (Official Gazette, 2003 No.12-441)
The increase of the basic pension of the State social insurance.

In 2002, having considered the financial possibilities of the budget of the State Social Insurance Fund the Government passed a decision to increase the basic State social insurance pension.

The State social insurance basic pension constituting a basis for the computing of amounts of all other social insurance pensions, assistance pensions and nursing allowances, was increased from LTL 138 to LTL 147. This increase was applied to 621,000 recipients of the old-age pensions, 189,000 disabled people recipients of the State social insurance disability pensions, and required LTL 52 m of the resources of the budget of the State Social Insurance Fund.

In 2002, the old-age pension was increased by LTL 9 in respect of all recipients of this kind of pension who have acquired the compulsory period of State social insurance. Subject to the disability group, the disability pensions were increased by the following amounts: for Group I – LTL 13.50, for Group II – LTL 9, for Group III – 4.50. In respect of those recipients who do not have the compulsory period of State social insurance the pensions were increased in proportion to the social insurance period they have acquired.

The increase of the basic pension concerned 50,600 recipients of social assistance pensions and compensations (these payments are awarded and paid from the funds of the State budget to persons disabled since childhood, their carers, and mothers having many children).

Besides, in view of the increase of the basic pension, appropriate adjustments were introduced in the Law on the Approval of Indicators of the 2002 Budget of the State Social Insurance Fund1, which stipulates that entitlement to the basic State social insurance pension is acquired by paying contributions in the amount of 50 per cent of the basic pension. The amended law established a fix amount of the contribution in respect of this kind of insurance thus eliminating the need to increase the amount of the contribution paid in the event in 2002 the basic pension is increased. Thus the amount of contribution payable by those insured for the basic pension were not increased, besides, the State budget spared certain additional expenses which otherwise would be incurred to insure for the basic pension certain categories of the insured at the expense of the State budget.

Increase of small State social insurance pensions.

Amendment to the Law on State Social Insurance Pensions was passed on December 10, 2002 and came into force on January 1, 2003. As of that date the smallest old-age social insurance pensions and disability pensions were increased.

The key criteria for taking the decision concerning the increase of the pension was the amount of the old-age and disability pensions received by the persons (or the total of several pensions received). The pension (or the total of several pensions) could not be larger than LTL 325. The amount was taken as a basis having considered the average old-age pension for the year 2002.

The second criteria for passing the relevant decision was the total duration of service of the person. The old-age pensions were increased only in respect of persons who have acquired an insurance (service) period not shorter than 25 years prior to January 1, 1995 (the coming into effect of the Law on State Social Insurance Pensions), when such requirements needed to be complied with in order for the pensioner to acquire entitlement to the full, rather than partial pension.

The disability pensions were increased in respect of persons who have acquired the obligatory state social pension insurance period necessary for disability pension, where half of the period has been acquired prior to January 1, 1995, or have the obligatory period entitling to the full amount of disability pensions in accordance with legal acts effective prior to January 1, 1995.

Partial pensions awarded to persons who do not have the obligatory insurance period entitling them to a specific type of pension were not increased.

The increase of small pensions concerned about one third of all recipients of old-age and disability pensions, i.e., about 255,500 persons out of the total 800,000 recipients of pensions. In average, the pensions were increased by LTL 8.

Changes in the payment of State social insurance pensions to budgets, it shall continue to be paid by the care and welfare departments.

The introduction of the said amendment was considered expedient since after the coming into effect of the Provisional Law on Damage Compensation in Accident at Work or Occupational Disease Cases on January 1, 2000, in case of an accident at work or an occupational disease, provided the case is recognised as insurable, the insurance premiums to the victims are awarded and paid by the territorial branches of the Board of the State Social Insurance Fund. In case it is established that the event cannot be considered an insurable event, the same branch of the Fund shall pay the damage compensation to the victim in accordance with the Provisional Law on Damage Compensation in Accident at work or Occupational Disease Cases.

2.5. CHANGES IN THE PENSION SYSTEM

Increase of the basic pension of the State social insurance.

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The disability pensions were increased in respect of persons who have acquired the obligatory state social pension insurance period necessary for disability pension, where half of the period has been acquired prior to January 1, 1995, or have the obligatory period entitling to the full amount of disability pensions in accordance with legal acts effective prior to January 1, 1995.

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Changes in the payment of State social insurance pensions to

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1 The Law on the Amendment of Articles 3 and 4 of the Approval of Indicators of the 2002 Budget of the State Social Insurance Fund (Official Gazette, 2002, No. 45-1706)
persons earning other insured income. On November 25, 2002 the Constitutional Court of the Republic of Lithuania passed a ruling that the working old-age pensioners having the obligatory insurance period necessary for this type of pension are to be paid the full amount of the social insurance old-age pension. Thus from the coming into effect of the said ruling i.e., from November 27, 2002, the old-age pensions were paid to all those entitled regardless of whether or not the recipients of the old-age pension are working.

Since the Constitutional Court did not consider the procedure of payment of the disability pension in case when the recipient of such pension is working, and did not address the issue of the recipients of partial old-age pensions (employed persons of this category were not paid any partial pensions), and seeking to avoid any social contraposition of the recipients of the social insurance pensions, the decision was taken to draw up the draft of the amendment of appropriate Articles of the Law on State Social Insurance Pensions. The Seimas of the Republic of Lithuania passed the relevant amendments, and on January 31, 2003 the amendments were published in the Official Gazette. The Seimas decided that working disabled receiving the social insurance disability pensions would be paid the pensions regardless of the amount of their insured income starting from January 1, 2003. However, the working recipients of the partial old-age pensions and retirement pension will be paid the pensions in question regardless of the insured income as of the date of the coming into effect of the said Law, i.e., starting from January 31, 2003. In 2003 the payment of pensions to the working pensioners and the disabled will require LTL 76.5 m of the resources of the budget of the State Social Insurance Fund.

Changes in the conditions for the award and payment of the State Social Insurance Pensions.

The amendment to the Law on State Social Insurance pensions of December 2002 improved the conditions for the award (recalculation) or the disability pensions (the disabled, having worked following the award of the pension for another three years were made entitled to the same right to be awarded the pensions anew as has been granted to the old-age pensioners; the entitlement to the recalculation of the pension was provided for in respect of recipients of partial pensions, in cases where following the award of the partial pension they acquire all obligatory insurance period). Also conditions of pension provision were improved in respect of families which have lost their breadwinner. Starting from January 1, 2003, the survivor’s pensions to persons raising the children of the deceased shall be paid not until they are 18 years of age, but as long as they are studying (however, not longer than until they are 19 years of age). The age limit of 19 years has been established taking into account the possibilities of the budget of the State Social Insurance Fund. Besides, the survivor’s pensions are paid not only to the guardians of the underage orphans, but also to their carers (until 18 years of age, and in case the child is studying – until 19 years of age).

Since May 1, 2003, the amount of the basic pension was increased by LTL 5, now accounting for LTL 152. This increase affected 843,000 persons recipients of the State social insurance pensions, out of which about 610,00 were recipients of the old-age pensions, 195,000 disabled persons and 38,000 orphans. In addition, some increases were provided for in respect of the retirement pensions and the loss of breadwinner pensions awarded in accordance with the previously effective legal acts, as well as compensations for special working conditions. LTL 35.2 m will be required in expenses of the budget of the State social insurance fund in order to effect all the above increases in the State social insurance pensions.

At the same time some increases were provided in respect of assistance pensions (51,000 recipients) and nursing allowances for persons suffering from total disability (11,000 recipients).

Starting from July 1, 2003, the insured income was increased to LTL 901 (previously - LTL 886). This amount is taken as a basis for the purpose of computing of the State social insurance pensions, also establishing minimum and maximum amount of the State social insurance benefits.

This increase concerned all current and estimated recipients of the State social insurance pensions. In average, the pensions were increased by LTL 3.00. In 2003, in order to effect the increase of the State social insurance pensions and taking into account the increase of the insured income, the expenditures of the budget of the State social insurance fund will increase by additional LTL 15.7 m.

The State social insurance pensions of a surviving spouse were not increased. In accordance with the provisions of the Law on Pensions which came into effect on May 1, 2002, while the State social insurance basic pension and the insured income is being increased, the survivor’s pensions remain unchanged. The decision was passed in order to avoid further differentiation in the amounts of the survivors pensions and alleviate the discontent with the system of survivor’s pensions on the part of the persons not receiving any survivor’s pensions whatsoever.

2.6. ORGANISATIONAL CHANGES IN SODRA AND EFFORTS TO PROPERLY PREPARE FOR THE PENSION REFORM AND THE TRANSFER OF ADMINISTRATION OF CONTRIBUTIONS OF THE SOCIAL INSURANCE

During 2002, the Board of the State Social Insurance Fund took every effort to improve the organisation of the most
important areas of activity of the institution, notably, the improvement of the customer service and introduction of more stringent order for the collection of social insurance contributions.

**Improvement of the customer service**

The Customer service divisions were opened and started operating from April 1, 2002 in seven territorial branches of the Board of the Fund. Such divisions operate as remote work places.

In 2002, the Board introduced the system of coding of State social insurance contributions and collection of such contributions into a single accumulative account.

**Introducing a more stringent control over the collection of the State social insurance contributions.**

- Insurers failing to settle accounts with the State Social Insurance Fund in a timely manner were subject to sanctions provided for by laws. During 2002, the following sanctions were imposed: collection orders were placed in respect of 82,583 insurers whose indebtedness to the budget of the Fund totalled LTL 292.6 m, orders to arrest or block accounts were issued in respect of 2,784 insurers indebted LTL 6.3 m; the debt recovery was laid as claim to the property of 38,445 insurers. The indebtedness of these insurers to the budget of the State Social Insurance Fund amounted to LTL 102.5 m. Sanctions in the form of restriction of the economic activity were placed in respect of insurers, who have failed to pay the social insurance contributions for a period in excess of nine months. Such sanctions were imposed upon 11,068 insurers;

- Having imposed such statutory sanctions upon the insurers, LTL 1176.7 m was generated as income, of which: by collection transfer – LTL 143.5 m, by arresting and blocking the insurers’ accounts - LTL 10.6 m, by placing attachment upon the insurer’s property – LTL 13.2 m, through bankruptcy proceedings – LTL 10.4 m;

- The number of the insurers against which the bankruptcy proceedings were initiated increased from 1,029 at the beginning of the year to 1,293 at the end of the year, i.e., an increase by as many as 264 enterprises. The indebtedness of enterprises under bankruptcy to the budget of the State Social Insurance Fund as of January 1, 2003 amounted to LTL 348.4 m, which accounted for 63.1 per cent of the total indebtedness due to delayed payment. During 2002, 460 bankruptcy proceedings were completed and indebtedness to the Fund on the part of such enterprises in the amount of LTL 122.4 m was recognised as hopeless and was written-off. During 2002, the indebtedness of the enterprises undergoing bankruptcy to the budget of the Fund decreased by LTL 43.2 m.

- During 2002, the territorial divisions of the Board of the State Social Insurance Fund organised 22,330 inspections concerning the compliance of the enterprises with the regulations of computing and the use of the social insurance funds. Altogether, 20,325 insurers were inspected in this respect. The inspections established 7,713 insurers (37.9 per cent of all inspected) violating the regulations of the State Social Insurance Fund. The budget of the Fund generated additional LTL 8.6 m, including LTL 2 m in additional contributions charged to insurers, LTL 2.3 m in penalties , LTL 3.9 m in late payments, and LTL 0.4 m in overpayments in benefits. Having established violations of the procedure for the computing and payment of the social insurance contributions, the inspectors documented 300 records on violations of administrative law. The inspections carried out in 2002 established 581 persons illegally registered, of which 147 were working illegally.

In mid 2002, the Seimas approved the amendments of the Law on State Social Insurance and the related laws, providing for the transfer of collection of social contributions to the State Tax Inspectorate starting from July 1, 2003. It has also been established that starting from October 1, 2002, insurers must register with the State Tax Inspectorate.

In late 2002, the Seimas decided to postpone the transfer of the administration of the social insurance contributions to the State Tax Inspectorate until January 1, 2004, thus all the preparatory work will be performed and completed within 2003.

In early 2003, the Seimas approved the laws which will open the way to the pension reform. The reform providing for accumulation of pensions will be launched as soon as at the beginning of 2004. In the implementation of this reform an extremely important role will be assigned to the Board of the State Social Insurance Fund and its territorial divisions which will have to transfer part of the person’s contributions to the pension fund selected thereby. Therefore, the year 2003 will be the time for all preliminary work in order to ensure proper preparedness for the successful implementation of the reform.
3. SOCIAL SUPPORT

3.1. SOCIAL SUPPORT TO FAMILIES AND CHILDREN, AND ITS DEVELOPMENT

3.1.1. NON-MEANS TESTED SUPPORT

Changes in the support system

The Law on State Benefits to Families Raising Children2 establishes support to orphans and children deprived of parental care by a provision that the period of a child’s guardianship expires when the child becomes of age. According to the Civil Code, a child’s guardianship expires as a result of the child becoming of age, his/her emancipation, or marriage.

Thus, in the year 2003, Law on Amending and Supple-

menting Articles 5, 7 and 8 of the Law of the Republic of Lithuania on State Benefits to Families Raising Children was adapted, establishing payment of a child’s care benefit, orphan student’s allowance as well as the benefit for the settlement of children deprived of parental care harmonised with the above-mentioned provisions under the Civil Code. Besides, in said Law it is established to establish that in case of death of both parents (the only parent) of a studying full-aged, emancipated, or married person, he/she shall continue, without disruption, attending a full-time general education establishment, the child care benefit being paid to the child himself/herself. Also, it is established that an orphan student’s sallownance is paid not only to unemployed persons, whereto,

<table>
<thead>
<tr>
<th>No.</th>
<th>Benefits</th>
<th>Number of recipients*</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>thousand people</td>
<td>% of the total number permanent residents in Lithuania **</td>
</tr>
<tr>
<td>I.</td>
<td>In total (1.1.+1.2.)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1.1</td>
<td>To families raising children, of which:</td>
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<td>–</td>
</tr>
<tr>
<td>1.1.1</td>
<td>One-off benefit at child-birth</td>
<td>29,8</td>
<td>0,9</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Family benefit</td>
<td>81,8</td>
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</tr>
<tr>
<td>1.1.3</td>
<td>Benefit to children of conscripts</td>
<td>0,08</td>
<td>0,16</td>
</tr>
<tr>
<td>1.1.4</td>
<td>Benefits to families with 3 and more children</td>
<td>45,6</td>
<td>3,7</td>
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<td>1.1.5</td>
<td>Maternity benefit to women students</td>
<td>0,24</td>
<td>0,053</td>
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<tr>
<td>1.2</td>
<td>To children deprived of parental care for maintenance and settlement, of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.1</td>
<td>Child-care benefit</td>
<td>8,8</td>
<td>0,3</td>
</tr>
<tr>
<td>1.2.2</td>
<td>Benefit for settlement to orphans and children deprived of parental care</td>
<td>1,52</td>
<td>0,04</td>
</tr>
<tr>
<td>1.2.3</td>
<td>Orphan student’s allowance</td>
<td>2,2</td>
<td>0,1</td>
</tr>
</tbody>
</table>

* Lines 1.1.1; 1.1.2; 1.1.3 and 1.2.1 represent the number of children for which a relevant benefit has been allocated; Line 1.1.4 represents the number of families.

** According to the year-2001 census, the number of permanent residents in Lithuania is 3490.8 thousand persons; recipients of a large family benefit (Line 1.1.4) are indicated in per cent of the total number of families.

Data provided by the Ministry of Social Security and Labour

1 The present sub-item deals with support to families and children by allocating social support thereto in the form of financial allowances and compensations. Social services to families and children, guardianship, adoption of children, are dealt with under other sub-items of Chapter 6.

before their full age, emancipation, or marriage a child’s guardianship (wardship) was established, but also to unemployed persons whose both parents (the only parent) are diseased. According to the data of the Ministry of Education and Science, there are 412 persons, whose both parents (the only parent) died at the time when they were in the general education school or were students at a vocational, high, or higher education institution.

Also, it is established that in connection with a benefit for settlement a person must apply before he/she turns 25.

This Law comes into effect from will be January 1, 2004.

In the year 2002, spending for benefits to all families with children as well as to children deprived of parental care was about LTL 259 m: the major portion went to families with children – LTL 193 m, and in support to children deprived of parental care – LTL 66 m (see Table 3.1.1–1).

In 2002, 30 thousand one-off child-birth benefits were paid; on average, in case of 82 thousand children bellow 3 years of age (2.3 per cent of the total number of permanent residents in Lithuania) family benefits were paid; about 46 thousand families (3.7 per cent of the total number of families in Lithuania) received benefits for families with 3 and more children; on average, 80 benefits per month were allocated for the maintenance of children of conscripts, maternity benefits were paid to 241 female students.

On average, over the year 2002, 8.8 thousand child-care benefits were paid (to 0.3 per cent of the total number of permanent residents of Lithuania), orphan student’s allowances were paid to 2.2 thousand students who are foster children. Over the year 2002, 1.5 thousand foster children were paid a benefit for settlement of orphans and children deprived of parental care.

Support system development trends

Implementing the Programme of the Government of the Republic of Lithuania for 2001–2004, in the year 2003, a concept of a Law on Allowances to Children was worked out. The concept is aimed at the implementation of an integrated reform of the system of State benefits to families, at guaranteeing social security to all families raising children, at rendering the parents’ responsibility for the use of the benefits more stringent, and at granting more power and authority to benefit-paying institutions that are engaged in social work with social-risk families.

Analysis of the recent years’ statistical data shows that rearrangement of state benefits to families that raising children is influenced by various factors:

Social factors:
- higher level of poverty among families with children up to 18 years of age (every fifth child of pre-school age lives in a needy family, and in large families the poverty level is over 30 per cent);
- the number of social-risk families is increasing (since 1995, this number has doubled; in 2002, the number of such families was 18,700, and the number of children in such families was nearly 43,000);
- every year, 3 thousand children are deprived of parents (according to the year-2002 data, there were 14,700 foster children; 8,000 – in families, 6,700 – in care institutions and boarding schools).

Demographic factors:
- continuously decreasing birth rate that does not ensure the generation change (in 1990, there were 15.4 babies born per 1000 of the population; in 2002 – 8.7 babies), and determines a decrease in the number of children in future;
- decreasing number of children born first and second (over 1995–2001, a decrease in the number children born first was from 20.7 to 14.9 thousand, children born second – from 14.300 to 10.800).

The Lithuanian system of support to families is different from that in other EU countries in that:
- not each child before attaining majority is supported. In EU countries, support to a child before attaining majority makes up 5–10 per cent of an average qualified worker’s salary;
- the amount of support to foster children is 4 times higher than that to families with children.

Envisaging trends for the rearrangement of the system of benefits to families with children, the existing system was analysed and its main drawbacks were revealed to be as follows:

According to the existing system, families are supported in two cases: until a child is 3 years old (0.75 MSL per month), and where a family has three or more children (1 MSL per month in case of three children, plus 0.3 MSL in case of each next child).

All other families are supported only in case if their income per one family member is below that of families supported by the State (LTL 135 per month), ensuring only minimum costs for food. Only the most needy families (about 7 per cent of families) are supported, whereas income of more than two thirds of families is below the country’s average standard of living.

By supporting needy families up to a certain standard of living, incentives of parents themselves to look for sources of subsistence and maintain their children are inhibited, and children are stigmatised.

Support established to children deprived of parental care (LTL 500 per month) is not in line with support to children in families, and it does not reflect the actual standard of living. According to the household budgets analysis data, average income per member of a family raising children is LTL 362 per month. Such a difference in income is one of the reasons inducing needy families give away their children.
for guardianship, often to close relatives. In many cases, when former foster children start their independent life, their salaries are below the support they received before attaining majority and during the period of studies.

When granting support, the provision under the Civil Code of the Republic of Lithuania which establishes a duty to close relatives, who have a possibility, to maintain a child who is in need of support, is not applied.

Social-risk families do not ensure the use of State benefits they receive in the interests of their children.

In 2003, based on the concept of the law on allowances to children, preparation of Draft Law of the Republic of Lithuania on Allowances to Children was started with the aim of inducing families to raise and maintain their children, rearranging the system of support to children deprived of parental care, and ensuring the use of benefits for the needs of children through the development of social services to families. It is envisaged that said law will come into force on 1 July 2004.

3.1.2. ASSISTANCE TO LOW-INCOME FAMILIES, BASED ON THEIR INCOME AND PROPERTY

Current status and necessity of the new law

Social Charter of Europe applied in the EU countries contains a provision to “ensure that each person without sufficient funds for a living and unable to obtain such funds at his/her own efforts or from other sources, particularly from the social security system, receives the required support”.

In Lithuania, people with low income are allocated social benefits as well as compensations for heating of their dwelling, for hot and cold water.

By allocating social benefits, social assistance to the population, which is in need of it, is restricted. Families of long-term unemployed persons are not assisted only families of the unemployed who get the unemployment/education benefit or do public works/works supported from the Employment Fund are entitled to a benefit, also, 6 months after expiry of such periods. The standard of living of about 16 per cent of the population is below the relative poverty limit, however, the percentage of the population that receive social benefits is even below 4 per cent.

Another equally important problem is that allocating a social benefit only the family’s income is taken into consideration (employment income, pensions, benefits, etc.) without taking into account their property. Therefore, often families with illegal income or with considerable immovable property or any other property get support.

Together with widespread illegal employment where it is attempted to conceal the sources of income of the population, instances of abuse become unavoidable. Part of the support goes to families that are not the ones who need it most badly.

In 2003, the Law on Cash Social Assistance (Persons who Live Alone) was adopted which establishes a uniform system of cash social assistance based on the principle of income and property appraisal which ensures minimum funds for needy population for food and payment for the main utilities, also, socially more fair distribution of funds for social support. The Law will become effective on 1 April 2004, superseding the previous acts of law that regulated cash social assistance and compensation of costs for heating of a dwelling and for water.¹

Main provisions of the Law

To ensure minimum funds to the needy population for food, the Law provides for a social benefit, which is allocated to a family (a person who lives alone (hereinafter a ‘person’)), if its/his/her monthly income is below the income supported by the state (i.e. LTL 135 per one family member). At a time of an increase in prices of both energy resources and utilities, which exceeds an increase in income of the population, another acute problem of the needy population is their inability to pay for the first priority services (heating, hot and cold water). For this population the Law establishes compensations of costs for heating of the dwelling, for hot and cold water, and for wastewater. Conditions are created for a family (person) to pay for the heating of their dwelling an amount equal to no more than 25 per cent of their income less 90 per cent of the state supported family (person) income; for cold water and sewerage during both heating non-heating season – no more than 2 per cent of the family (person) income; for hot water – no more than 5 per cent of the family (person) income. Said costs of a family (person) are compensated applying the established standard: for heating of 38 sq.m. of the useful area of a dwelling per single family member (person) living there, adding 12 sq.m. per each other family member; for 1 cu.m. of hot water and for 2 cu.m. of hot water and wastewater per single member of a family (person) per month.

It is envisaged that social assistance to families (persons) will be granted in financial resources, whereas in cases where families do not fall within set requirements it will be possible to obtain support in the form of services (e.g., in cases where maintenance of children of divorced or unmarried persons has not been established due from parents, or where the unemployed do not fulfil obligations established thereto, etc.). Social assistance in the form of services may be allocated to conflicting families which do not carry out child maintenance functions or parents are unable to take care of their children or improperly

behave with their children, or (and) use the state support received in other than the family interests, also, to social risk families (persons) that are alcohol or drug abusers. A decision on allocation of support in the form of services is made and such services are provided by municipalities. Services to families (persons) are provided by buying of food and other necessary goods, by arrangement of meals, etc.

It is envisaged to pay compensations in financial resources, whereas in case of families (persons) who are indebted for heating of their dwelling, or for hot and cold water municipalities are entitled to refrain from allocating compensations, to cancel compensations, or, pursuant to a procedure established by municipalities, transfer the calculated amounts of compensations to current bank accounts of companies that provide energy supply and utilities services.

Experience of municipalities that are responsible of providing assistance as well as proposals of non-governmental organisations, meetings with the population, their letters show that it is necessary to assist families of the long–term unemployed. Thus, the Law provides for the right to a social benefit to persons who, over no less than a six–month period, register in the state regional labour exchange as persons looking for a job. It is forecasted that after starting to support long–term unemployed families, the percentage of the population that receives social assistance will increase from 3.4 to 5 per cent, i.e. additionally about 63.0 thousand residents would receive social benefits.

The Law is aimed at allocating social assistance to families that are in need of it and at avoiding instances of abuse of social assistance. Therefore, it is envisaged to allocate assistance to families, if their property is not above the property value determined on the basis of the average market price in their relevant region, and their income is indeed inadequate to satisfy priority needs.

<table>
<thead>
<tr>
<th>Property value standards calculated for the purpose of social assistance allocation, and types of a family’s (person’s) property under valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite parts of the property standard for the purpose of social assistance allocation, per family (person)</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>In cities</td>
</tr>
<tr>
<td><strong>Useful area of a dwelling standard</strong></td>
</tr>
<tr>
<td>50 sq.m. per one family member (person) living there, 15 sq.m. per each other family member</td>
</tr>
<tr>
<td><strong>Land plot standard</strong> is selected based on the type of land owned*:</td>
</tr>
<tr>
<td>– area of the real estate land plot</td>
</tr>
<tr>
<td>6 ares</td>
</tr>
<tr>
<td>– area of an agricultural land plot up to 1 hectare (including real estate land plot on it)</td>
</tr>
<tr>
<td>6 ares</td>
</tr>
<tr>
<td>– area of an agricultural land plot which is over 1 hectare in area, of a land plot that consists of only a water body, as well as of a forestry land plot</td>
</tr>
<tr>
<td>3,5 ha</td>
</tr>
<tr>
<td><strong>Standard of the value of movable property, funds, securities, and shares</strong></td>
</tr>
<tr>
<td>30 state supported income amounts a year (currently, LTL 4,050)</td>
</tr>
<tr>
<td><strong>Table 3.1.2–1</strong></td>
</tr>
</tbody>
</table>

* If plots of land owned by a family (person) are of different purpose of use, the determination of the standard land plot is based on the highest–priced plot of land of a single purpose. In case of a family (person) that (who) does not own a land plot, the standard of a land plot up to 1 hectare in area is applied.

Data provided by the Ministry of Social Security and Labour

* *
The Law establishes that the property of a family (person) is valued once a year, and income – once in three months. Thus, eligible social assistance or a compensation is allocated for a three-month period, however, municipalities may allocate the assistance for either a shorter or a longer than a three-month period, taking into account possibilities of change in the family composition or in its income.

If the value of property (property valued is listed under Item 2 of Table 3.1.2–1) owned by a family (person) is above the property value standard (composite parts of the standard are provided under Item 1 of Table 3.1.2–1), no social assistance is allocated to such family (person) and, on the contrary, if the value of the property owned is below the property value standard, then the family’s (person’s) income is assessed based on which the amount of the social assistance is calculated. If the family’s (person’s) calculated income is too high for the allocation of a social benefit or compensations, such family is not eligible for social assistance.

Property value standard per family (person) is established as a sum total of the determined immovable property standards and movable property and various valuables standard for the family (person). The value standard of each type of immovable property is determined by multiplying the standard of a certain immovable property by the average market value of such property (values of such property are adjusted on a yearly basis). Family (person’s) income includes all income, other than one-off benefits and compensation of a social character, other than compensations to handicapped individuals for transport, for the acquisition of specialised cars and for their technical maintenance, compensations to diabetics, donors, nursing benefits to individuals with total disability, insurance payments, and paid alimonies, received by each family member. Similarly, social benefit or compensations received are not included in the income.

To decrease the number of certifications required from individuals on the property owned by the family (person), on the allowances received, etc., resorting to the developing possibilities of information technologies, the Law entitles municipalities to obtain, free of charge, information on families (persons) who have applied for social support from databases of other state and municipal entities, institutions, establishments, and organisations. Families (persons) have only to submit the documents that municipalities are not in the position to obtain directly from entities, institutions, establishments, and organisations.

**Family notion in the social assistance system**

The Civil Code of the Republic of Lithuania that regulates family relations contains the following comment: “The Civil Code does not contain any general definition of the notion “family”, as family is a sociological category rather than a legal one. Besides, in a historic perspective the notion of a family is subject to change. However, the Civil Code defines the notion of a family by describing the notion of a “family member”. Therefore, from the legal point of view a family is a group of persons (two or more) that are related by property and personal non-property legal relations that arise out of marriage, life together without registered marriage, blood relationship, child adoption or out of any other type of legal forms of child care and upbringing.”

Based on such comment, family relations arise not necessarily on the basis of a marriage.

In order to define subjects of support regulated under the Law on Cash Social Assistance to Low-Income Families (Persons who Live Alone), it defines the notion of a family: “A family are spouses or persons living together, also, a married person with whom, upon a court judgement on separation of spouses, their children have remained, or one of the parents, their children and adopted children up to 18 years of age. A family composition also includes young students and full-time students of educational establishments from 18 to 24 years of age who are not employed and who are not married nor live together with any other person.”

**Responsibility for maintenance of children**

Now that there is developed support to a family and a variety of benefits in cases when children are being brought up by one of their parents, cases have become quite frequent when families deliberately deteriorate their family and material condition, avoid responsibility for maintaining their children, and abuse State support.

This has been evidenced by family statistics. Over the recent decade, the number of children borne without marriage has doubled. Every fourth baby is born without marriage, and the majority of such children (67 per cent) are registered only upon their mother’s application without indicating the child’s father.

Thus, parents are released from the responsibility of child maintenance. It happens so that State funds that could be used to support families to a greater extent are spent for the support of children who are not supported by parents. As can be seen while practically granting the support, quite often children in families are maintained by both parents, however, in cases where a child is registered only at the mother’s application, support to low-income families is resorted to.

Under both international and Lithuanian legal acts that regulate the rights of a child the responsibility for a child, for a child’s maintenance is primarily prescribed to parents. The state undertakes the responsibility to contribute to social security of a family, where parents have resorted to all possibilities for income generation.

The Constitution and the Civil Code of Lithuania emphasise the responsibility of parents for the maintenance
of their children. The Civil Code states, that “parents must materially maintain their underage children. Material maintenance of their underage children must be provided by both parents proportionately to their property standing”. According to the Civil Code, the rights of children born to unmarried parents and the rights of children born to married parents are equal. First of all, it is the both parents that are responsible for the maintenance of their child (children), irrespective of being married or not married.

The State guaranties a minimum level of subsistence to families, where parents have resorted to all possibilities for income generation. However, where an individual or a family applies for state support, their duties and liability arises in connection with the receipt and use of such support.

Rights of municipalities and duties of support recipients

Seeking to alleviate the social exclusion of the recipients of social assistance and avoid granting of the assistance to those having illegal income, provisions have been made to expand the rights of municipalities and define the rights of the support recipients.

Family members registered with the State territorial labour exchanges are posed requirements to fulfil the obligations provided in the individual employment schedules defined by territorial labour exchanges, while the employable members of the family having at the moment no job are obliged to participate in the social integration measures organised by municipalities. This provision grants municipalities the right to use the employable recipients of social support in the voluntary works organised by the municipalities.

Municipalities are also authorised to inspect the living conditions of the family (person), the property possessed thereby, its status of employment, document reports on the inspection of living conditions and, based on such report, take decision concerning the entitlement of the family (person) to the monetary social support.

To families (persons) failing to fulfil the requirements stipulated in respect of support recipients the municipalities may choose to grant the social assistance in the form of services.

Seeking to ensure an expedient use of the resources and the continued development of social integration measures in respect of risk families, the Law provides for a social support administration fee which amounts to 4 per cent of the total amount of the support.

Thus, in the event a family (person) applies for social assistance, it shall in the first place be required to earn all the income it can possibly earn by its own efforts, i.e., apply for the benefits it is entitled to, the employable members of the family actively seek employment via the measures provided by the territorial labour markets, all measures taken to establish the paternity of a child born out of unmarried persons, child maintenance established in respect of these children and children of divorced parents by agreement approved by court, or by court ruling, etc.

This is the ultimate assistance granted to persons who, due to objective reasons, are not able to earn sufficient earning to ensure their living, also in cases they do not awarded any support from other sources, or such assistance is not sufficient, in particular the support from the social security system (pensions, social benefits, compensations, provided services, etc.)

Legal acts and regulations needed for implementing the Law on Cash Social Assistance to Low–Income Families (Persons who Live Alone) will be worked out and passed by January 1, 2004. First, methodology of the appraisal of property of families (persons) applying for social assistance. In this respect measures will be taken to develop the software on the appraisal of property which subsequently will be implemented in municipalities. Besides, it is necessary to design the formats of the application for social assistance, formats of the inspection of living conditions, the procedure for involving persons for public works, standards of income from the agricultural activity, etc.

Development of assistance to low–income families raising children of pre–school age

Funds form the State budget are allocated to arrange for free school meals of schoolchildren in schools of general education. The responsibility for the use of such funds lies with the founders of the schools: municipality Councils, County governors, the Ministry of Education and Science. Annual allocations for free–meals of schoolchildren from the State budget amount to LTL 60 m, providing about 160,000 schoolchildren which free meals at school (28 per cent of the total number of pupils in all schools of general education).

In an attempt to assess the efficiency of the use of the funds allocated from the State budget, a scientific investigation was conducted in 2002, and in 2003 the Ministry of Social Security and Labour performed an audit of the use of the State funds.

The findings of the investigation and the audit proved that municipalities choose different patterns for application of the provisions governing the organisation and funding of free meals for school children:
– in certain municipalities funds are allocated exclusively for the purchase of food products, while in others funds are used to cover the meal preparation costs (salaries to cooks, costs of utilities, etc.). Violations were established in some municipalities when the appropriations granted by the State were used not as targeted, rather, they were used to purchase the inventory for school canteens, cover the costs of the repair works in the school canteens, etc. Most such
cases take place in schools where free catering services are provided by private catering companies.

- in a number of cases where a pupil does not arrive to school, he is not granted any free meal, while in other instances such pupils were given packed meals at the price equal to the amount of the child’s entitlement to free meals;

According to the data of the said investigation in 2002, 57 per cent of founders of schools were using the funds from the State budget for the acquisition of food products covering other costs of arrangement of free meals out their own budgets. The remaining 43 per cent of the school founders used the funds of the State budget not only for the acquisition of food products, but also to cover other expenses incurred in relation to food preparation.

The established amount of daily allocation for free lunch is LTL 3.00 per person. In schools that used the funds exclusively for the acquisition of food products, the actual allocation was LTL 2.1, while in other schools which have chosen to cover part of the food preparation expenses the daily allocations were as little as LTL 1.77. Around 23 per cent of the allocation for free lunch was used to cover other expenses. However, cases have been registered where meals were subject to excessive mark-ups (40–50 per cent), as a result failing to ensure the minimum amount of food as a necessary daily allowance per schoolchild.

Seeking to ensure that free meals are provided only to those children that most need them, also that school children are provided with quality and full value meals, the Programme of State support to low-income families raising school-age children was drafted in 2003. The Programme will provide an exact definition of the purpose of the State budget allocations, provisions concerning the organisation of free school meals of schoolchildren, appropriate and the sources of funding.

The provision of free meals free meals also serves an important incentive for children of needy families to attend school. Nevertheless, every year, at the approach of the new school year, needy families lack funds to purchase the most necessary school items for their children, such as notebooks, sport outfit, etc. Quite frequently this determines a decision not to allow the children to attend school.

According to the data of the Ministry of Social Security and Labour, in 2002, out of 60, 47 municipalities allocated funds from their own budgets, took measures to identify sponsors or organised charity actions to support children from needy families. Support in the form of textbooks, training literature, sport suits was granted to over 20,000 children of school age. On average, support granted per child amounted to LTL 40.00.

Nevertheless, the one-off benefits from the municipal budgets are not sufficient to cover all needs, besides, not all municipalities are able to provide this kind of support. Considering that both in 2002 and 2003 the Government allocated LTL 200,000 to help the most needy families prepare their children for the new school year.

Such organised support showed that even an insignificant support is very important for needy families.

Seeking to ensure possibilities for children from needy families to attend, schools the currently considered Programme for State support to low-income families raising children contains a proposal to provide for granting of support funded by the State budget to children from needy families targeted for the acquisition of most necessary learning aids prior to each new school year.

However, one of the greatest concerns in this respect are children from families of social risk groups. Many of such children them do not attend school not because of the scanty income of their parents, but because of the negligence of the parents and their indifference to the interests of the children. The supervision over problem families should be the primary responsibility of municipalities in order to ensure that each child under 18 attends school and seeks education. Employees of the municipal social support divisions, education departments and services of the rights of the child should be visiting the problem families in order to assess the

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Recipients</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total (1.1.+1.2.)</strong></td>
<td>Thousand people</td>
<td>% of the total number of permanent residents of Lithuania *</td>
</tr>
<tr>
<td>Social assistance</td>
<td>117</td>
<td>3,4</td>
</tr>
<tr>
<td>Compensation of costs of heating of a dwelling and water</td>
<td>164</td>
<td>29</td>
</tr>
<tr>
<td>Free meals for schoolchildren</td>
<td>51</td>
<td>1,5</td>
</tr>
</tbody>
</table>

*The number of schoolchildren is indicated as a percentage of all schoolchildren of school of general education

Data provided by the Ministry of Social Security and Labour

Table 3.1.2–2
preparedness of a child to go to school, and, where necessary, notify the administration of the municipality of what support is needed for children from such families.

The total assistance during 2002 to low-income families on a means-tested basis amounted to LTL 262 m (see Table 3.1.2-2). Most of the expenditures were allocated as compensations for costs of the heating of a dwelling and expenses for water (LTL 90 m).

Over the year 2002, on average per month social benefits were allocated to 117,000 residents (3.4 per cent of the total permanent population of Lithuania).

3.1.3. EU PHARE TWINNING PROJECTS “SOCIAL ASSISTANCE REFORM AND IMPLEMENTATION OF ACQUIS – CONSENSUS III” DISSEMINATION EXPERT PROPOSALS AND EXPERIENCE OF PILOT MUNICIPALITIES

During 2001–2002, in the Ministry of Social Security was hosting the EU PHARE Twinning project “Social assistance reform and implementation of ACQUIS requirements – Consensus III”, which sought to assist Lithuania in the preparation for the EU accession in the area of social policy while providing for more stringent administration of the social support and awarded benefits.

Having reviewed and assessed the Lithuanian social support system the experts of the PHARE Twinning project drafted proposals and recommendations concerning the social support policy, procedures for planning of funds, management and control, allocation of institutional responsibilities, administration, inspections of property and income, control of payments, and other issues. Social support divisions of 4 municipalities (Vilnius, Klaipėda, Druskininkai and Jonava region), which were involved in pilot activities covering the organisation of work, administration of payments, assessment of property and income, risk management and control over payments, etc.

Seeking to disseminate the proposals submitted by EU PHARE Twinning project experts and the experience accumulated during pilot activities in municipalities, the MSSL in conjunction with the 4 pilot municipalities held workshops on the experiences of the pilot activities under the project. The workshops introduced the new work organisation methods, tested by pilot municipalities (establishment of client information and document registration divisions, compilation of a single file, the idea of establishment of an information division). Such workshops represented the efforts to provide comprehensive information to other municipalities on the optional administration methods and their advantages.

In addition, in 2003, training courses were arranged in cooperation with the Social Workers Training Centre under the MSSL. First, the course on training of teachers was used to train one teacher representing the Social support division that later on was teaching other employees of the division. These trained teachers from municipalities were offered training courses in subjects like customer servicing, assessment of the client’s material condition, and identification of applicants for social support assessing the risk of fraud.

The training courses were arranged seeking to enable the municipality teachers to further arrange the same kind of training within own municipalities, and specialist of the municipal social support divisions are able to apply in practice the new methods of client servicing and assessment of the material conditions, as well as the new methods of risk management. The quality of client servicing was thus considerably improved, by implementing methods to more accurately assess them material conditions of the applicant, records of all applicants were distinguished by risk groups, alongside conducting the examination of large risk cases. The more stringent control is devised to ensure that support is allocated only to those who are actually entitled to it.

Over the year 2004 this kind of research and assessment of pilot activities will be conducted in all municipalities of Lithuania.

Conclusions

In the year 2002, total allocations in support to families and children amounted to LTL 520 m. A comparable amount – LTL 260 m was allocated in assistance to needy families (persons who live alone) granted on the means-tested basis, as well as families raising children and children deprived of parental care that is granted regardless of benefits paid in respect of their income. The major part was allocated for benefits to families raising children (LTL 193 m) as compensations for costs of heating of a dwelling and domestic water (LTL 107 m), and social benefit (LTL 90 m).

In 2003, drafting of the Law on Allowances to Children of the Republic of Lithuania was initiated and will seek to find ways to encourage families to raise and maintain their children by their own efforts. Other purposes of the said Law is to reform the system of support to children deprived of parental care and ensure the utilisation of benefits for the needs of the children by developing social services provided to families. The Law is scheduled to come into effect on July 1, 2004. The restructuring of State support to children raising families was initiated in view of a higher level of poverty among children raising children under 18, the growing number of social risk families, continuously declining birth rate, that is no longer able to ensure the replacement of generations, and other factors. The Lithuanian system of support to families is distinguished from that applied in other UE Member States: not each child before attaining majority is supported, the amount of support to
guardians of a child is by 4 times exceeding the amount of support to families raising own children. The objectives of the reforms in the system of support to families raising children was to enhance efficiency of support to children deprived of parental care, and ensure the utilisation of benefits allocated for children for the satisfaction of their needs.

The new Law on Cash Social Assistance to Low–Income Families (Persons who Live Alone) will become effective on April 1, 2004. The Law establishes a uniform system of cash social assistance based on the principle of income and property appraisal which ensures minimum funds for needy population for food and payment for the main utilities, also, socially more fair distribution of funds for social assistance. Therefore, it is envisaged to allocate assistance to families, if their property is not above the property value determined on the basis of the average market price in their relevant region, and their income is indeed inadequate to satisfy priority needs. Besides, the entitlement to social benefits shall be provided in respect of persons who have been registered with the territorial labour exchanges as seeking employment for a period not shorter six months.

Thus, in the event a family (person) applies for social assistance, the applicant shall in the first place be required to earn all the income it can possibly earn by own efforts, i.e., apply for the benefits it is entitled to, the employable members of the family actively seek employment via the measures provided by the territorial labour markets, all measures are taken to establish the paternity of a child born out of unmarried persons, child maintenance established in respect of these children and children of divorced parents by agreement approved by court, or by court ruling, etc. This is the ultimate assistance granted to persons who, due to objective reasons, are not able to earn sufficient earning to ensure their living, also in cases they are not awarded any other support from other sources, or such support is not sufficient, in particular the support from the social security system (pensions, social benefits, compensations, provided services, etc.)

Seeking to ensure that free meals are awarded only to those children who really need such support and also that children are provided with quality and full value food, in the year 2003 the drafting of programme of State support for low–income families raising school–age children was initiated. The programme will provide an accurate definition of the purpose of the funds granted as State support, provisions concerning the organisation of free school meals for schoolchildren, responsibilities and sources of funding. In addition, the said draft programme includes a proposal to introduce support by using the funds of the State budget to children from needy families in order to supply them with items of first necessity thus providing conditions for children from needy families to attend schools.

During 2001–2002 the Ministry of Social Security and Labour was hosting the EU PHARE Twinning project aimed at assisting Lithuania for its EU membership, development of social support policy and strengthening of administration of payment of social support and benefits. In an attempt to convey the proposals made by the EU experts and experience gained in 4 pilot municipalities to social support divisions of all municipalities, the framework of the project included a number of workshops and training activities.

3.2. SOCIAL WORK AND SOCIAL SERVICES

In the area of social services all efforts were made to proceed with the National Social Services Infrastructure Development Programme which included training activities in the area of attestation of social workers designed to provide social workers–practitioners who have not acquired any professional training with the basics of social work and assess their professional competence eventually conferring them with an appropriate qualification category. The World Bank has approved the proposal of the Ministry of Social Security and Labour to use the remaining part of the World Bank loan for the Social Policy and Communal Social Services Development Project for the purposes of strengthening strategic partnership, thus the programme of strategic partnership was being further implemented.

The Social Services Infrastructure Development Programme

The purpose of the Social Services Infrastructure Development Programme is to develop the progressive forms of the provision of social services at community level by establishing the social services network in municipalities and regions and ensuring the provision of social services to most vulnerable groups of persons.

Funds allocated for the Social Services Infrastructure Development Programme are used to cover the costs incurred in relation to the reconstruction of social services institutions, overhaul, current repair works and acquisition of basic equipment and goods.

The continued implementation of the Social Services Infrastructure Development Programme provides a powerful stimulus to the initiatives of municipalities and non–governmental institutions while at the same time enhances their responsibility for the development of the infrastructure of social services.

During 1998–2002 the total allocations from the Council of Europe Development Bank and the resources of the State budget for the Programme totalled LTL 22.49 million. The projects designed to develop 48 social services institutions allowed to expand the scope of the provision of such services; such services were offered to 2,268 new
customers; 414 new jobs were created.

During 2002, funds allocated from the State and municipal budgets facilitated the implementation of a number of projects, including those designed for development of 9 outpatient social services institutions, including 3 institutions for elderly people, 2 for children of risk group, 3 for the disabled and 1 for persons of social risk groups. LTL 1.2 m were allocated for the implementation of these projects which created conditions to provide social services to 447 new customers and created 6 new jobs.

The year 2002 also witnessed the completion of projects since 1999 jointly funded using the resources of the State budget and the Council of Europe Development Bank and designed to development of ten major institutions of social service.

Allocations for the Social Services Infrastructure Development Programme from the State budget, Privatisation Fund and the Council of Europe Development Bank for the year 2003 amount to LTL 5.7 m which will be used to implement 35 new projects aimed at the development of 35 social services institutions.

The Ministry of Social Security and Labour prepared the draft Resolution of the Government of the Republic of Lithuania “On the Social Services Infrastructure Development Programme for 2004–2006” according to which the implementation of the Programme will be extended up to the year 2006.

Programme for Attestation of Social Workers

During 2002, within the programme for attestation of social workers, training was organised specifically for social workers not having appropriate professional qualifications.
Such training activities were attended by social workers of State, municipal, and non-governmental organisations, religious communities and private institutions providing social services. Following the training the professional competence of the social workers was assessed and appropriate qualification categories were assigned to the attendees.

During 2002, 398 social workers were enrolled in attesting training courses the itinerary whereof included the presentation of theoretical training modules approved by the Ministry of Social Security and Labour.

During 2002, 665 social workers were conferred appropriate qualification categories. The High Certification Commission has conferred 23 social workers with the qualification category of an expert social worker, and 23 social workers with the qualification category of a leading social worker. A number of social workers were conferred appropriate qualification categories by the County Certification Commission, including 247 senior social workers, 134 social workers, 146 junior social workers, and 92 assistant social worker.

The programme for attestation of social workers contributed significantly to the enhancement of professional competence and upgrading of qualifications of social work specialists which in an indispensable precondition for the provision of quality social services.

The survey “The analysis of education of the needs of social workers in Lithuania”, conducted by the Ministry of Social Security and Labour showed that the programme enabled social workers practitioners to acquire the minimum theoretical knowledge and encouraged them to improve their professional image, and, none the less important, the programme created the environment conducive to the establishment of professional relationship between the practitioners of social work and universities and establishment of higher education.

**Strategic partnership**

The implementation of the strategic partnership arrangements creates possibilities to enhance the efficiency of planning of development of the social area at the municipal level, carry out the assessment of such development and identify the need for social assistance, as well as provide for most efficient ways and methods of the provision of social assistance.

The information obtained while implementing the agreement between the Ministry of Social Security and Labour and municipalities enables the parties concerned to design the strategy of the development of social support and contributes to the most efficient substantiation and distribution of resources among the different types of social services and monetary benefits. Such activities ensure that social support is provided for those who need it most, incentives are provided for in respect of voluntary social services by customizing them for individual groups of the population and making them complementary to the social support provided by the State.

Indicators obtained through the activities carried out under the strategic partnership agreements are expected to assist the Ministry of Social Security and Labour in designing the social policy and assessing the results of the implementation of the social support policy.

A set of indicators compiled in 2002 will be used to assess the efficiency of the social support policy being implemented, social assistance, investigate and assess the quality of social support and the efficiency of administration, as well as plan the trends of the social policy in the future. Requirements for the software to be operated have been designed supplemented by the description of such requirements, detailed technical specification of the software and operating system and the standard programme to be introduced and operated in all municipalities and the Ministry of Social Security and Labour.

In 2002, based on the results of the research, the experts updated “The strategic partnership agreement” including an Annex thereto “Social support information systems” which was presented to municipalities. The purpose of the research was to develop methodological instructions on comprehensive, reliable and uniform registration of social support provided in municipalities, as well as the overview of technical capacities operated by municipalities. The findings of the research made it possible to outline the actual technical possibilities of the municipalities and provide for specific measures aiming at improvement of the existing situation.

**Legal acts drafted by the Social Work and Social Services Department**

The Resolution of the government of the Republic of Lithuania approved the “Concept of the reform in the provision of social services”\(^1\). The purpose of the concept is to outline the directions for the future development of social services which would meet the needs of today, create the preconditions for more efficient development and maintaining of the national social services system. Moreover, the concept is expected to become instrumental in outlining the reform of the social services funding system, implementation of procurement models and development of the requirements to and mechanism of the assessment of quality and control of the social services provided.

The Order of the Minister of Social Security and Labour approved the wording of the “Procedure for Approval of

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Qualification Requirements for Social Workers and the Procedure for their Attestation”1, and “On the Approval of Regulations for County Commissions of the Attestation of Social Workers”2. Having these legal acts approved the Counties were provided a regulatory basis for the conferment of the qualification categories of the assistant social worker, junior social worker, social workers and the leading social worker in their respective counties. Also criteria for acquiring certain qualification categories by social workers were approved.

The Minister of Social Security and Labour passed the order “On the Approval of the Commission for the Assessment of the Qualification of Social Workers and the Regulations of Such Commission”3. The Regulations provided for the criteria for assessment of professional qualifications of persons who have acquired the social worker’s qualification abroad and apply to engage in social work in Lithuania, as well as the procedure of the activities of the Commission for the assessment of the professional qualifications of social workers.

“Regulations of the selection of projects on the development of infrastructure of social services for 2003”4. The Regulations set forth the criteria for the assessment and selection of the projects submitted under the Social Services Infrastructure Development Programme in 2003, as well as the mechanisms for funding and administration of the winning projects, as well as institutions responsible for the enforcement of such mechanisms.

The Order of the Minister of Social Security and Labour “On the Amendment of Order No. 70 of July 10, 2000 of the Minister of Social Security and Labour “On the Approval of the Social Services Catalogue for 2000”5 introduced some updating in the qualification and the concepts of social services.

The Order of the Minister of Social Security and Labour “On the Requirements to the out-patient social services institutions”6 established the minimum requirements for the out-patient social institutions, the procedure of activities of such institutions, the rights and duties of customers, requirements to the staff members, the services provided thereby, premises, environment and the procedure for admission of clients to such institutions.

The Law amending the Law on the Provision of Social Services is currently being drafted the purpose whereof being to regulate the procedure of organisation, provision and reception of social services, by providing a more precise definition of the responsibilities of the State and municipalities, providers of social services and requirements applicable to such service providers. Also the amendment to the Law seeks to develop a clear-cut differentiation of the groups of recipients of social services on the basis of complexity of social services provided and the peculiarities of requirements applicable thereto, also to specify the principles of controlling, purchasing, financing of social services and payment for such services though the introduction of the procedures for licensing of social services institutions and the standards of social services in the Republic of Lithuania.

3.3. PROTECTION OF THE RIGHTS OF THE CHILD

3.3.1. INSTITUTION COORDINATING ENFORCEMENT OF THE RIGHTS OF THE CHILD

To improve the enforcement mechanism of the children’s rights protection policies and to promote inter-ministerial cooperation in that sphere, on 24 September 2002, the Seimas of the Republic of Lithuania passed a Law on the Amendments and Supplements to Articles 59 and 61 of the Law on Fundamentals of Protection of the Rights of the Child. Under the new law, the Seimas, Government, ministries, prosecutors’ office and other public institutions are to draw up and enforce the measures of protection and defence of children’s rights within the framework of their competence established by the Constitution, the mentioned law and other legislation of the Republic of Lithuania, while the Government must appoint one ministry to manage the sphere of protection and defence of children’s rights and define the competence of other ministries.

For the purpose of enforcement of the provisions of that law, in October of 2002, the Family, Children and Youth Department was established in the Ministry of Social Security and Labour ("the Ministry"), and on 6 February 2003, by Order No 194 of the Government On the Assignment to the Ministry of Social Security and Labour the Sphere of Protection of the Rights of the Child and Establishment of the Competence of Other Ministries, the Ministry was appointed to supervise over the sphere of protection of children’s rights. The competence of other ministries, e.g.

2 Order No. 132 of October 21, 2002 of the Minister of Social Security and Labour “On the Approval of Regulations for County Commissions of the Attestation of Social Workers” (Official Gazette, No. 102–4490).
Education and Science, Justice, Health Care and Interior, in the sphere of protection of the rights of the child was established by the same Order.

At the municipal level the responsibility for the protection of children’s rights and defence of their legitimate interests lies with the Agency for Protection of Children’s Rights, which is a structural unit of the municipality’s administration. Under the general regulations of the agencies for protection of children’s rights, their major tasks are related to supervision over placement and keeping the child in custody and adoption matters. Such agencies also play a major role in the organisation and coordination at the municipal level of inter-agency cooperation in the matters relating to the child and child’s family and collection of statistical data about children. Within the framework of their competence, the agencies bear responsibility for and participate in the investigation of various infringements upon children’s rights (violence against children, involvement of children in illegal work, etc.) and arrangement of help to such children. It is also within the competence of such agencies to provide methodological assistance to the staff of municipal institutions in charge of protection of children’s rights and to consult parents, teachers, educators as well as children on the issues relating to protection of children’s rights, their custody (care), adoption and offence prevention.

In 2002, along with the implementation of the public administration reform and enforcement of the Law of the Republic of Lithuania on Public Service, the review and adjustment of municipal administration structures took place. The function of public administration was delegated to municipal agencies for protection of children’s rights. In 2002, 60 municipal agencies had 210 public servants responsible for protection of children’s rights on their staff.

With a view to the significance of the work performed by the agencies and striving to provide them with better financing, in 2002 the Seimas of the Republic of Lithuania passed a Law on the Amendments and Supplements to Articles 7 and 8 of the Law of the Republic of Lithuania on Local Self-Government, under which protection of children’s rights became a public function (delegated to municipalities) and its financing as of 1 January 2003 was provided as a special-purpose donation to municipalities with additional funds allocated for the purpose of putting 25 new public servants on their staff.

In 2002, the Ministry circulated a questionnaire among the Agencies to find out about changes that took place in their work after 1 July 2001 with entry into force of the new Civil Code and about the tendencies that emerge in the sphere of representation of children and protection of their rights and rightful interests in civil relationships. The results of the questionnaire were as follows: during 2002, the Agencies delivered 16,062 opinions, 1,166 applications, 78 requests and 1,144 statements of claim to courts, most of them relating to protection of personal and property rights of children, representing children in family disputes about divorce, establishing place of residence of a child, establishing parents’ right to access, establishing a child’s share in property, and protecting children’s rights in the cases of parents eviction from dwellings. During the same year, 96 lawsuits were initiated by the Agencies against individuals who used violence against children. Data on the work load of municipalities relating to the enforcement of the provisions of the Civil Code are provided in the following tables: (see tables 3.3.1–1–3.3.1–4)

<table>
<thead>
<tr>
<th>Table 3.3.1–1</th>
<th>Representation of children’s rights in civil and criminal judicial proceedings in 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No</strong></td>
<td><strong>Representation of the rights of the child in the court relating to:</strong></td>
</tr>
<tr>
<td>1</td>
<td>Temporary or unlimited restriction of parental powers</td>
</tr>
<tr>
<td>2</td>
<td>Challenge of paternity (maternity)</td>
</tr>
<tr>
<td>3</td>
<td>Living in separation of spouses having common underage children</td>
</tr>
<tr>
<td>4</td>
<td>Disputes concerning the child</td>
</tr>
<tr>
<td>5</td>
<td>Recognition of marriage null and void when one or both spouses are underage</td>
</tr>
<tr>
<td>6</td>
<td>Decrease of marriageable age</td>
</tr>
<tr>
<td>7</td>
<td>Recognition of the underage child as being of full legal capacity (emancipated)</td>
</tr>
<tr>
<td>8</td>
<td>Adoption</td>
</tr>
<tr>
<td>9</td>
<td>A child being a suspect of crime (and the preliminary investigation being in process)</td>
</tr>
<tr>
<td>10</td>
<td>Other (to be specified)</td>
</tr>
</tbody>
</table>

Data of municipal Agencies for Protection of Children’s Rights.
In the process of implementation of the Government Programme of 2000–2004 and trying to improve the work of the Agencies and their assets, a special Programme was drawn up encompassing allocation of funds for training of their staff and augmenting of their resources.

### Representation of children’s rights: statements of claim filed with courts in 2002

<table>
<thead>
<tr>
<th>No</th>
<th>(Total) Statements of claim filed with courts relating to:</th>
<th>Number of cases</th>
<th>100% of the total number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Temporary or unlimited restriction of parental powers</td>
<td>955</td>
<td>83,5</td>
</tr>
<tr>
<td>2</td>
<td>Establishment of paternity</td>
<td>38</td>
<td>3,3</td>
</tr>
<tr>
<td>3</td>
<td>Recognition of marriage null and void when entered into in violation of the law</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>4</td>
<td>Failure by underage parents (or one of them) to discharge their duty to provide for their underage children</td>
<td>91</td>
<td>8,0</td>
</tr>
<tr>
<td>5</td>
<td>Establishment of descent of a child from a mother</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>6</td>
<td>Increase or decrease of maintenance awarded to the child</td>
<td>13</td>
<td>1,1</td>
</tr>
<tr>
<td>7</td>
<td>Use of the child’s maintenance for other purposes than the interests of the child</td>
<td>1</td>
<td>0,1</td>
</tr>
<tr>
<td>8</td>
<td>Other (to be specified)</td>
<td>47</td>
<td>4,1</td>
</tr>
<tr>
<td></td>
<td>Total number of claims filed with the court</td>
<td>1144</td>
<td></td>
</tr>
</tbody>
</table>

Data of municipal Agencies for Protection of Children’s Rights.  
Table 3.3.1.–2

### Representation of children’s rights: opinions filed with courts in 2002

<table>
<thead>
<tr>
<th>No</th>
<th>Opinions filed with courts relating to:</th>
<th>Number of cases</th>
<th>100% of the total number of opinions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Disputes between parents concerning the child (children)</td>
<td>2476</td>
<td>15,4</td>
</tr>
<tr>
<td>2</td>
<td>Disputes concerning children</td>
<td>936</td>
<td>5,8</td>
</tr>
<tr>
<td>3</td>
<td>Decrease of marriageable age</td>
<td>213</td>
<td>1,3</td>
</tr>
<tr>
<td>4</td>
<td>Family real estate transactions</td>
<td>10536</td>
<td>65,6</td>
</tr>
<tr>
<td>5</td>
<td>Adoption</td>
<td>224</td>
<td>1,4</td>
</tr>
<tr>
<td>6</td>
<td>Other (to be specified)</td>
<td>1455</td>
<td>9,1</td>
</tr>
<tr>
<td></td>
<td>Total number of opinions filed with courts</td>
<td>16062</td>
<td></td>
</tr>
</tbody>
</table>

Data of municipal Agencies for protection of children’s rights.  
Table 3.3.1.–3

### Representation of children’s rights: applications filed with courts in 2002

<table>
<thead>
<tr>
<th>No</th>
<th>Applications filed with courts relating to:</th>
<th>Number of cases</th>
<th>100% of the total number of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Modification or cancellation of the permission to perform certain actions given by the court to one of the spouses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Recognition of the underage child as being of full legal capacity (emancipated)</td>
<td>10</td>
<td>0,9</td>
</tr>
<tr>
<td>3</td>
<td>Placement of a child under permanent custody (care)</td>
<td>654</td>
<td>56,1</td>
</tr>
<tr>
<td>4</td>
<td>Dismissing of appointed permanent custodian when he/she is considered not to fulfill his duties or misuse them</td>
<td>17</td>
<td>1,5</td>
</tr>
<tr>
<td>5</td>
<td>Other (to be specified)</td>
<td>15</td>
<td>1,3</td>
</tr>
</tbody>
</table>

Data of municipal Agencies for Protection of Children’s Rights.  
Table 3.3.1.–4
3.3.2. SOCIAL WORK WITH THE CHILDREN FROM SOCIAL RISK GROUP FAMILIES

With a view to the steadily rising number of social risk-posing families during recent years and the number of children in such families, and after the assessment of the results of scientific research commissioned by the Ministry for the purpose of evaluation of Lithuania’s institutional child care system, and due to the lack of community services, especially social work with families, to promote social work with such families and cooperation with non-governmental organisations in the sphere of provision of social services, the Ministry has drawn up the National Programme for 2000–2004 of Children’s Day Centres Organised by Non-governmental Organisations, which was approved by Order No. 731 of the Government on National Programme for 2000–2004 of Children’s Day Centres Organised by Non-governmental Organisations (NGOs).

Day centres participating in the programme Provide proper conditions for children’s socialisation, early prevention of juvenile delinquency and rendering of social services to problematic families. Social work is carried out with the families of children who attend day centres, parents are motivated to take better care of their children and children’s education. Psychological and pedagogical assistance and consultations are available to parents to a certain extent.

600 thousand litas from the state budget were assigned in 2002 to finance operations of day centres. Out of 49 projects that competed in a tender 40 were awarded financing. During 2002, social services were provided to 1,693 children and their families.

Evaluation of the first-year results of the Programme showed that consistent and comprehensive work with the families of children attending day centres added a lot to the improvement of mutual relationships between the child and his/her parents and helped the families tackle with the arising problems by themselves. We believe that the expanding social work with social risk-posing families will decrease the number of such families and preconditions for separation of a child from his/her family and placement him/her in temporary custody. This will also cut down the risk of involvement of children in illegal commercial abuse – prostitution, pornography, etc.

3.3.3. VIOLENCE AGAINST CHILDREN AND THEIR COMMERCIAL SEXUAL EXPLOITATION

Under the Government Programme of 2001–2004 attempts are required to implement specific preventive measures against exploitation of children, spread of drugs, involvement of children in prostitution and other crime. In 2002, the National Programme Against Commercial Sexual Exploitation and Coercion of Children approved by Order No. 29 of the Government on the National Programme Against Commercial Sexual Exploitation and Coercion of Children dated 11 January 2000 was pursued within the framework of the Declaration and an Agenda for Action adopted by the World Congress Against the Commercial Sexual Exploitation of Children that took place in 1996 in Stockholm (Sweden). A strategic aim of the Programme is to create a system of preventive measures against making children victims of sexual violence and commercial sexual exploitation. A tactic aim of the Programme is to identify the most important reasons of commercial sexual exploitation of children and sexual violence against them, the ways of dealing with such reasons, and to choose the most adequate tools to achieve the strategic aim. In the process of implementation of the Programme, the following was accomplished by the Ministry of Social Security and Labour in 2002:

- Methodological aids have been prepared for pedagogues, social and medical workers facilitating their work with children who were subjected to sexual abuse. Specialists working with children are expected to increase their knowledge about sexual violence against the child and their methodological skills will hopefully improve thus making their work easier under such circumstances. On the other hand, problems still remain in this sphere. It is difficult to disclose such crime since often it is latent. In avoidance of emotional tension (especially when violators are close relatives of the child) and manifold questioning, victims rarely report about the experienced wrong.
- A national group of experts has prepared a Uniform Basic and Specialised Training Curricula for specialists: police officers, prosecutors, judges, pedagogues, social educators, health care personnel, social workers and psychologists. Based on such curricula training was organised for specialists. More than 350 specialists completed training courses in that sphere.
- In order to compile a uniform data base on commercial sexual violence against children a Victimised Child Questionnaire Project has been worked out the implementation of which would allow collection and exchange of information through computerised data bases among institutions concerned about sexual abuse of children.
- In 2002, specialised training courses on identification of instances of violence against children and assistance to victims were organised to various specialists (staff of municipal authorities for protection of children’s rights, pedagogues, social educators, psychologists, police officers and medical staff) based on the specially compiled curricula. The training was provided to 207 specialists. The major purpose of the training was briefing the specialists about types of violence, teaching them to spot children subjected to violence and offer them any possible help and
assistance, and to make the specialists aware of the existing problems in legal framework. Those working with minor victims of sexual violence and their families also received training on the improvement of interagency cooperation skills and practices.

- In its endeavours to implement the recommendations of the Council of the Baltic Sea States concerning struggle against sexual exploitation of children, Lithuania together with other Baltic Sea States participates in a joint multilateral virtual programme http://childcentre.baltinfo.org, and assisted by NGOs has developed its website Vaiko Namas (Children’s Home) (www.vaikunamas.lt). The goal of this international project is to employ information technologies for the purpose of developing a uniform regional information system about assistance to risk-group children and enabling mutual communication among various specialists.

The growing public discussions about violence against children, especially in families, and the wish to induce a closer cooperation among public institutions and specialists in detection and investigation of violence against children cases, prompted the development of The Plan of Urgent Actions in Combating Violence against Children. The Plan was approved by Order No. 125 of the Minister of Social Security and Labour on 16 October 2002 and signed by the ministers of Justice, Interior, Education and Science, and Health Care. The Plan has constituted the basis for review of office regulations of educational, health care and social security institutions and the police. It also aims at elimination of inter-institutional cooperation barriers and establishment of duties and responsibilities of certain workers engaged in detection of cases of violence and provision of help to victimised children. There are also intentions to provide education to the public in general about acceptance to risk-group children and enabling mutual communication among various specialists.

Under the general regulations of the Agencies for Protection of the Rights of the Child, such agencies play a major role in collecting reports on victimised children and providing such children with assistance. Municipal Agencies for Protection of Children’s Rights within their competence provide methodological assistance to the personnel of municipal institutions engaged in protection of children’s rights, consult parents, teachers, educators and children on the issues relating to protection of children’s rights, foster placement, adoption and prevention of offence.

The Law on the Amendments and Supplements to Articles 59 of the Law on Fundamentals of Protection of the Rights of the Child was adopted on 3 August 2001. Under that law, when parents (either father or mother) or any other lawful representative of a child abuse their powers by using violence against the child thus posing danger to the health or life of the child, the state authority for protection of children’s rights alone or together with the police shall without delay take the child from the parents or other lawful representatives and place the child in custody (care) as stipulated in the Civil Code of the Republic of Lithuania. The state authority for protection of children’s rights shall promptly notify the child’s parents or lawful representatives about the fact of having taken away the child and placed him/her in custody (care).

Three hundred and eighty-nine cases were recorded in 2002 when children were urgently taken away from their families due to violence against them; 213 statements on administrative violations of law were issued against violators, and 510 criminal actions were filed against violators, 96 of which were filed at the initiative of the agencies for protection of children’s rights. In 2002, in 135 cases preliminary investigations were carried out or the cases were dealt with in the court. In 2002, two hundred and seventy-two lawsuits were heard and violators sentenced, and 70 lawsuits were closed. In 2002, in the territory of the municipality assistance was organised for victimised children: psychologist’s consultations to the child and the family, assistance provided by the social pedagogues of the school, social work with the family, social services (day centres) to children, placement of children in municipal temporary care groups or in temporary custody (care).

For the purpose of effective prevention of violence against children, improvement of cooperation between the police and other institutions concerned in their efforts to guarantee safety and exercise of the rights of the child, on 3 October 2002 the commissioner general of the police signed his instruction on Intensification of Prevention of Violence against Children. In the process of implementation of the instruction, police officers together with the administration of educational institutions hold regular discussions about negative processes that take place in schools, communication problems among children and groups of children as well as other negative factors that cause violence against children; they also record and analyse recorded cases of violence against children, and based on the results of such analyses plan preventive measures to be carried out jointly with the agency for protection of children’s rights, pedagogues, medical people and NGO representatives. Moreover, they prepare purposeful preventive and socialisation programmes. Some police institutions carry out active preventive activities, e.g. Mother and Child Protection Centre has been established under the auspices of the police commissariat of Panevėžys region.

The extent of violence against children is very difficult to establish since this concerns personal relationships between the child and the adults who often are relatives. Moreover, the number of cases when children use violence against other children without any involvement of adults is growing.

According to the polls “Jaunimo Balsai” (the voice of
the young) organised by the Lithuanian National UNICEF Committee among children and youth, violent behaviour (either psychological or physical) is characteristic to 65% of Lithuanian families (55% in West European countries); 14% of Lithuanian children assert that aggressive behaviour in their families is a frequent phenomenon. Girls (58%) are more reluctant than boys (70%) to speak about violence in their families. Cases of violence are more frequent (68–76%) in large families and less frequent (57%) in small families, usually with one child. According to the data, Lithuanian children if compared to those of Western Europe, are more tolerant towards physical and psychological violence in their families and assume that violence is a way to solve the arising problems. 29% of Lithuanian children assume that the arising problems may be settled by means of discussion (51% in Western Europe), while 46% of Lithuanian children suppose that sometimes problems may be settled by shouting (11% in Western Europe).

Based on the data provided by municipal agencies for protection of children’s rights, 1,134 cases of violence against children were recorded in 2002, ninety two of which were sexual violence (see Chart 3.3.3.–1). In 315 cases violence was suffered from people close to the child (see Chart 3.3.3.–2). Other cases are those of minors’ violence against other minors and other types of violence.

NGOs that work with children take an active part in consulting families and providing assistance to victimised children. In Lithuania, quite a number of agencies provide psychological assistance on the telephone, and quite a number of various centres work with children of risk groups.

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### Cases of violence recorded by municipal agencies for protection of children’s rights in 2002

#### Chart 3.3.3.–1

- Sexual violence: 8%
- 92%

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### Cases of violence recorded by municipal agencies for protection of children’s rights in 2002

#### Chart 3.3.3.–2

- Violences suffered from close people: 22%
- 78%
For the purpose of dealing with indifference of the public and tolerance towards violence, various informational and preventive campaigns are being organised. Vaiko Telefono Linija (a telephone line for children), the division of the RUL Vaiko Raidos Centras (Centre of the Development of the Child), provides psychological consultations on the phone. During 2002, 5,983 telephone consultations were provided (20,509 calls were registered). A large number of consultations were provided relating to one or another type of violence.

Since a victimised child needs a comprehensive help that can be given only by closely cooperating institutions engaged in preventive activities and rendering various services, at the initiative of the Ministry of Education and Science constants about the dangers of people trafficking. The Pedagogical-Psychological Centre of the Ministry of Education provides psychological consultations and essential information to students, parents and social workers about the ways they should organise preventive work at schools relating to people trafficking and prostitution.

3.3.4. PROTECTION OF THE RIGHTS OF THE CHILD: TEMPORARY DEPARTURE OF THE CHILD TO A FOREIGN COUNTRY

The right of the child to family ties has been regulated by Articles 3.170 and 3.172 of the Civil Code, which provide for: the child’s right to communicate with his father who does not live together; mother’s right to communicate with the child; the child’s right to directly and constantly communicate with his/her parents wherever they live and with his/her other relatives.

Temporary departure abroad of children with their parents or custodians or any other persons is regulated by the Procedure of Temporary Departure of the Child to a Foreign Country. According to the Procedure, a child may go abroad with both his/her parents (foster parents), or one of them, or with his/her custodian (carer). If the child’s parents (foster parents), custodian (carer) can not accompany the child, then the child may go with an authorised person or alone provided he/she has valid documents required for going abroad.

Before, a fairly strict requirement of parents’ consent with the child’s departure to a foreign country was applied under the Procedure of Temporary Departure of the Child to a Foreign Country valid before 2002. For a child to go abroad with one of the parents a written notarised consent of the other parent was required. During the period of validity of that procedure, however, facts showed that very often one of the parents (usually the one who did not live with and did not take any care of the child) abused his/her powers and maliciously refused to give his/her consent for the child to go on a trip abroad for a certain period. In a few instances, in consideration for the consent money or refusal from alimony was demanded from the parent raising the child. It has become clear that it was the child who suffered under such circumstances since he/she could not go for a visit, on a tourist trip, for holidays, sports competitions etc. to a foreign country. Having all this in mind and based on Article 3.165 (3) of the Civil Code saying that all issues concerning the child shall be settled by mutual agreement of both parents, as well as Article 4.1 of the Law on Fundamentals of Protection of the Rights of the Child saying that it is the child’s interests that first of all and always should be taken into consideration, in 2002 a new Procedure of a Temporary Departure of the Child to Foreign Countries was adopted aiming at making it closer to the protection of legitimate interests of the child. Under that Procedure consent of the other parent is no longer required when there is a court judgment and the child’s place of residence has been established with one of the parents.

3.3.5. PROTECTION OF CHILDREN AGAINST WRONGFUL ABDUCTION

Search in the Republic of Lithuania for individuals, including children, whose whereabouts are unknown, is carried out by the Police Department at the Ministry of the Interior and its subordinate institutions as prescribed by laws and regulations of the country.

It is established in the Code of Civil Procedure of the Republic of Lithuania that enforcement of court judgments passed in civil proceedings concerning search for debtors or children shall be carried out by the police based on the ordinances issued by bailiffs.

Search for individuals by police institutions is regulated by the Instruction on Search for Persons approved by Order No. 9RN of the Minister of the Interior of the Republic of Lithuania.

For the purpose of search for missing people, data of state registers and state/local information systems may be used as well as means and methods of operational activities, media and any other available methods. The Police Department at the Ministry of the Interior may announce search
for people through the Interpol channels.

Information about people who are being searched for is collected and processed in the national system of information on objects searched for integrated in the Schengen Information System.

In 2002, the Seimas ratified the Hague Convention of 1980 on the Civil Aspects of International Child Abduction. In Lithuania the Convention came into force on 1 September 2002 only in respect of the countries that approved Lithuania’s accession to the Convention. The aim of the Convention is prompt return to the country of wrongfully removed and retained children and guarantee of the right of custody and access.

On 21 August 2002, the Government of the Republic of Lithuania by its Resolution No. 1322 appointed the Ministry of Social Security and Labour to carry out the duties of the Central Authority under the Convention.

Any person, institution or organisation in whose opinion the child has been removed to and kept in another country in violation of the right of custody may apply to the Ministry of Social Security and Labour for help in bringing back the child and enforcement of the right of access.

To date, Lithuania’s accession to the Convention has been approved by Poland, Norway, Belgium, Uruguay, Moldova, Slovakia, China (special administrative region of Macao), Israel, Serbia and Montenegro.

There are forms of applications, approved by Order No. A1–92 of the Minister of Social Security and Labour of 5 June 2003, to request for return of a child who has been wrongfully removed from the country and retained elsewhere and for enforcement of the right of access, which help to receive detailed information about the child, the applicant, the person suspected of wrongful removal and retention of the child and other important details pertaining to the application.

Central authorities of the countries members of the Convention must cooperate with each other and promote cooperation amongst the competent authorities in their respective countries to secure the prompt return of children and to achieve the other objects of the Convention.

In 2002, there were no applications concerning wrongful removal of children received in Lithuania.

**3.3.6. PROTECTION OF THE RIGHTS OF THE CHILD AND LABOUR MARKET**

For the purpose of implementation of the requirements set forth in the UN Convention on the Rights of the Child and other international legislation on protection of children from illegal labour and economic exploitation, the minimum age for admission to employment set by Lithuanian laws and regulations complies with that established by the ILO Convention No. 138. Concerning Minimum Age for Admission to Employment and Council Directive 94/33/EC of 22 June 1994 On the Protection of Young People at Work.

The Labour Code of the Republic of Lithuania that came into force as of 1 January 2003, establishes that a person can acquire full employment–related amenability and capacity to acquire employment–related rights and create employment–related obligations (employment–related legal capacity) by his/her actions at the age of 16. The Labour Code and other labour laws also provide for exemptions.

The minimum age requirement for admission to employment or work established in the Labour Code applies to all categories of work, including those in agriculture, family farms and family businesses. Special employment conditions apply to persons from 14 to 16 years of age who are employed to do easy works that are on the list approved by Resolution No. 138 of the Government of the Republic of Lithuania on 29 January 2003. The Resolution requires that young people (under 18) should undergo medical examination performed by health care specialists (physicians) to establish the ability of the young people to do specific type of work. The conclusion about the ability to do specific type of work must be recorded in a medical certificate which people under 18 years of age must deliver to their employer. Young people must undergo medical examination when being employed and afterwards annually until they reach the age of 18. People may undergo medical examinations during working hours. An average salary for the time spent to undergo medical examination is paid by the employer (Article 265.6 of the Labour Code).

Under Article 277.2 of the Labour Code, the procedure of employment, undergoing medical examination and determination of the ability to do specific type of work as well as setting working hours, types of work that underage people are not allowed to do and list of harmful and dangerous agents are approved by the Government. Lists of works that young people are prohibited from doing and lists of harmful and dangerous agents are compiled based on Article 7 of Directive 94/33/EC.

The Labour Code provides for specific circumstances under which employment contracts for easy works may be concluded with persons between 14 and 16. When children from 14 to 16 years of age are employed, employers are bound under Article 104.2 of the mentioned Code, to require their birth certificate, a written consent from the school attended and from one of the parents or any other statutory representative of the child, as well as permission from the child’s physician. Prior to accepting adolescents from 14 to 16 years of age to work the employer must inform them and their parents or statutory representatives

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about potential dangers and ways to avoid such dangers. When signing an employment contract with young people, the employer must brief them upon their signature about their future working conditions, disciplinary rules and other regulations on the working conditions of minors, and prior to allowing them access to work must instruct them on the occupational safety matters. Children may be engaged in easy work during their holidays or other free-from-school time.

The Labour Code also requires that each company should have a list of employees under 18 and that such underage people should work only with one employer at a time if the total duration of the work exceeds that established in the Law on Occupational Health and Safety.

According to the survey Jaunimo Balsai (the voice of the young) launched by the Lithuanian National UNICEF Committee in 2001 among children and youth, 6% of Lithuania’s children work occasionally (i.e. sometimes all or part of a working day) for remuneration. The survey demonstrated a few peculiarities: there are more working boys (9%) than girls (3%); there are more working children (9%) from among respondents of a lower social-economic group than from the middle/upper social-economic group (4%); there are more working children in villages (9%) and fewer in cities (5%).

According to the 2001–2002 data of the Statistics Department, the growth of the number of children between 15 and 18 was minute (166.2 thousand in 2001 and 168.7 thousand in 2002) while the average working activity among that group of residents remained stable – 0.34% of the average number of all working people. Both in 2001 and 2002, there were more working minors in villages than in cities and almost twice as many boys as girls. It is difficult, however, to assess whether employment among children between 15 and 18 was long-term or short-term as well as how many of them had permanent jobs under employment contracts and worked unskilled or low-skilled work that did not require any special training.

The State Labour Inspectorate is responsible for the control of illegal work including that of children under 18. Within the framework of its competence, the State Labour Inspectorate is responsible for prevention of violations of laws, regulations on safety and health of workers, working relationships, and must control the abidance by the laws and other acts of law relating to application of safety and health at work guarantees to people younger than 18 years of age. According to the data compiled by the State Labour Inspectorate, there were no cases of illegal employment of minors in 2002.

In 2002, documents were compiled and on 25 March 2003, the Seimas of the Republic of Lithuania ratified the ILO Geneva Convention of 17 June 1999 Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. The aim of the Convention is to draw attention to the existing worst forms of child labour and to promote immediate and comprehensive action in order to put a ban on and eliminate such work.

<table>
<thead>
<tr>
<th>Employed children according to age groups (2001–2002)</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number</strong></td>
<td><strong>Men</strong></td>
<td><strong>Women</strong></td>
</tr>
<tr>
<td>All the employed</td>
<td>1351789</td>
<td>664468</td>
</tr>
<tr>
<td>15 years of age</td>
<td>316</td>
<td>99</td>
</tr>
<tr>
<td>16 years of age</td>
<td>511</td>
<td>390</td>
</tr>
<tr>
<td>17 years of age</td>
<td>840</td>
<td>770</td>
</tr>
<tr>
<td>18 years of age</td>
<td>2950</td>
<td>1924</td>
</tr>
<tr>
<td><strong>Total number of the employed in the age group of 15–18</strong></td>
<td>4617</td>
<td>3183</td>
</tr>
<tr>
<td>% of the total number of the employed</td>
<td>0,34</td>
<td>0,48</td>
</tr>
</tbody>
</table>

*Data of the Statistics Department at the Government of the Republic of Lithuania*
3.4. SOCIAL INTEGRATION OF THE DISABLED

In the course of the recent years considerable attention has been devoted the development of a new model of complex integration for the disabled. New priorities have been defined seeking to ensure equal opportunities for persons with disabilities, formation of the State policy in the area of rehabilitation and integration of the disabled, and establishment of a long-term framework for the formation of the State policy in this area.

Over the year 2002, the Ministry of Social Security and Labour continued to collect and systemize the information on the disabled thus seeking to identify factors having a most significant impact upon the integration of the disabled into the society. The present section of the Report presents at length the information providing a comprehensive overview of approach towards the issue of disability.

In 2002, the Government of the Republic of Lithuania approved the National Programme for the Integration of the Disabled into the Society for 2003-2012. The underlying objectives of the Programme is to ensure equal opportunities to all disabled people and their possibilities to avail themselves to all social resources, i.e., education, new technologies, health care and social services, sports and leisure activates. The main objectives and tasks envisages by the Programme are further described in detail.

Also this section reports on the most important programmes and initiatives implemented by the Ministry of Social Security and Labour in 2002 in the area of social integration of the disabled.

3.4.1. ASSESSMENT OF THE CURRENT SITUATION

The total number of the disabled persons recipients of the disability pensions in 2002 was 221,577 (representing an increase by 4.1 per cent as compared to 2001), disabled children under 16 – 13,824 (by 0.2 more than in 2001), individuals with total disability – 1,000, individuals disabled since childhood (16 years and older) – 16,400 (of which disabled of Group I – 3,793, Group II – 10,368, and Group III – 2,239). Thetotal number of disabled persons of 207,753 by groups of disability and compared to the data of 2001 fall into the following categories: Group I – 28,058 (an increase of 4.7 per cent), Group II – 133,954 (an increase of 3.7 per cent), Group III – 45,741 (an increase of 6 per cent), persons with total disability – 9,556 (an increase of 18 per cent).

In 2002, 31,351 persons were newly registered as disabled. Within the structure of primary disability persons of the disability Groups I and II prevailed accounting for 74.3 per cent of the total number of the disabled.

An increasing number of persons have been recently recognised as disabled as a result of some kind of diseases. An especially rapid increase has been observed in the number of persons of working age for the first time recognised as disabled. The reasons for that were the general impairment in the status of health, but also certain economic and social problems: unemployment, poorly developed system of professional rehabilitation, and the excessive system of social benefits and guarantees.

Structure of Primary Disability according to diseases in 2002 m.

Data provided by the State Medical Social Expert Examination Commission
The main reasons causing disability are severe health disorders of various kinds. Monetary support and the system of benefits subdue the motivation of the disabled to seek employment, rather, people tend to seek the recognition of their disability in order to improve their financial situation or take advantage of benefits granted to them.

In 2002, primary disability was recognised in respect of 12,237 unemployed persons of working age. This proves that the disabled are poorly positioned in the labour market, and to an extent shows that persons in question often lack initiative and motivation to seek employment. A number of such persons had lost their jobs even before they were recognised as disabled or had never participated in the labour market. In 2002, over a half of all disabled persons of working age were unemployed.

Currently, 28,000 disabled people with various Groups of disability are employed. However, the disabled participating in the labour market is steadily declining due to both objective and subjective reasons.

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Social services. Efforts to satisfy the special needs of the disabled, promotion of the provision of community services alternative to the in-patient social services, allocation of functions and responsibilities for the provision of social services to authorities of different level, distinction between the support from the part of non-governmental organisations and procurement of services from such organisations.

Professional rehabilitation. Development and introduction of a methodology enabling to identify the professional (working) skills of individuals with disability, restoration of such skills or training to gain new skills, promotion of professional mobility of the disabled in the labour market, training or retraining services so that the persons in question could acquire a profession in demand in the labour market.

Psychological rehabilitation. The provision of tailored services to persons with mental disorders in the community level, identification of cases where it is necessary to provide services in the in-patient care and nursing institutions; early identification of developmental disorders of children; organisation and development of the system of services of early rehabilitation; change of the negative public attitude towards persons with mental disabilities; psychological assistance to persons with other types of disabilities suffering from mental crisis and psychic disorders.

Adaptation of the environment. Ensuring that designing of items is based on the principle “designing for all”, adaptation of public facilities, means of transportation and their infrastructure, as well as housing and the living environment of the disabled to their specific needs, differentiation of costs of the adaptation of the housing according to the person’s property and income, differentiation of the adaptation of facilities into basic and auxiliary adaptation.

Education. Tailoring of the training programmes to the needs of the disabled, adaptation of educational methods and forms with due regard to the capacities and needs of the disabled, provision of social services in educational institutions, adaptation of informational and physical environment for the participation of the disabled in the programmes of general education, improvement of the quality of educational services, ensuring the necessary qualification of specialists working with the disabled.

Implementation, monitoring and management of the Programme

Tasks and objectives of the Programme will be implemented through the improvement of the relevant legal basis, implementation of national and regional programmes, training of the personnel and improving its qualifications, targeted scientific research. In the area of social services the action plan includes a task to develop a methodology of the identification of special needs of the disabled, provide permanent care and nursing at homes of the disabled, develop the centrally operated procedure for the provision of residents with technical assistance means, and support targeted programmes of the provision of social services to people with disabilities.

The entity in charge of monitoring over the implementation of the Programme is the Lithuanian Council for the Affairs of the Disabled under the Government of the Republic of Lithuania. In addition, the Council is obligated to assess the progress of the implementation of the Programme and perform the reporting functions.

Sources of Funding of the Programme

The Programme is based on the assumption that funding of measures aimed at social integration of the disabled is an investment, which will facilitate savings of costs in the medium and long-term perspective. The main sources of funding of the activities envisaged in the Programme are the State budget, State Social Insurance Fund, the Compulsory Health Insurance Fund, Employment Fund, municipal and other resources.

There are other programmes facilitating the integration of the disabled implemented on the national and municipal level, aimed at development of the infrastructure of social services, provision with technical assistance means, employment programme, professional and social rehabilitation, adaptation of housing and environment, cultural and sports activities.

3.4.3. PROGRAMME FOR THE PROVISION OF THE POPULATION WITH ORTHOPAEDIC APPLIANCES AND COMPENSATORY EQUIPMENT

In view of increasing numbers of persons suffering from disabilities, and also the accelerating process of integration of the disabled into the labour market, science, public life, an ever growing number of people require orthopaedic appliances for treatment or disability prevention purposes. According to the data of the Lithuanian Health Information Centre about 400,000 persons need orthopaedic appliances of one type or another.

In 2002, in cooperation with orthopaedic appliances enterprises the Ministry of Social Security and Labour was carrying out the Programme for the Provision of the Population with Orthopaedic Appliances and Compensatory Equipment. Agreements were concluded with enterprises at which interested persons could acquire the required orthopaedic appliances. By providing such persons with the orthopaedic appliances a tangible economic effect is achieved in terms of shorter duration of treatment and rehabilitation, and enabling the patients to return to work much earlier, etc.

While implementing the Programme for the Provision
of the Population with Orthopaedic Appliances and Compensatory Equipment in 2002 the orthopaedic enterprises services over 91,000 patients. The enterprises produced and supplied to the persons concerned over 114,000 items of orthopaedic appliances. For that purpose an allocation of LTL 20,364 was provided for in the State budget. According to the data of the Ministry of Social Security and Labour, 46 per cent of all those requiring orthopaedic appliances were provided with the necessary technique.

Seeking to ensure more expedient distribution of resources of the State budget to the enterprises in question the Ministry is carrying out an ongoing analysis of the activity of the enterprises according to the following criteria: items of the manufactured orthopaedic appliances taking due regard to the complexity of such items, the number of persons requiring orthopaedic appliances also in terms of social groups, and other characteristics, the regions serviced, production capacitates of the enterprises, specialists available and other criteria.

Late in 2002 the Ministry of Social Security and Labour implemented the orthopaedic appliances accounting sub-system which enables the Ministry to control the accounting of the provision of the population with orthopaedic appliances.

An important role in the implementation of the said programme is assigned to the National Centre for Compensatory Technique (further – the Centre). The purpose of the Centre is to organise and ensure the timely provision of the disabled with the compensatory equipment. The Centre carries out the analysis of the need for compensatory equipment and develops prognosis, accumulates information and develops the methodological material, the main purpose of the activities of the Centre being the improvement of effectiveness in rehabilitation of the disabled by providing them with the necessary compensatory technique. This objective is most closely related to the Programme for the Provision of the Population with Orthopaedic Appliances and Compensatory Equipment. The Centre purchases items of compensatory technique in accordance with the Law on Public Procurements of the Republic of Lithuania. Procurement following the said procedures ensures the most economical way of acquisition of the necessary items, however, creates certain difficulties in cases of more complex items which need to be individually designed in a most expedient way, since in a number of cases after-trauma patients need the compensatory equipment already during the rehabilitation period.

In 2002, an allocation from the State budget in the amount of LTL 2.7 m was earmarked for the acquisition of compensatory equipment that made it possible to provide 7,000 applicants with the necessary compensatory equipment, in total 15,651 items of different kinds. According to the data provided by the National Centre for Compensatory Technique, in 2002 the provision of the population with the necessary compensatory equipment covered 67 per cent of the total need. Since there is no single procedure for recording of applications for such equipment and control it is impossible to determine the exact rate of meeting the need for compensatory equipment.

Order of the Minister of the Social Security and Labour of April 18, 2002 “On the order of the provision with the compensatory equipment and the approval of the nomenclature list of compensatory equipment for persons with mobility disorders” to an extent standardized the process of the provision of such equipment and provided a basis for municipalities to develop a system of accounting of the obtained compensatory equipment and monitoring and control over the use of such equipment. A required efficiency in provision of the population with the compensatory equipment will be ensured only after the system for control of provision and accounting of such equipment is put in place. For that purpose in 2002 the Ministry of Social Security and Labour commissioned scientific research “Development of the methodologies for planning and regional distribution of the need of the disabled for compensatory equipment”, which was carried out by the Labour and Social Policy Research Institute.

The findings of the research showed that as the priority task is the further standardisation of provision with the compensatory equipment which would include:

- Approval of the methodology for planning of the needs on the municipal and national level;
- Approval of the methodology for regional distribution of compensatory equipment;
- Development of standardised forms necessary to implement an efficient accounting of compensatory equipment and monitored process of the provision with such equipment.

3.4.4. ACTIVITY OF THE LITHUANIAN COUNCIL FOR THE AFFAIRS OF THE DISABLED IN 2002

In 2002, the State budget approved an allocation of LTL 22,923,000 to the Lithuanian Council for the Affairs of the Disabled to implement the programmes of medical and professional rehabilitation and social integration of the disabled (further – the programmes) in accordance with 7 priority directions of the programmes.

The programmes in accordance with 7 priority directions were implemented by 30 national public organizations of the disabled, 7 health care and 1 research institution, as well the Council itself. Based on the applications filed by public organisations of the disabled and considering the requests for resources, appropriate funding was approved in respect of each programme. As evident from the data provided in Table 3.4.4–1, as was the case in previous years, most
Significant resources were allocated to the programmes aiming at formation of working skills and independent life of the disabled. In 2002 considerably larger resources were awarded to medical rehabilitation of the disabled, i.e., by nearly 60 per cent more than 2001.

The programmes were designed to render assistance to persons suffering from most severe forms of disability (disabled children, persons with total disability, mobility disability, visual or hearing impairment, mental disorders of Groups I and II) through programmes of social services, professional rehabilitation, and formation of skills of independent life, medical rehabilitation, and communications and information accessibility.

Within the framework of implementation of the National Programme efforts were made to formulate the policy meeting the special needs of the disabled, the efficiency of rehabilitation and integration of the disabled was considerably enhanced, appropriate funding was provided to the alternative services established within communities – educational groups in pre-school institutions, day-care, employment and social services centres, homes of independent life, support to vocational training, retraining, enterprises of public organisations of the disabled.

While summarising the achievements of 2002, it is necessary to point out that during the year training services were provided to 13,547 disabled persons, 18,353 persons with disabilities were employed through various employment services, including 1,834 disabled working within the labour market. Measures designed to adapt facilities for the needs of the disabled were implemented in 253 sites, including 220 apartments for the disabled and 33 public sites. During 2002, social services were provided to 10,832 disabled persons, 37,156 disabled persons were provided with publicly available information. 1,688 disabled persons were provided treatment the purpose of which was restore their vital functions and compensate the lost functions. In addition, the Programme created new jobs for both the disabled and healthy persons. During 2002, 1,320 persons were working within the programme, including 650 disabled persons, 1,654 persons were working in the public organisations of the disabled, including 607 individuals with disabilities. From external spruces those responsible for the implementation of the programme managed to attract LTL 6,312,300, in addition to allocations of LTL 3,691,000 from municipal and county budgets approved for services and enterprises established at community level.

Since 1998, the Lithuanian Council for the Affairs of the Disabled has been implementing the housing programme. In order to meet the needs of the disabled in this respect every year it is necessary to adapt the housing facilities for over 3,500 disabled persons. Altogether, 24,000 disabled persons need to have the housing facilities entirely or partially adapted for their special needs. Obviously, the needs of the disabled in this respect are not satisfied to full extent. Adaptation of information environment also encounters a number of difficulties that prevent the disabled persons from accessing the information and information sources that are available to the healthy part of the society. Adaptation of the physical environment alleviates the conflict of the disabled person in the area of information environment. The adaptation of the information environment for the needs of the disabled should be further pursued, furthermore, the disabled persons should be ensured equal opportunities to participate in the life of the society.

Facilities in the environment of the disabled have not yet been adequately adapted to their special needs. The overview of developments in this area shows that the legal basis for the adaptation of the environment has been put in place, however, progress in individual sections is

### The use of the funds allocated to the Lithuanian Council for the Affairs of the Disabled for the implementation of medical and professional rehabilitation and social integration of the disabled in 2001–2002

<table>
<thead>
<tr>
<th>Name of the programme</th>
<th>Allocations (LTL million)</th>
<th>Change in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education of the disabled</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Employment of the disabled</td>
<td>7.2</td>
<td>7.8</td>
</tr>
<tr>
<td>Adaptation of environment for the needs of the disabled</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Formation of independent life of the disabled</td>
<td>4.2</td>
<td>4.9</td>
</tr>
<tr>
<td>Accessibility of information and communications</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Medical rehabilitation</td>
<td>2.2</td>
<td>3.5</td>
</tr>
<tr>
<td>Formation and implementation of policy of social integration of the disabled</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>22.1</strong></td>
<td><strong>22.9</strong></td>
</tr>
</tbody>
</table>

Data of the Lithuanian Council for the Affairs of the Disabled

Table 3.4.4–1
very differentiated. There is an urgent need to accelerate the processes related to the adaptation to the needs of the disabled of public roads, railroads, means of air and water transport. Services provided to the disabled by means of public transportation fail to meet the modern standards. Although each municipality and some non–governmental organisations operate specially adjusted minibuses purchased for the funds form the State budget for transportation of elderly and disabled persons, in general, there is a considerable need to provide such services to a much wider extent.

Training of skills of independents life is the least developed method of rehabilitation of the disabled. This method of rehabilitation should be further fostered as being especially instrumental in assisting the disabled to adapt in the regular environment. In particular, assessing the current situation where following the treatment or rehabilitation in case of severe traumas or diseases the disabled person is not able to operate in the society unless specially trained, he does not have the skills necessary for independent being in the regular environment. Hence, the matter should be addresses as the matter of primary importance. Also, measures should be taken to ensure appropriate education of disabled children, such as adaptation of environments in educational institutions, specially adjusted training programmes, and training and employment of the required number of pedagogues specially trained to work with the children in question.

There is a number of other issues that need to be addressed, such as insufficient public awareness and accessibility of information for the disabled, the decreasing number of programmes in TV and radio highlighting issues related to the life of the disabled, adverse attitude of the public fostered by mass media; educational institutions fail to meet the special needs resulting from the disability; the environment and learning aids are not sufficiently adapted to the needs of the disabled failing to ensure the disabled children adequate tools to access the training and educational services.

At the close of 2002, the first centre for professional rehabilitation of the disabled was opened equipped to assess the professional skills of the disabled person, also to restore such skills, or train new required skills. Furthermore, the centre takes measures to employ the disabled persons.

3.4.5. YEAR OF THE DISABLED IN LITHUANIA

The Council of the European Union designated 2003 the European Year of People with Disabilities. In support of this initiative of the European nations, on April 18, 2002 the Seimas of the Republic of Lithuania announced 2003 the Year of Disabled People in Lithuania thus opening ways to improve the conditions for the disabled by targeted measures, increase the awareness of the public about disabilities, their prevention, rehabilitation and satisfaction of special needs. To achieve the designated objectives the Action plan for the Year of Disabled People in Lithuania was drawn up. The Action plan places a specific emphasis on the following issues: improvement of legal acts governing different areas of life and activity of the disabled, enhancement of public awareness, i.e., formation of positive public approach towards disability, adaptation of physical environment in educational and social institutions to the specific needs of the disabled, also enhancement of possibilities of the disabled to study and lead independent life.

Conclusions

The legal status of people with disabilities in Lithuania is governed by laws of the Republic of Lithuania, the Constitution of the Republic of Lithuania, while certain specific areas fall within the scope of individual laws and acts of secondary legislation establishing specific legal norms.

The trend of the increasing number of the disabled in the society remains a very acute problem. Over half of persons suffering from disability of working age are unemployed. Such situation was determined by a number of objective factors – lack of professional qualifications, loss of links to the labour market or absence of such relations whatsoever, age or the assigned disability group. Among reasons of subjective character are the lack of initiative and motivation to seek employment, inability to objectively assess own status in the labour market.

In 2002, the National Programme for the Integration of the Disabled into the Society was developed and approved. The Programme represents a measure furthering the development of the complex model for the rehabilitation of the disabled and reflects efforts to ensure more efficiency utilisation of the potential of rehabilitation. The Programme is the National Programming documents of the Government of the Republic of Lithuania establishing the State policy in the field of medical, professional and social rehabilitation and social integration of the disabled, its priority objectives and actions (measures) to be undertaken by the Government of the Republic of Lithuania and other public authorities within the period of the next 10 years, in an attempt to ensure the continuity of the social integration of the disabled as set forth by the Law on the Social Integration of the Disabled of the Republic of Lithuania.

Reforms in the area of monetary support to the disabled, social security of such persons and social services provided to persons with disabilities are further on the agenda of institutions and authorities concerned.

Measures of support granted to a job proved rather inefficient, in addition, funds collection and appropriation systems, rigid systems of benefits and privileges failed to turn into efficient incentives for the employers to create jobs
for the disabled. Persons suffering from light disabilities are much more often employed, it very seldom being the case for persons with severe disabilities, and even then on the initiative of public organisations with people with disabilities.

The issue of the provision of the population with the orthopaedic appliances persists to remain very acute. According to the data of Ministry of Social Security and Labour in 2002, the total demand for orthopaedic appliances was satisfied to the extent of 46 per cent.

According to the data provided by the National Centre for Compensatory Technique Centre, in 2002 the provision of the population with the necessary compensatory equipment covered 67 per cent of the total need. Since there is no single mechanism for recording and control of applications for such equipment it is impossible to determine the exact rate of meeting the need for compensatory equipment.

In 2002, the State budget approved an allocation of LTL 22,923,000 to the Lithuanian Council for the Affairs of the Disabled to implement the programmes of medical and professional rehabilitation and social integration of the disabled (further – the programmes) in accordance with 7 priority directions of the programmes.

3.5. SOCIAL POLICY IN RESPECT OF VICTIMS AND SOCIAL RISK GROUPS

3.5.1. LEGISLATION GOVERNING THE MONETARY ASSISTANCE TO VICTIMS

In 2002, some relevant improvements were introduced to Resolution No. 177 of February 12, 1998 of the Government of the Republic of Lithuania “On State support to participants of armed opposition (resistance) – volunteer fighters”.

In accordance with the said Resolution, upon death of a volunteer fighter the allocated funeral benefits amounting to 20 MLS were paid by the transfer made by the Ministry of Social Security and Labour to municipalities according to the applications submitted by the relevant municipality. Under this procedure the benefits would reach the recipients with a time lapse of several weeks. Therefore, it was provided for that benefits for funerals of participants of armed opposition (resistance) – volunteer fighters’ shall be paid by Municipalities from their own resources on the basis of a request and supporting documents filed to the Municipality, which subsequently file a request to be reimbursed for the amounts of the benefits by the Ministry of Social Security and Labour from the targeted funds of the State budget (Resolution No. 1625 of October 15, 2002 of the Government of the Republic of Lithuania “On the amendment of the Resolution No. 177 of February 12, 1998 of Government of the Republic of Lithuania “On State support to participants of armed opposition (resistance) – volunteer fighters”.

Seeking to resume the payment of compensations to former political convicts an amendment was introduced in Resolution No. 327 of August 12, 1991 “On compensation of material damage to persons during the WWII brought to Germany for forced labour camps, former prisoners of ghetto, and other places of imprisonment, and persons who in 1951–1952 were unlawfully displaced from a locality in Lithuania to another localities” (Official Gazette, 1991, No. 26–706). Having passed this Resolution the payment of compensations was renewed after Resolution No. 160 of July 24, 1989 of the Council of Ministers of the Lithuanian SSR was abolished on December 31, 1999 as a legal act adopted during the Soviet regime. The Resolution set forth that for

Families of political prisoners and deportees seeking to be provided with residential premises on the basis of lease: breakdown by municipalities.

Department of Supervision and Audit of Social Institutions under the MSSL

Chart 3.5.2.–1
the period of time of confinement in prisons, ghettos and other places of imprisonment, as well for the period of time in forced labour camps the persons concerned shall be entitled to compensations of LTL 20 per each month of imprisonment and for a period up to December 31, 2003.

3.5.2. DEVELOPMENT AND IMPLEMENTATION OF SOCIAL PROGRAMMES FOR VICTIMS AND SOCIAL RISK GROUPS

During the year 2002, the Ministry of Social Security and Labour was further implementing the Programme of Return of Deportees and Political Prisoners and their Families to Lithuania for 202–2007, approved by Resolution No. 320 of March 5, 2002 “On the Approval of the Programme of Return of Deportees and Political Prisoners to Lithuania for the year 2002–2007 and the Procedure of Provision of Returnees for Permanent Residence and their Families with Residential Premises on the basis of Lease” (Official Gazette, 2002, No.26–930). The entity responsible for the implementation of the programme was the Department of Supervision and Audit of Social Institutions. In addition, the Standing Commission for the implementation of measures envisaged in the Action guidelines of the Government of the Republic of Lithuania approved by Resolution No 19 of January 11, 1992 of the Government duly contributes to the implementation of the programme. Among members of the Commission are representatives of public authorities and public organisations, – the Ministry of Social Security and Labour, the Ministry of the Interior, the Ministry of Finance, The Fund of the Returning Deportees, Association of Lithuanian Municipalities, as well as the Department of Supervision and Audit of Social Institutions under the MSSL.

The purpose of the programme is to further ensure conditions for former deportees and their families to return to the Motherland, and ensure their social guarantees. The programme is being effected by clearly defining the methods of solution, the terms for implementation and the necessary funding. The decision was taken to analyse the social and professional needs of the persons concerned in an attempt to identify the problems of social adaptation of such persons, find solutions for their employment and social integration. Therefore, in late 2002 the relevant survey was launched followed by a sociological survey of the rehabilitated political prisoners and deportees. The purpose of such survey was to assess the conditions for meeting the basic social needs of the returnees (housing, social support, etc.), and the related problems to be addressed. The survey also sought to assess the preparedness of such persons to integrate into the labour market. A questionnaire survey will be conducted among the rehabilitated political prisoners and deportees and their families who had returned to Lithuania for permanent residence in 1998–2002, also those willing to return to Lithuania and included into the lists of municipalities as entitled to housing. The conducted analysis of social and professional needs will identify the social standing of the persons in question, the main obstacles for their integration into the social life. It will also make it possible to provide for measures facilitating their adaptation in Lithuania, integration into the society and encouraging such persons to seek possibilities to ensure their fully–fledged life.
In 2002, 78 families of the returnees were provided with flats, their social guarantees were ensured, necessary assistance was provided in dealing with their employment and social integration issues. During 1992–2002, total LTL 63.93 million were allocated and used for the provision of the returnees with flats, LTL 44.68 million were allocated form the State budget, and LTL 19.25 million were part of the loan granted by the CEDB (Council of Europe Development Bank). Using these funds 1505 families of returnees were provided with flats. In 2002, municipalities registered 856 families of former political prisoners and deportees (see Chart 3.5.2.–1) willing to return to Lithuania and acquire housing facilities. Municipalities are accepting applications with the necessary supporting documents to be included into the list of returnees until December 31, 2002. The State will continue to grant support to such families by leasing to them municipal residential premises until December 31, 2007.

Since 2001, the Ministry of Social Security and Labour has been implementing the “2001–2004 Programme of Social Adaptation of Convicted Individuals who were Released from Places of Imprisonment, Institutions of Correctional Labour and Social and Psychological Rehabilitation”.

According to the data provided by the Department of Prisons under the Ministry of Justice, in 2001, 4,390 persons were released from places of imprisonment. However, in view of the amendments of the Criminal Code, in 2002 6,490 persons will be released from places of imprisonment prior to the expiry of the term of sentence.

According to the data of the Lithuanian Labour Market, during 2001, 3715 former prisoners applied to labour exchanges, and during 2002 the number increased to 4769. During 2002, 858 persons were employed in jobs of limited or unlimited term, they also participated in the labour market measures: vocational training programme – 257 persons, 891 persons were participants of the labour clubs, and 447 persons were enrolled in the employment support programmes. 50 persons were employed in new jobs which were created by virtue of employment support subsidies. The experience of the labour exchanges show that persons of this category often choose to stay supported by unemployment benefits, rather than take efforts to seek employment.

In 2002, the Ministry of Social Security and Labour collected the data from cities and regional municipalities on social support rendered to former prisoners during 2001 and 2002. The analysis of the data thus obtained allowed a conclusion that despite their rather constrained financial situation municipalities were quite successful in rendering social assistance to the former prisoners as defined by the relevant resolution of the Government of Republic of Lithuania. In 2001, 2755 persons released from places of imprisonment were granted one-off benefits, accounting for 97.5 percent of the total applicants, and in 2002 – 3250 applications for one-off benefits were awarded, or 98.9 percent (with an exception of the Vilnius Municipality which did not provide any data on one-off benefits granted to former prisoners). Free meal coupons were delivered to 1211 persons, and in 2002 – the number of recipients of such coupons reached 1523. However, it needs to be noticed that most former prisoners receive their meals in charity canteens which fully meet the needs of persons willing to receive such services.

Issues of housing for the persons in question remain among the most acute issues to tackle. According to the data of the Department of Statistics, in early 2001, there were 22 common lodging-houses with a capacity to accommodate 738 lodgers, while there were 1508 persons willing to use the facilities of such lodging houses. In total 1754 persons were using the lodging-houses during 2001, and in general the need for lodging facilities by far exceeds the vacancies provided by existing premises.

Over 2001, 781 applications for accommodation in lodging houses were awarded, while only 50 persons released from places of imprisonment were provided other types of residential premises (apartments form the manoeuvre fund, hostels, care houses, etc.). In 2002 the common lodging-houses provided accommodation for 849 former prisoners, and only 36 former prisoners were provided with other types of accommodation facilities. Vilnius, Kaunas, Klaipėda, Ėiauliai and Panevys common lodging-houses provided the facilities for a largest number of applicant former prisoners.

The issue of social adaptation of the convicts and persons released from the places of imprisonment remains especially important. The programme for social adaptation of former prisoners has been established by Resolution No. 1179 of October 25, 1999 of the Government of the Republic of Lithuania “On the 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” (further – the Programme). Within the framework of the Programme the Ministry of Social Security and Labour is responsible for the implementation of four measures: measure I of Stage I of the Programme, “Identify the needs for social assistance of former convicts and needs of organisations and institutions providing such assistance” (implementation term – 2001, funding need – LTL 12,000), measure 11 under Stage II of the Programme “Conduct sociological surveys of social and professional needs of convicted individuals” (implementation term – 2001, funding need – LTL 45,000), measure 15 “Develop the vocational training and employment programme for former convicts” (implementation term – 2001–2002, funding need – LTL 300,000, the implementing institution – the Lithuanian Labour Exchange and the Labour Market Training Service), and measure 16

Among other tasks of the Ministry of Social Security and Labour within the framework of this Programme was the provision of vocational guidance to convicted individuals, also those who were released from places imprisonment, institutions of correctional labour and social and psychological rehabilitation.

While implementing the measure “Develop the vocational training and employment programme for former convicts” in 2001–2002 the Lithuanian Labour Exchange, under the agreement concluded between the Ministry and the Labour Exchange developed and implemented the programme for employment of former convicts. The programme enabled 268 former prisoners to acquire a profession in demand at the labour market, obtain employment and return to the society.

In the course of implementation of the programme the territorial labour exchanges were cooperating with imprisonment institutions, police commissariats, municipal department of social care, social adaptation institutions.

Over the year 2002 the territorial labour exchanges referred 159 former convicts to vocational training programmes. 70 per cent of the trainees earlier lacking any working skills or professional qualifications were enrolled in primary training programmes, 20 per cent were improving their professional qualification. 137 former convicts (22 terminated their training activities) graduated from the vocational training programmes, acquired new professions or professional competences, 32 of them obtained employment.

While implementing the programme the employees of the territorial labour exchanges encountered difficulties in guiding the former convicts to return to the labour market. Quite a number of persons receiving counselling, although not having any professional education, refused to undergo training in the courses funded by the labour exchange and acquire a profession in request at the labour market. They do not apply to labour exchanges, many of them do not have any permanent residence and their whereabouts are difficult to establish. Having enrolled to the training course some of them ceased attending the classes without due reason. Difficulties for the former convicts to obtain employment stem not only from the negative attitude of the employers towards them, – not infrequently former convicts themselves fail to show initiative in seeking employment, improving their employability, and often they simply lack skills to properly communicate with potential employers. The individuals released form places of imprisonment need an additional programme facilitating their integration into the labour market, as well as the special psychological assistance.

Total allocations from the State budget for the vocational training of former convicts during 2001 amounted to LTL 136,000, and in 2002 – LTL 174,200.

Within the framework of the measure “To develop psychological measures aimed at improvement of social and professional adaptation”, the Panevįys labour market training centre in 2001–2002 was carrying out the programme for the professional and social adaptation of convicted individuals. Training was provided to 98 female convicts in the correctional labour institutions, in 2002 the number of trainees increased to 245, in addition, four new training programmes were introduced. In 2001, LTL 76,000 were allocated for the implementation of these measures, and in 2002 – LTL 190,000.

The programme provided for measures to be implemented during 2001–2002. The authorities responsible for the implementation of these programmes were the administrations of Kaunas and Vilnius County Governors, and Vilnius Municipality. The programmes envisaged to establish the social adaptation divisions for persons released form the places of imprisonment, establish care institutions for persons suffering from the open form of tuberculosis and other infectious diseases, open a day centre for former prisoners at the Municipality of Vilnius, and other initiatives. Since no allocations were provided for in the State budget for the implementation of measures planned for 2001–2002, the administrations of Vilnius and Kaunas County Governors, and the Municipality of Vilnius failed to implement the above measures. Further, in 2003, the institutions concerned were not allocated any funds for the implementation of the programme in question.

Since 2000 the Ministry of Social Security and Labour has been carrying out the National Programme for the Drug Control and Drug Addiction Prevention for 1999–2003. The main objective of the programme in view of the urgency of the drug addiction in Lithuania is to identify the main problems related to drug control and prevention of drug abuse, and to establish the principal tasks of the national drug control policy and measures to address the problems. To achieve the objective main action guidelines have been defined in the form of measures of the programme, namely, the further improvement of the formation of the drug control policy and its implementing mechanism, reduction of the supply of, the need for drugs and alleviation of damage produced thereby. The Ministry of Social Security and Labour is responsible for a number of measures to be implemented in the areas of the reduction of drug addiction, the most important being the rehabilitation and integration of drug addicts. Total LTL 679,000 were allocated for the implementation of the above measures.

The implementation of the programme focused on support to projects designed for rehabilitation of drug addicts and prevention of drug addiction. Total LTL 460,000 were
used for the implementation of the measure “Support to projects developed by organisations in the area of prevention of drug addiction and rehabilitation of drug addicts”. Financial support was granted to 18 projects designed for rehabilitation of drug addicts and prevention of drug addiction. As a result, four new communities for long-term rehabilitation of drug addicts (in Aukšteliai, Kaunas, Ignalina and Druskininkai region) were established in addition to one rehabilitation day centre at Panevėžys Centre for Addictive Disorders. Certain support was also granted to the earlier established drug addicts rehabilitation communities and three day centres. As of today, communities for the rehabilitation of drug are attended by 223 customers, and 199 drug addicts are enrolled as attendees of day centres. All projects included such measures as consultations and work with parents of drug addicts.

LTL 150,000 were allocated for the implementation of the measure under the programme “To support the drug prevention projects of non-governmental organisations”. The tender organised allowed to select the winners, and eventually agreements were concluded with 45 project owners. Funds allocated for the implementation of the projects were transferred to the Council of Youth Affairs.

The measure of the programme “To organise camps of psychological–pedagogical rehabilitation for children and youth victims of drug substances, also events dedicated to prevention of drug addiction, organise the free time for children and the youth” was allocated LTL 20,000. The Ministry of Education and Science organised the tender, and the MSSL concluded contracts with 4 winning projects, the funds were transferred to project owners. The projects were successfully implemented.

Particular attention is devoted to training and improvement of qualifications of staff members working with persons belonging to risk groups and members of their families. Such training activities are organised by the Social Workers Training centre. LTL 49,000 were used to implement the measure “Train and retrain employees working with risk groups persons and their family members”, 11 workshops were held, training was provided to 325 employees working with individuals attributable to risk groups.

In view of the reform of social services, and there being no unanimous requirements to the institutions of rehabilitation of drug addicts, also newly established centres, the quality and nomenclature of services provided thereby, qualification of the personnel, the Ministry of Social Security and Labour initiated the drafting of minimum set of requirements to the rehabilitation centre. An interagency group was established for that purpose which in 2002 developed the set of requirements for such centres and the rules on referring persons to such centres. “Requirements to institutions of psychological and social rehabilitation rendering services to persons addicted to psychotropic substances” were approved by Order No. A–25 of February 11, 2003 of the Ministry of Social Security and Labour.

Persons addicted to psychotropic substances need substantial medical, psychological and social assistance. A variety of organisations contributed to the establishment of communities and centres for long-term rehabilitation of drug addicts, day centres for drug addicts which also provide social and labour rehabilitation for drug addicts.

In an attempt to provide a more comprehensive assessment of the activities of organisations engaged in the
rehabilitation of drug addicts and thus substantiate the funding of projects implemented by such organisations according to the National Programme for the Drug Control and Drug Addiction Prevention, the Labour and Social Research Institute produced the report of scientific research “Criteria for the assessment of activities of organisations involved in the rehabilitation of drug addicts, definition of the main social and psychological services”.

The survey of institutions providing rehabilitation services to drug addicts in Lithuania produced the following conclusions:

- Many institutions providing services to drug addicts (except the two funded from the State budget) are quite new organisations, many of them are still in progress of arranging their residential premises, they lack an established staffing, or number of serviced customers, etc.
- insufficient official (based on relevant documents) information on their activity (financing sources, services offered, personnel, etc.);
- Each institution follows its individual understanding of the concept of social, legal or psychological services, responsibilities and functions of individual staff members (particularly, duties of a social worker and a consultant are more than often confused or simply identified);
- the major part of the respondents fit a similar pattern of limited staff including the manager, accountant and 1–3 consultants; the institutions reported essentially different numbers of staff members assigned to 10 customers, it varying from 1 to 12 employees;
- funding of the surveyed institutions also differ essentially, in the two institutions funded from the State budget average monthly expenses per customer are in excess LTL 1.000 (in this respect the Rehabilitation division of the Vilnius Centre for Addictive Disorders is in a particularly beneficial position, allowing LTL 1.700 as monthly expenses per customer);
- 9 of 11 respondents charge a membership fee which ranges from 100 to 900 LTL/month (in some institutions some low-income customers are exempted from such charges; in general fees are of differentiated rates);
- in most of the surveyed (9 out of 11) institutions providing the rehabilitation services to the drug addicts customers are men of 18–40 (age average – 25 years), suffering from addiction to drugs or alcohol. Part of the customers have records at law enforcement institutions, or are sick with hepatitis, or HIV positive. As a general rule customers are admitted to the communities only provided they are sober, often – following the detoxification
- In general, in Lithuania there are no institutions for the rehabilitation of drug addicts having some special needs – suffering from mental diseases, HIV/AIDS, mothers with children, teenagers, prisoners, and persons serving the sentence in places of imprisonment, etc.

The survey suggested the following proposals:

1. It is recommended to promote the establishment of institutions for the rehabilitation of drug addicts exposing some special needs (suffering from mental disorders, HIV positive or AIDS infected, mothers with children, teenagers, prisoners, serving the sentence in places of imprisonment,
etc.), while involving into the activity centres for addictive disorders (as having the largest number of specialist in the area), and the places of imprisonment (as current place for a number of potential future customers of the rehabilitation centres), other public authorities and organisations.

2. The following criteria were suggested for the evaluation of performance of institutions providing the rehabilitation services to drug addicts:

- Service structure (both provided in the community, and medical, social, psychological and other services offered within the community);
- Qualification level and structure of the personnel (the number of staff members per customer, their experience and education);
- Economic efficiency of the operation of the institution (the structure and efficiency of the use of financial resources);
- The level of relapse/sobriety of the customers (number of customers who have relapsed during or following the rehabilitation process, the duration of abstinence of persons following the rehabilitation, etc.).

3. Recommended personnel to serve a group of 10–15 persons undergoing the rehabilitation:
- head of the community (administrator), – responsible for the organisation and operations of the community, implementation of the programme, supervision over the realization of the programme and its improvement. The Head of the community should be present at the community for a bigger part of his working day;
- psychologies (psychotherapist) – responsible for the diagnostic assessment of the patients, therapy classes, individual counselling, education on the subject of addiction, motivation of the patients to seek treatment and rehabilitation, crisis warning, and a timely intervention in crisis situations in the community. The psychologist (psychotherapist) should be visiting the community not less frequently than 2–3 times a week;
- 2–3 consultants – former drug addicts having graduated from the rehabilitation course and abstained from drugs for at least three years, attending the AA (anonymous alcoholics) or AD (anonymous drug addicts) groups, undergoing training on primary psychological assistance to persons addicted to psychotropic substances, and responsible for the diligent performance of their duties by the patients of the community. Such consultants shall encourage the patients to join the AA or AD groups, the activities whereof fully reflect the basic ideas of the programme for the rehabilitation of drug addicts, and help the graduates to continue living in sobriety upon graduation from the rehabilitation course. In rotation the consultants should also work as night watchers (there being no possibility to hire the night watchers for the position);
- Social worker – responsible for collection and accumulation of information on social issues related to the patient and his environment, application of specific measures and methods for patients of social assistance. The social worker provides information and guidance to the patients on legislation on social guarantees and other methods of support, about his rights and possibilities in specific cases, ways of behaviour in specific problematic or conflict situations, also information on assistance institutions necessary for the patient, and helps the patient to select the necessary assistance institution. The social worker also helps the patient to obtain personal documents and those required receiving benefits and pension. He shall provide information to the relatives of the patient on the need of assistance to the patient and methods of such assistance, and will take measures to involve the patient into the assistance process. The social worker will cooperate with other institutions and will coordinate his operations with them, control the provision of social services and provide guidance as to the possibility of the patient to avail himself to such services.
- Accountant – a specialist who will not be involved in the work directly with the patients undergoing rehabilitation, rather be responsible for the organisation and conducting of the financial accounting of the community;
- Where possible, it would be preferable for a community to employ a therapist responsible for the labour therapy in the community, appropriate selection and distribution of assignments; he shall also be responsible for labour conditions and compliance with the labour safety regulations.

4. The analysis of the experience accumulated in foreign countries and the status of institutions providing the rehabilitation services to the drug addicts suggests that in the optimal scenario the personnel of the rehabilitation community should include both professionals and graduates of the rehabilitation treatment (depending on each individual situation, the ratio between professionals and staff members suffering from addiction may vary from 1:2 to 2:1, i.e., professionals should make up not less than 30%, but not more than 70% of the personnel of the community staff).

5. It is recommended that the head of an institution providing the rehabilitation services to drug addicts has a term of abstaining not shorter than 5 years, and that there is a time lapse not less than 5 years from his most recent conviction; and that the consultant must have been abstinence for a period not shorter than 3 years.

In 2002, the Ministry of Social Security and Labour started implementing the 2002–2004 Programme for the control and Prevention of People Trafficking and Prostitution. Trafficking in women is a world-wide phenomenon generated primarily by social and economic conditions, and it has long ago stopped being an internal problem of each State, having become an international problem addressing of which requires closer cooperation and coordination of actions.

Most States of former Eastern block are currently under-
going economic reforms and transition from the centralised management of economy to economies developing under market conditions. The transition period and economic reforms always are related to difficulties which are especially painful to those who failed to adapt to new economic conditions. In order to earn their living such persons often take any odd jobs, even rendering sexual services. Traders take advantage of such helplessness and sell women as cheap labour force. Thus women become live goods entrapped in the “modern” slavery.

People trafficking especially trafficking in women and children is a problem which is being addressed by the Government of the Republic of Lithuania with particular attention. Thus, in view of the urgency of the issue of trafficking in people and seeking to essentially improve the prevention of such activities, as well as control and support to victims, the Government of the Republic of Lithuania by its Resolution No. 62 of January 17, 2002, approved the 2002–2004 Programme for the Control and Prevention of Trafficking in People and Prostitution. The Programme has already been launched for implementation. The strategic objective of the Programme is an overall elimination of reasons and conditions for prostitution and people trafficking, and development of the system of measures preventing such unlawful activities. The Programme also plans to improve legislation, conduct scientific and analytical surveys, improve education, prevention, social integration of victims, realise the organisational measures combating organisations engaged in people trafficking.

The Ministry of Social Security and Labour also contributed to the development of the Programme and was responsible for the implementation of three measures: “Support projects and public authorities and non-governmental organisations aimed at social assistance and social reintegration of victims of forced prostitution”, “Develop and implement special programmes for psychological rehabilitation, professional guidance and employment (in 6 municipalities) for victims of people trafficking and forced prostitution”, “Develop measures for implementing the statements of the 4th Global United Nations Women’s Conference”. An allocation of LTL 10,000 was provided for the implementation of this measure.

Refugees are essentially a new phenomenon in the life of the Lithuanian State, therefore appropriate regulations were adopted to address the relevant issues.

The 12 months programme for social integration of refugees granted asylum was launched by Resolution No. 572 of May 17, 2001 of the Government of the Republic of Lithuania “On the approval of the procedure for social integration of foreigners who were granted asylum”, and is currently in progress.

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)
- Arrange training (190–290 hours Lithuanian language courses for adults, education of pre-school and school age children);
- Arrange employment (assistance in obtaining employment, receiving retraining, etc.);
- Ensure social security (monthly benefits for most vital needs);
- Ensure health protection (funds to compulsory health insurance);
- Inform the society about foreigners who were granted asylum, seeking to prevent exclusion, public xenophobia and promote tolerance.

Order No. 142 of November 12, 2002 of the Ministry of Social Security and Labour obligated the Department of Supervision and Audit of Social Institutions under the MSSL (further – the Department) to coordinate and monitor the implementation of the programme for social integration of foreigners who were granted asylum.

Acting in accordance with the said Order the Department 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 non-governmental organisations concerning social integration of foreigners who were 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 foundation „Eupro”.

An important role in preparing the asylum seekers for integration into the Lithuanian society is assigned to the Refugee reception centre (RRC) which is responsible for accommodating the foreigners who have filed an application for asylum in the Republic of Lithuania and were granted a temporary territorial asylum.

The Refugee reception centre which was in 1996 established in Rukla town (Jonava region) is so far the only centre of the type in Lithuania. The RRC is established as a social institution providing the asylum seekers with the support and services as established by the State. The founder of the RRC is the Ministry of Social Security and Labour. According to the Regulations of the Refugee reception centre approved by Order No. 45 of March 29, 2002 of the Minister of Social Security and Labour, another function of the centre is to organise and implement the so-

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of asylum applications</th>
<th>Number of decisions to grant asylum:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Refugee status granted</td>
</tr>
<tr>
<td>1997</td>
<td>242</td>
<td>6</td>
</tr>
<tr>
<td>1998</td>
<td>159</td>
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</tr>
<tr>
<td>Total</td>
<td>1818</td>
<td>64</td>
</tr>
</tbody>
</table>

Migration Department under the Ministry of the Interior

Table 3.5.2.–2

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of foreigners received and participated in the social integration programme</th>
<th>State budget allocations for implementation of the integration programme (LTL 000)</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>
</tbody>
</table>

Department of Supervision and Audit of Social Institutions under the Ministry of Social Security and Labour

Table 3.5.2.–3
cial integration of foreigners who were granted asylum.

In September 1998, 197 foreigners from 12 countries were residing in the centre, most of them being refugees from Afghanistan and Somalia, in February 2000 – 188 foreigners, mostly from Afghanistan and Somalia, in October 2001 – 150 foreigners, most of them (127) – citizens of Russia, and in October 2002 – 207 foreigners, most of them (166) – citizens of Russia.

The Refugee reception centre provides accommodation for foreigners who have filed an asylum application. Foreigners who were in the manner provided by laws granted the status of the refugee or were granted a permit to temporarily reside in the Republic of Lithuania for humanitarian considerations are transferred to reside in municipalities where they are granted State support for social integration into the Lithuanian society.

3.5.3. CONCLUSIONS CONCERNING GRANTING STATE SUPPORT TO VICTIMS AND SOCIAL RISK GROUPS IN 2002, AND THE PROJECTED GUIDELINES FOR THE DEVELOPMENT OF THE SOCIAL SUPPORT SYSTEM

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 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.

While implementing the programme approved by Resolution No. 1179 of October 25, 1999 of the Government of the Republic of Lithuania “On the 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 (Official Gazette, 1999 No.91–2676) some measures under the programme were not implemented during 2001–2002, mostly those assigned to municipalities and administrations of County Governors, which failed to establish social adaptation divisions for former convicts, – day centres, as well as services and hostels. The municipal authorities were not allocated the funds required to implement the measures envisaged in the programme, neither they made any allocations from their own budgets. An allocation of LTL 2.433.000 was planned for the implementation of the programme during 2001–2002, although the actual amounts granted from the State budget totalled only LTL 507.000 accounting for merely 21 percent of the estimated funding requirements.

<table>
<thead>
<tr>
<th>Country</th>
<th>2000 m.</th>
<th>2001 m.</th>
<th>2002 m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
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<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>9</td>
<td>67</td>
<td>150</td>
</tr>
<tr>
<td>Iran</td>
<td>6</td>
<td>6</td>
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</tr>
<tr>
<td>Iraqi</td>
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<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Somalia</td>
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<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>–</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Pakistan</td>
<td>–</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Congo</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>60</td>
<td>129</td>
<td>185</td>
</tr>
</tbody>
</table>

Department of Supervision and Audit of Social Institutions under the Ministry of Social Security and Labour

Table 3.5.2–4
the adverse attitude of employers towards former prisoners, they often lack initiative to seek jobs, improve their employability, or simply skills to simple communication with employers. Persons released from places of imprisonment need a supplementary programme for adaptation into the labour market, and specific psychological assistance.

Having concluded that in view of the shortage of funds the social adaptation and that prevention activities are being conducted to unsatisfactory standards, and re-socialisation of former prisoners is an on-going process requiring constant attention and funding, it was decided to develop a new plan for measures under the Programme. The previously envisaged measure to establish new divisions for former prisoners was replaced by the initiative to focus on support social services offered to such individuals. An amendment to Resolution No. 1179 of October 25, 1999 of the Government of the Republic of Lithuania will be introduced in the course of 2003.

The implementation of the 1999–2003 National Programme for the Drug Control and Drug Addiction Prevention will be completed in 2003. In 2002, the interagency working group started working on the National Strategy for the Drug Control and Drug Addiction Prevention. The plan of measures implementing the Strategy is also being developed. The Ministry of Social Security and Labour has provided for a number of measures aimed at social rehabilitation of drug addicts, enhancement of qualifications of employees, research on the efficiency of such measures.
4.1. MAJOR AREAS OF ACTIVITY IN THE CONTEXT OF LITHUANIA’S INTEGRATION INTO THE EUROPEAN UNION

4.1.1. EU ACCESSION NEGOTIATIONS AND RESULTS

The Ministry of Social Security and Labour was responsible for two negotiating chapters: Free Movement of Persons and Social Policy and Employment. Negotiations on these chapters were rather smooth, no major problems or obstacles impeded the process of negotiations and they were officially completed at the meetings of chief negotiators on 28 November 2001 and 30 March 2001 respectively.

Results of Negotiations

Free Movement of Persons

Free movement of persons is one of the fundamental freedoms embedded in the founding treaties of the European Union and other legislation of the Union. When putting this freedom into practice upon the accession of Lithuania to the EU, Lithuanian residents will have a right to move freely in the EU (except for certain restrictions in Great Britain and Ireland). Real opportunities open up for both the highly qualified labour force and workers with low qualifications to become employed in the EU member states as well as receive respective social support and guarantees.

Lithuanian citizens who travel to any other EU member state to work or establish their own undertakings as well as their family members and students and pensioners will be ensured:

1. the right to freely cross the borders of the member states,
2. the right to take up residence in any member state,
3. the right to become employed or take up independent working activity according to the education and professional qualification acquired in their country,
4. the right to vote and run for the European Parliament and municipal elections,
5. the right to respective social protection and guarantees.

Education and qualification acquired in Lithuania will be recognised in all member states of the EU, which will not only allow continuing studies in any EU country but will also provide possibility for setting up a legal business and working according to one’s qualification. Thus, the entire society will benefit, as the free movement of labour will contribute to the solving of the unemployment issue and improvement of conditions for qualifications’ upgrading. Lithuanian citizens will have access to information on vacant jobs in the Union, living and working conditions in the EU member states, study opportunities, social protection and tax system.

As regards the negative effects of the free movement of people for Lithuania, it should be noted that the possibility of “brain drain” is related to the free movement of labour force. On the other hand, real opportunities for a significant share of labour force to become employed in the other member states will result in the increase of real wage. It should also be noted that the implementation of EU legislation will result in an increased financial burden of the Patients’ Fund as it will have to cover health care expenses of the insured citizens of the Republic of Lithuania in the EU member states as well as the losses incurred due to health care services rendered to uninsured and insolvent EU citizens in Lithuania. Residents of the Lithuanian-Belarusian and Lithuanian-Kaliningrad border region will also feel the effects (due to the cancellation of mutual visa privileges).

In the negotiating chapter on the free movement of persons, the European Union asked for a transition period from 2 to 7 years as of the accession of Lithuania (according to the formula of 2+3+2 years), during which the EU member states will be able to restrict the movement of labour force from Lithuania. Lithuania, in its turn, will have a possibility to restrict the movement of labour force from those member states that apply restrictions to Lithuania. Denmark, Sweden, Ireland, the Netherlands and Great Britain have announced that they will not introduce any restrictions, thus, our citizens will be able to become employed in these countries as of the accession of Lithuania to the European Union. As regards the remaining member states, Lithuania has a possibility to discuss the cancellation of transition periods in bilateral negotiations.

Social Policy and Employment

As regards the results of accession negotiations in the field of social policy and employment, the following positive effects of Lithuania’s integration into the European Union will be provided:

- Health care: Lithuanian citizens will have access to health care services in any EU member state.
- Social benefits: Lithuanian citizens will receive respective social protection and guarantees.
- Labor: Lithuanian citizens will have a right to become employed or take up independent working activity according to the education and professional qualification acquired in their country.
- Right to vote: Lithuanian citizens will have the right to vote and run for the European Parliament and municipal elections.
- Social protection: Lithuanian citizens will have access to respective social protection and guarantees.
- Education: Education and qualification acquired in Lithuania will be recognised in all member states of the EU.

In summary, the free movement of labour force will contribute to the solving of the unemployment issue and improvement of conditions for qualifications’ upgrading. Lithuanian citizens will have access to information on vacant jobs in the Union, living and working conditions in the EU member states, study opportunities, social protection and tax system.
social policy and employment system could be identified:

• more and better jobs will be generated, efforts will be undertaken to avoid and reduce unemployment, living conditions will improve;
• the skills of labour force will be developed and their qualifications improved;
• the employees of companies going bankrupt or already bankrupt will also feel the positive effects as they will receive allowances in case the employee is insolvent;
• employees will be ensured better guarantees and their rights will be protected in the case of the transfer of business;
• employee-favourable consultation and information practice will be adopted, in particular in the case of collective layoffs;
• equal gender opportunities will be put into practice;
• more funds for the re-qualification of employees and qualification upgrading will become available;
• consultations and co-operation between partners will be enhanced and social partnership institutions will be developed;
• trilateral dialogue on the issues of employment and social policy will become more active;
• in line with the European Social Charter, the rights of wage earners, each and every individual and separate groups of residents will be ensured in Lithuania;
• as the EU requirements of occupational health and safety are implemented, the number of accidents at work and professional diseases will decrease and the working environment will be improved;
• employers will also see the positive effects - working efficiency will grow and the number of accidents at work and professional diseases will decrease, which will cut payments to compensate for damage;
• employers will have to set up anew those working places that fail to meet the requirements of protection against the effects of chemical substances and their preparations or other provisions regarding obligatory health and safety requirements, also, employers will have to allocate additional funds for the acquisition of protective equipment;
• the State Social Insurance Fund will make less payments related to the employee sickness rate.

In a summary of the results of EU accession negotiations in the field of free movement of persons, social policy and employment, the positive effects for Lithuania in this area by far exceed the negative consequences. Integration into the European social model that is based on good economic indicators, high standards of social security and educational and social dialogue will allow Lithuania to ensure better preparation for meeting the competitive challenges under the conditions of the EU’s internal market and globalisation.

4.1.2. REFERENDUM ON LITHUANIA’S MEMBERSHIP OF THE EUROPEAN UNION AND THE PUBLIC INFORMATION CAMPAIGN

Referendum on the membership of Lithuania in the European Union was held on 10-11 May 2003, and the period up to the referendum was extremely important in terms of all-round and exhaustive information of the society on the benefits of membership. In late 2002, and in the last months before the referendum in particular, specialists of the Ministry of Social Security and Labour actively joined the public information campaign held in the entire country in preparation for the referendum on Lithuania’s EU membership.

Taking into account that the Ministry’s area of competence covers dealing with such sensitive groups of the society as pensioners, jobless and disabled people, choosing the most appropriate means and measures for information dissemination was extremely important so as to ensure that the recipient has the most exhaustive and relevant information that would encourage him or her to make the decision on the future of our country.

A co-ordinating group for the public information campaign was set up by the order of the Minister of Social Security and Labour. After an information action plan was adopted, the group engaged in such activities as organising different events and participating in them, took part in TV and radio programmes, prepared information to be disseminated, articles for the press, leaflets, etc. Representatives of the institutions subordinate to the Ministry, Lithuanian Labour Exchange, State Social Insurance Fund, State Labour Inspection and Lithuanian Labour Market Training Authority also actively joined the public information campaign.

In late March 2003, the Ministry published leaflets explaining to the most vulnerable social groups, the unemployed, disabled and pensioners, the effects of EU membership and the opportunities it offers. In April, the Ministry published a leaflet on the free movement of persons in the European Union. The Ministry supplied the leaflets to the Lithuanian Labour Exchange and its territorial divisions, the State Social Insurance Fund and its divisions, the European Committee, the Delegation of the European Commission in Lithuania and the councils dealing with the affairs of pensioners and the disabled. Leaflets were also distributed at different events and meetings with the public organised by the Ministry. The leaflets can be found on the Internet website of the Ministry. During the same period, the Ministry published articles in national and regional press and the Ministry’s specialists commented in different issues of interest to the public.

The Minister of Social Security and Labour, the State Secretary of the Ministry, secretaries of the Ministry and
other specialists on a regular basis took part in TV and radio programmes dealing with the prospects for social policy after support from Lithuania’s to the EU accession, the effects of the free movement of persons for Lithuania, the use of the Structural Funds, the opening opportunities for increasing employment, the social integration of the disabled, occupational health and safety, problems that migrant workers are faced with, etc.

A cycle of seminars for the disabled on the opportunities that the membership of the European Union will open up, held in co-operation with the organisations of disabled people, proved to be important, useful and informative. During the seminars, meetings were held in the entire Lithuania for the representatives of the Lithuanian Disabled Society, disabled young people, Lithuanian society of mentally disabled people “Viltis”, Lithuanian Union of Blind and Weak-Sighted People, Lithuanian Union of Blind and Sight-Impaired Persons, Lithuanian Society of Hearing-Impaired People and other NGOs of the disabled.

The prospects for Lithuania as the member state of the European Union were also discussed at meetings with pensioners, organised together with the territorial branches of the State Social Insurance Fund; solutions to the problem of the unemployed and the opportunities that open up for promoting employment were presented at the Days of Labour Market, which were held throughout the entire Lithuania; opportunities for young people in the enlarged EU were discussed at conferences held by youth organisations with the participation of specialists from the Ministry.

In the period from March 2003 to the referendum on Lithuania’s EU membership, held on 10-11 May, the Minister of Social Security and Labour, the State Secretary and Secretaries of the Ministry and other specialists participated in 10 TV and 11 radio programmes; around 20 articles were published in national press, and brief comments on the issues in the Ministry’s area of competence were presented on a regular basis on the TV, in the radio and in the press.

In the framework of the cycle of seminars on opportunities for the disabled that will open up after Lithuania’s accession to the EU, a total of 10 events were held; 6 meetings were held to discuss the relevant issues with pensioners, and another 16 events were organised for the other groups of society to discuss different aspects of EU integration in terms of social policy and employment.

In a summary, a conclusion can be drawn that the active public information campaign, which covered the entire Lithuania, generated positive results; the referendum held on 10-11 May 2003 was attended by 64 per cent of the electorate, out of whom 91.07 per cent supported Lithuania’s membership in the Union. This was the best result among all candidate countries, which had already held referenda on EU membership.

4.1.3. DRAWING UP AND SIGNING OF THE TREATY OF ACCESSION TO THE EUROPEAN UNION

In 2002 and early 2003, the Ministry of Social Security and Labour took an active part in drawing up and coordinating the text of the Accession Treaty, which was signed on 16 April 2003 in Athens. The Treaty of Accession of ten countries (including Lithuania) to the European Union is a document formalising the membership of these countries in the European Union. The entire package of accession documents comprises around 5,000 pages. The package of Accession Treaty documents is comprised of:

- The Accession Treaty - a document comprised of the preamble and 3 articles that formalise the accession of 10 countries, lay down the date and procedure of accession as well as the effects of non-accession, and the 21 languages in which the Treaty is drawn up;
- The Act of Accession - a document with 18 Annexes that sets forth in detail the conditions of membership in the Union for all the acceding countries (transitional periods, special clauses and agreements), provides for adaptations and adjustments to the treaties on which the EU is founded and sets forth the provisions related to the implementation of this Act. This is the largest part of the package of Accession Treaty documents (over 4,700 pages);
- 10 protocols which lay down the specific legal issues related to the application of the EU acquis in particular sectors of economy or politics (e.g. Protocol No 4 deals with the Ignalina nuclear power plant in Lithuania, and Protocol No 5 - with the transit of persons by land between the region of Kaliningrad and other parts of the Russian Federation);
- The Final Act that formalises the adoption of all Accession documents.

The Treaty of Accession, the legislative acts and other instruments reflect all the conditions of Lithuania’s accession to the EU and the agreements reached in the process of negotiations. Also, the text of the document includes 9 declarations of relevance for Lithuania, of which the declaration on the opening of labour markets to Lithuania in less than 7 years is most important one in terms of social policy and employment.

It is planned that the parliaments of all the EU member states and acceding countries will ratify the Treaty by 1 May 2004 and the Treaty will thus come into force.

Annex II of the Accession Treaty lays down the technical adaptations to the acts adopted by the EU institutions. The Annex is drawn up according to the list of policy areas referred to in Article 20 of the Act of Accession. Part 2 of Annex II deals with the adaptations of legal acts regulating the free movement of persons and social security.

Part 2 of Annex IX of the Act of Accession lays down the conditions of Lithuania’s accession that are related to the
free movement of persons. Part 2 regulates the application of EU legislation related to the free movement of workers and the freedom to provide services, involving temporary movement of workers as well as the exceptions to its application. The document provides for transitional periods and a possibility for the member states to apply national measures, transitional periods and other specific conditions of the EU accession.

Protocol No IV of the Accession Treaty lays down the conditions for the closure of Lithuania’s Ignalina nuclear power plant. In the Protocol, the EU commits to allocate additional financial assistance in the period from 2004 to 2006 for Lithuania’s effort to decommission the plant and address the challenges related to the consequences of the plant decommissioning (Ignalina Programme). The Ignalina Programme covers measures for supporting plant personnel, aimed at maintaining a high level of operational safety at the Ignalina nuclear power plant up to the final closure of the reactor units and during their decommissioning.

Declaration No 11 “On the Free Movement of Workers: Lithuania” of the Treaty of Accession says that the EU stresses the strong elements of differentiation and flexibility in the arrangement for the free movement of workers. Member states shall endeavour to grant increased labour market access to Lithuanian nationals under national law, with a view to speeding up the approximation of the acquis. As a consequence, the employment opportunities in the EU for Lithuanian nationals should improve substantially upon Lithuania’s accession. Moreover, the EU member states will make best use of the proposed arrangement to move as quickly as possible to the full application of the acquis in the area of free movement of workers.

After the Treaty of Accession is signed, the Commission will continue monitoring how the candidate countries are meeting the commitments they had taken on during the accession negotiations, and 6 months left to the planned date of accession, the Commission will issue the Comprehensive Monitoring Report on the countries’ state of preparedness for EU membership. Since the EU has said it would be ready to accept new members as of 1 May 2004, the Report should be issued by late 2003.

4.1.4. DRAFTING OF THE EU CONSTITUTIONAL TREATY

Having adopted concrete decisions on enlargement, the accession of new member states, the European Union was faced with the need to revise its institutional framework, principles of activity and provisions regulating the decision-making and other issues, and to adapt them to a new enlarged Union of twenty-five. To this end, the Laeken European Council, which was held on 28 February 2002, decided to convene a Convention on the Future of Europe, bringing together representatives the present and the future members states of the Union; the Convention was to draft, holding sessions on a regular basis, a preliminary document, the draft Constitutional Treaty of the European Union. The draft text of the Treaty had to be drawn up with a view to the new circumstances, emerging as a result of the EU enlargement, such as the need for institution reform, amendment of the decision-making principles as well as the need to narrow or broaden the policy areas regulated at the EU level, etc.

The Convention works not via negotiations in which the countries would express their official positions, neither is it some open and non-binding discussion forum. The Convention is a new form of debate in the EU history: the major issues are discussed not in a closed circle of “the wise” or at the Intergovernmental Conference but at an assembly which is attended not only by the heads of state or government.

The Convention adopts decisions by way of consensus - common agreement. The Convention has adopted its regulations, reflecting the organisational issues of the Convention’s activities. Also, it has been agreed that the Convention may review the application of the regulations and introduce amendments, if need be.

The Convention plays a particular role in holding discussions with civil society. The Convention has adopted a decision to hold a public forum on the future of the EU. Such a civil society forum is held in each of the countries represented at the Convention as a supplement to the Convention and takes various forms: discussions, seminars, conferences, publications, Internet websites, etc.

The Convention concluded its work in late June 2003, when the draft Constitutional Treaty of the European Union was presented at the Thessaloniki European Council. The Intergovernmental Conference, starting in October 2003, will adopt the final decisions on the future of the EU. Lithuanian representatives will attend the Intergovernmental Conference on equal basis with the other countries.

Specialists of the Ministry of Social Security and Labour participated in the review and analysis of the draft Constitutional Treaty’s provisions within their area of competence and presented their conclusions and comments on the possible consequences of the implementation of these provisions for Lithuania.

Provisions of the draft Constitutional Treaty regulating social policy and employment

The draft Constitutional Treaty forwarded to the Inter-
governmental Conference by the Convention consists of four parts.

- **Part I - the main part of the draft Treaty that defines the main principles according to which the European Union functions.** The draft text says that the EU should aim at social justice, employment for all, social progress and social market economy.

- **Part II - the Charter of Fundamental Rights.**

  The Charter of Fundamental Rights was solemnly proclaimed at the Nice European Council in 2000 but had no legal power. The Convention decided to incorporate the Charter into the draft Constitutional Treaty in its entirety. The EU Charter of Fundamental Rights will be not only legally binding - it will become Part II of the Constitutional Treaty. This will enable the EU citizens to defend their rights at the European level with greater efficiency.

- **Part III - focuses on the Union’s policies and actions.**

  Part III specifies the principles listed in Part I, defines in detail policies implemented by the EU and provides for concrete EU action in different areas. This part of the draft Constitutional Treaty states that the policies listed in it shall be implemented in line with the principle of equal opportunities for men and women and that any form of discrimination shall be fought.

  **Major provisions in the area of social policy and employment:**

  - when establishing the internal market, workers shall have the right to move freely within the Union; any discrimination based on nationality between workers of the member states as regards employment, remuneration and other conditions of work and employment shall be prohibited (Article III-15);
  - In the field of social security, European laws shall establish such measures as are necessary to bring about freedom of movement for workers by introducing a system to secure for employed and self-employed migrant workers and their dependants respective social protection, i.e. ensure an adequate and effective co-ordination of national systems of social security (Article III-18);
  - The Union and the member states shall work towards developing a co-ordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets with a view to achieving the major objectives of the Union (Article II-92);
  - The Union shall contribute to a high level of employment by encouraging co-operation between member states and by supporting and, if necessary, complementing their action;
  - The Union and the member states, having in mind the European Social Charter signed on 18 October 1961 and the 1989 Community Charter of the Fundamental Social Rights of Workers, shall have as their objectives the promotion of employment, improved living and working conditions, proper social protection, dialogue between the social partners, the development of human resources with a view to lasting high employment and the combating of exclusion;
  - To this end the Union and the member states shall act taking account of the diverse forms of national practices and the need to maintain the competitiveness of the Union economy;
  - With a view to achieving the objectives, the Union shall support and complement the activities of the member states in the following fields:
    - improvement of the working environment to protect workers’ health and safety;
    - working conditions;
    - social security and social protection of workers;
    - protection of workers where their employment contract is terminated;
    - the information and consultation of workers;
    - representation and collective defence of the interests of workers and employers;
    - conditions of employment for third-country nationals legally residing in Union territory;
    - the integration of persons excluded from the labour market;
    - equality between men and women with regard to labour market opportunities and treatment at work;
    - the combating of social exclusion;
    - the modernisation of social protection systems;
    - the objectives and principles of activity of the European Social Fund (ESF), one of the four structural funds, established with an aim to support employment and the development of human resources and thus ensure the implementation of the European Employment Strategy, are defined.
  - The importance of promoting the economic, social and territorial cohesion is underlined.

- **Part IV - general and final provisions**

  The Constitutional Treaty comes into force after all the member states have ratified it. If in two years 4/5 of the member states ratify the Constitutional Treaty and one or two member states face any difficulties in ratification, the issue shall be handed over to the European Council. The Treaty establishing the European Community, the Treaty on the European Union and the acts and treaties that have supplemented or amended them shall be repealed as from the date of entry into force of the Treaty establishing the Constitution. Legal continuity in relation to the European Community and the European Union shall be maintained. To revise the Constitutional Treaty in the future, the Convention shall be convened, which shall adopt by consensus a recommendation to the Intergovernmental Conference.

  The main provisions in the area of social policy and employment that the draft Constitutional Treaty includes are
4.1.5. OTHER ACTIVITY IN THE AREA OF EU INTEGRATION

Implementation of Lithuania’s EU accessor programme. Throughout 2002, the tasks provided for in the Lithuania’s EU accessor programme were further implemented. Legislation scheduled to be passed in the plan was drafted and adopted as well as adjusted with a view to the transposition of the provisions of EU directives and other legal acts to the Lithuanian national legislation (draft law on the European labour councils was drawn up, action plan for the development of social partnership between the Government of the Republic of Lithuania, trade unions and employers’ organisations was drafted and approved, programme for the implementation of the Poverty Alleviation Strategy for 2002-2004 was drawn up and approved, the Government of the Republic of Lithuania and the Minister of Social Security and Labour issued resolutions and decrees respectively, regulating different aspects of labour relations, occupational health and safety, etc.)

Preparation for the free movement of persons and application of Regulation No 1408 and Regulation No 574. The Ministry of Social Security and Labour has started active preparation to take on commitments to the EU - ensure the free movement of labour force as of the date of Lithuania’s accession to the EU. Several issues of major importance for Lithuania are related to this: the recognition of professional qualifications in the EU member states, the integration of the Lithuanian Labour Exchange into the European job mobility portal EURES and the co-ordination of social security systems that will allow for the freely moving workers the social guarantees, the pension including. In order to prepare adequately for meeting the said commitments, the Ministry of Social Security and Labour will use the national PHARE 2002 programme to start strengthening the institutions that will have to perform the functions ensuring the free movement of workers. Since these are entirely new functions, the projects will put a significant focus on the training of personnel in the Ministry of Social Security and Labour, the Lithuanian Labour Exchange, the State Social Insurance Fund, the Ministry of Health, the State Patients Fund, municipalities, Labour Market Training Authority, etc. and their qualification upgrading. The two-year project should be launched in September 2003. Prior to the finalising of the PHARE project procedures, experts of the Ministry of Social Security and Labour engaged in extensive activities throughout 2002 to prepare for the implementation of the regulations in Lithuania. A brochure, “Community Provisions on Social Security”, was published; a cost study on the application of the regulations was conducted and presented to the Government of the Republic of Lithuania; decisions of the EU Administrative Commission on Social Security for Migrant Workers and the special document forms for the application of the regulations were translated and edited. Also, study visits to the competent institutions of Spain were organised. During the visit, a large group specialists from the Ministry of Social Security and Labour had an opportunity to familiarise themselves with the practical application of the Regulation No 1408 in Spain. By the decrees of the Ministers of Social Security and Labour and Health, a commission comprised of top-ranking officials was formed in early 2003, which will co-ordinate the implementation of the regulations.


Community Action Programme for Combating Social Exclusion. In 2002, the Minister of Social Security and Labour Vilija Blinkevičiūtė signed a memorandum of the agreement between the Republic of Lithuania and the European Community on the participation of Lithuania in the Community Action Programme for Combating Social Exclusion. The Programme will be implemented in 2002-2006 to promote co-operation, which will allow the Union and the member states giving a final blow in the fight
against poverty and social exclusion. The following action will be taken:

- Analysis of the features, sources, processes and trends of poverty, including the collection of comparative statistical data and general development of methodologies and thematic studies;
- Political co-operation and information exchange;
- Support and maintenance of dialogue and contacts at the European level between NGOs actively combating poverty and social exclusion.

Participation in the Programme is important for Lithuania primarily in terms of preparation for EU membership and the earliest possible participation in the activities of the EU institutions aimed at fighting social exclusion.

**Community programme “Community Incentive Measures in the Field of Employment”**. In December 2002, the Minister of Social Security and Labour Vilija Blinkevičiūtė signed the memorandum of agreement between the Republic of Lithuania and the European Community on the participation of Lithuania in the Community Programme “Community Incentive Measures in the Field of Employment”. The Community employment promotion measures are aimed at supporting the open co-ordination method in the field of the European employment strategy, and its major goals are the following: supporting the development of a co-ordinated employment strategy; stepping up co-operation of the member states and the candidate countries in analysing and maintaining the labour market; developing the methodology and content of the European employment strategy, including co-operation with the social partners and the respective local and regional government institutions; implementing an active information policy, meeting the needs of the public and ensuring that the citizens of Europe are introduced to all the aspects of the European employment strategy. Analysis, research and co-operation on statistical issues is planned as well as the exchange of good practice; activities of national employment services will be upgraded and local development will be encouraged in sharing best practices and developing methodical measures. The Programme will be implemented in 2003-2006.

**Human Resources Development Programmes’ Foundation**. In August 2002, the Ministries of Education and Science and Social Security and Labour established the Human Resources Development Programmes’ Foundation, which will be responsible for organising the implementation of projects in the framework of the PHARE 2001 Economic and Social Cohesion Programme, controlling the use of support funds and project implementation. Over 2 million euros is planned to be distributed according to the programme. The PHARE 2001 grant programme “Vocational Training for Economic and Social Cohesion” is aimed at promoting the initiatives of primary vocational training and education, continued vocational training and life-long learning, which would offer more opportunities for employment. The EU experts approved the establishment of the said Fund as a serious step in preparation for EU membership.

On 11 October 2002, the EU-Lithuania Subcommittee No 7 on Regional Development, Employment and Social Policy held a meeting in Vilnius. During the meeting, experts from Lithuania and the European Commission discussed Lithuania’s preparation for EU membership and the meeting of commitments in the fields of social security and inclusion, co-ordination of social security systems, labour law, ensuring gender equality, anti-discrimination, social dialogue and occupational health and safety. Also, Lithuania’s preparation to administer support from the European Social Fund was discussed.

On 16-17 February 2003, a delegation of officials from the European Commission’s Directorate-General for Employment and Social Affairs, headed by Director-General Odile Quintin, visited Lithuania. The delegation met with the Minister of Social Security and Labour Vilija Blinkevičiūtė, officials of the Ministries of Finance and Education and Science, Lithuanian Labour Exchange, State Labour Inspection and representatives of trade unions and employers’ organisations. The meetings focused on the process of transposition of the EU acquis in the fields of labour law, equal gender opportunities, occupational health and safety and anti-discrimination, its course and results as well as the implementation of this legislation in Lithuania. A separate meeting was allocated to discussions on the processes of social inclusion in Lithuania and the activities in the field of social security (pension reform, co-ordination of social security systems, etc). At the meetings, the officials from Brussels underlined the necessity to enhance administrative capacities and prepare for the activities of the European Social Fund in particular.

**4.2. PARTICIPATION IN THE ACTIVITY OF INTERNATIONAL ORGANISATIONS AND INTERNATIONAL CO-OPERATION**

**4.2.1. ACTIVITY IN THE FRAMEWORK OF THE INTERNATIONAL LABOUR ORGANISATION**

In 2002, exhaustive reports were drawn up on the application of the seven conventions ratified in Lithuania. Also, two reports were presented on the legal situation in the areas covered by conventions that Lithuania has not ratified: Protection of Wages Convention (No 95) and the Worst Forms of Child Labour Convention (No 182); the International Labour Organisation keeps to the position that a member country has to implement the major provisions
ensuring the basic human rights at work, even though it has not ratified the respective convention, and requests the members to present respective reports at set intervals of time.

The Ministry of Social Security and Labour co-ordinates Lithuania’s activity in the International Labour Organisation (ILO) and, if need be, involves other ministries and institutions into the co-ordination. The ILO holds frequent consultations with the members on different issues related to the international labour standards. The Ministry always attends these consultations and expresses Lithuania’s position on labour, social security, application of the international labour standards and other topical issues. On the basis of questionnaires presented, positions were prepared in 2002 on the following issues: regulation of fishing labour; improvement of human resources; occupational health and safety, withdrawal of outdated ILO recommendations, statistics on employment of the disabled and the programme of sector meetings. In each and every case, the position was prepared in consultation with the competent institutions, employers’ organisations and trade unions.

To ensure the principle of tripartite co-operation, a standing Tripartite Consultation Commission to Promote the Implementation of International Labour Standards was established under the Tripartite Council, which functions in line with the provisions of the Tripartite Consultation (International Labour Standards) Convention No 144 (ratified in Lithuania in 1994). Besides other issues, the sittings of the Commission discussed in 2002 the expedience of and possibilities for the ratification of the Private Employment Agencies Convention (No 181), Employment Policy Convention (No 122) and the Constitution of the International Labour Organisation Instrument of Amendment. Conclusions of the Tripartite Consultation Commission were presented to the Tripartite Council, which approved the ratification of the said conventions; they will be presented for ratification at the Seimas in 2003.

International Labour Conference

The International Labour Conference is the supreme body of the ILO, which is held annually in the month of June. The Conference is attended by delegations of the member states, including representatives of government and organisations of employers and workers. The Conference approves the budget, passes conventions and recommendations, lays down the policy guidelines of the organisation and action programmes.

The following were the major issues discussed at the session of the ILO Conference in 2002: promotion of co-operatives (second discussion, standard setting); recording and notification of occupational accidents and diseases, updating of the list of occupational diseases (single discussion, standard setting); the informal economy, illegal employment (general discussion); withdrawal of 20 recommendations.

Elections to the Governing Body at the ILO Conference 2002 were important for Lithuania as it nominated its candidacy to the Governing Body. On 10 June 2002, Lithuania was elected by secret ballot titular member of the ILO Governing Body for the period 2002-2005. (In 1999-2002, Lithuania was deputy member of the Governing Body).

This is a great achievement for Lithuania, to which the head and personnel of Lithuania’s Permanent Mission to the United Nations Office in Geneva have contributed significantly. For the first time since 1921, when it joined the ILO, Lithuania became titular member of the Governing Body.

The Conference voted and approved:
- Recommendation on the promotion of co-operatives;
- Protocol to the 1981 Occupational Health and Safety Convention;
- Recommendation on the list of occupational diseases, occupational accidents and the recording of occupational diseases.

The Conference also passed respective resolutions on increasing employment, promoting the social dialogue and other topical issues.

A delegation headed by the Minister of Social Security and Labour Vilija Blinkevičiūtė attended the Conference. The Minister delivered a speech at the plenary session of the Conference; she also made a presentation on the topical employment and labour issues in terms of EU accession at a meeting of labour ministers from the EU candidate countries, held at the invitation of the Deputy Maltese Prime Minister and Minister of Social Security and Labour.

In Geneva, Minister Blinkevičiūtė also had important meetings with the Director-General of the ILO, Juan Somavia and the ILO Regional Director for Europe and Central Asia, Friedrich Buttler. The meetings focused on the prospects for Lithuania to participate in the planned ILO activities, possible support from the ILO to Lithuania in solving the topical issues of labour law and several issues regarding the activities at the Governing Body.

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, adopt the agenda of the International Labour Conference, solve the issues of technical co-operation and stan-
dard-setting policy, review the implementation of respective programmes and Conference decisions.

As mentioned, at the 90th International Labour Conference in 2002 Lithuania was elected titular government member of the Governing Body for the period 2002-2005 and is active in representing the regional interests of Central and Eastern European countries (prior to this, Lithuania was deputy member of the Governing Body for three years).

In March 2002, the 283rd session of the ILO Governing Body discussed, among other issues of the Organisation’s activity, the impact of globalisation and its social consequences, the social consequences of 11th September and the ILO programme to stop the spread of HIV/AIDS. It is gratifying that at the presentation of report by the Committee on Freedom of Association, Lithuania was mentioned as an example of a country that takes into account the conclusions and recommendations by the Committee and implements them.

At the 285th session of the Governing Body in November, Lithuania was represented by a three-member delegation, led by the head of the Lithuanian Permanent Mission to the United Nations Office in Geneva, Ambassador Algimantas Rimkūnas. Among the major issues discussed were: strengthening of tripartite co-operation among the social partners on the basis of the resolution passed by the 90th Conference; situation of the Palestinian workers in the occupied Arab territories; violations of the freedom of association in Columbia; procedure of election of the ILO Director-General; agenda of the Conference to be held in 2005; activities of the World Commission on Globalisation, etc. The International Labour Organisation has lately put a particular focus on and taken active effort to assist the Government of Myanmar in abolishing as soon as possible forced labour, which is still widely spread in this country.

During the sessions of the Governing Body, the Central and Eastern European regional group, of which Lithuania is also a member, holds meetings and discusses the possible joint positions on the topical issues of the session. Also, joint meetings are held with government representatives from the group of Industrialised Market Economy Countries.

4.2.2. PHARE PROJECTS IMPLEMENTED BY THE MINISTRY

In 2002, the Ministry of Social Security and Labour implemented the following PHARE projects:

- Assistance to Social Policy Development and Administration of Social Security Payments and Benefits - Consensus III;
- Preparation for Participation in the European Employment Strategy;
- Reform of Disability Recognition Principles and Provision of Pension in Lithuania;
- Strengthening Social Dialogue.

1. Assistance to Social Policy Development and Administration of Social Security Payments and Benefits - Consensus III

In 2002, the project was already being finished. Having evaluated the legislation already in force and the legal acts still under preparation, the EU experts which participated in the project concluded that Lithuania’s social support system is harmonised with the employment policy and that Lithuania’s legislation in the field of social support is in line with the EU legal standards. Having evaluated budget planning at municipalities and the Ministry of Social Security and Labour as well as the systems of expenditure management and finance control, the experts developed a model using which the municipalities can forecast the amount of funds that will be needed for social support. Also, the EU specialists suggested to the municipalities a methodology of risk and information management and active file administration, which would allow disclosing those trying to use state support illegally.

The experts assisted the Ministry of Social Security and Labour in drawing up an action plan for improving the Ministry’s activity in the field of social support and the strategy of social support reform to restructure social support.

When concluding the project, a final conference was organised for 140 participants from municipalities, the Ministry of Social Security and Labour, the Delegation of the European Commission in Lithuania, the United Nations Development Programme and the Embassy of the United Kingdom to discuss project results; at the conference, representatives of individual municipalities conducting pilot project activities had an opportunity to share their experience.

2. Preparation for Participation in the European Employment Strategy

The EU PHARE Twinning Project, implemented by Denmark and Sweden, assisted Lithuania in harmonising its strategy with the guidelines and practices of the European employment strategy as well as preparing for the administration of support from the European Social Fund.

The project was divided into five parts: integration of labour market and employment policy; restructuring of the Lithuanian labour market administration; developing of administrative competence in preparation for the activities of the European Social Fund; upgrading of information management in labour market institutions, including the monitoring of labour market trends and developing of analysis and forecast system; organising training for the personnel.

Although this project will be concluded only in September 2003, concrete results have already been achieved. The
EU experts have analysed the shortcomings of the Lithuanian employment policy and labour market institutions and presented recommendations for system improvement.

Institutions regulating the labour market should improve information management; therefore, methods of monitoring labour market trends as well as analysis and forecast systems should be developed. Having evaluated the present IT systems of labour market institutions, the European experts issued recommendations for adjusting the systems and prepared detailed instructions regarding the computer software that should be acquired.

The European Social Fund intends to allocate extensive support to Lithuania, thus, we need to prepare for the administration of the funds. The EU experts have presented recommendations for developing the necessary structures.

3. Reform of Disability Recognition Principles and Provision of Pension

The current Lithuanian system of social insurance pensions does not require connecting the size of the disability pension with the level of incapacity to work and share of salary lost. Thus, such pensions may be allocated and paid to people who actually have not lost the capacity to work or the possibility to live on their working income. Also, the disability pensions do not ensure an adequate standard of living and are not necessarily allocated to all people recognised as disabled.

Experts from the Netherlands helped Lithuania solve these problems in the system of social insurance pensions through a twinning light project. As the goal was to change the present situation, the experts analysed the systems of disability recognition and disability pension allocation that are used in Germany, the Netherlands and Sweden and developed a model of social integration of the disabled, based on best practices of these countries. According to the model, the size of the pension should be connected with the level of incapacity to work and the decrease in the salary. Also, it was suggested that the very system of disability recognition should be changed, giving a more significant role in the process to the State Social Insurance Fund.

The new model of social integration of the disabled will also be implemented in Lithuania with the help of the European Union experts.

4. Strengthening of Social Dialogue

In late 2002, a twinning light project on the training of social partners, primarily the representatives of employers’ organisations and trade unions, was launched. Following the example of the European Union member states, Lithuania seeks to transfer to the social partners the largest possible share of authorisation in the field of labour relations’ regulation and thus limit the possibility for the state to regulate these relations. Also, social dialogue is very effective in solving the social disagreements among the public, which are quite frequent in the process of the state’s social and economic restructuring.

Market economies allocate considerable attention to the bilateral dialogue between employers’ organisations and trade unions. However, in transition economies, a trilateral dialogue including government representatives is used more often. Seeking to promote and develop bilateral co-operation between the social partners, the Lithuanian Government organises training for them, including the assistance granted by the PHARE projects.

The project on the Strengthening of Social Dialogue is oriented towards the strengthening of social dialogue at the level of the branch of economy and enterprise. A number of seminars and training sessions on collective agreements in the light and construction industry and trade centres were held. The social partners were trained in establishing workers’ councils and labour courts, solving disagreements at work and strengthening the social dialogue in Lithuania.

4.2.3. INTERNATIONAL AGREEMENTS

On 17 January 2003, the Agreement between the Government of the Republic of Lithuania and the Government of the United States of America on the Payment of Social Insurance Benefits, concluded by an exchange of notes, came into force. The agreement was initiated by the U.S Government, which proposed to conclude the agreement by exchanging notes. The Lithuanian community in the U.S. welcomes the agreement.

After the concluding of the agreement, the Republic of Lithuania pays old-age, seniority, orphans and widowhood pensions to the U.S. citizens who have paid insurance contributions for a respective period when working in Lithuania but currently reside not in Lithuania. In its turn, the U.S. pays pensions to the citizens of the Republic of Lithuania currently residing in Lithuania.

Under the current laws of Lithuania, pensions are paid to foreign countries in that case if foreign citizens have been awarded the pension when residing in Lithuania. Due to this, the Republic of Lithuania took on no additional commitments regarding such persons. However, if the payment of pension to a foreigner was stopped under previous legislation due to the fact that he or she moved to a foreign country prior to 1 January 1998, the payment will not be renewed. If a foreigner reached pension age when residing abroad, the pension will not be paid either. After the agreement was concluded, the U.S. citizens living not in Lithuania will be paid pensions in the above-mentioned cases under the same conditions as the citizens of the Republic of Lithuania. Thus,
discrimination against the U.S. citizens has been eliminated.

Under the U.S. laws, citizens of the Republic of Lithuania who move from the U.S. to another country are no longer paid the pension (except for payments from private pension funds). The said agreement eliminates such discrimination against the citizens of the Republic of Lithuania.

Under the Law No IX-1618, the Seimas of the Republic of Lithuania ratified on 10 June 2003 the Agreement between the Government of the Republic of Lithuania and the Kingdom of the Netherlands on the Payment of Social Security Benefits abroad, signed in Vilnius on 12 December 2002. The aim of the agreement is to secure the payment of social security benefits abroad for persons who have a right to such payments under the laws of one country but reside in another. The agreement was initiated by the Netherlands. Under the laws of the Netherlands, social security payments are paid abroad in that case if respective international agreements are signed. Thus, the agreement enables persons residing in Lithuania receive the payments that they had been allocated under the laws of the Netherlands. Under the current laws of the Republic of Lithuania and international commitments (acting European agreements on social security ETS 12 (Žin. 1999, No 62-2032), Lithuania has to pay old-age, disability, orphans and widowhood pensions, sickness and maternity benefits and social insurance benefits in case of occupational accidents and occupational diseases to persons who have acquired a right to these under the laws of the Republic of Lithuania but now reside in the Netherlands. Thus, when implementing the agreement between the Republic of Lithuania and the Netherlands, Lithuania’s financial commitments will not increase.

In early 2002, Canada presented a proposal to conclude an agreement on social security between Lithuania and Canada. The agreement provides for the regulation of pension allocation and payment to persons who move to live or work to another country. The agreement is based on the retention of rights acquired or to be acquired. Generally, the agreement would be beneficial for Lithuania as the Canadian labour market is attractive for Lithuanians.

In 2002, the Ministry stepped up its activities in the area of labour migration. As of the accession of Lithuania to the European Union, Ireland, the United Kingdom, Denmark, Sweden and the Netherlands will not introduce transition periods for the free movement of labour from Lithuania, which means that Lithuanian citizens will be able to enter legally the labour markets of these countries. Efforts are made to conclude agreements on the employment of our citizens in Italy, Spain and France. Among other benefits, this will help prevent illegal labour migration and secure social guarantees for our citizens.

4.2.4. DEVELOPMENT OF BILATERAL CO-OPERATION

The Ministry of Social Security and Labour aims at maintaining and strengthening close relations with respective ministries in the other countries. This way the ministries share information and experience in the field of social security and labour, hold seminars and organise study visits.

The Ministry has been co-operating with the Polish Ministry of Economy, Labour and Social Security since 1994. On 24 February 2003, the Co-operation Protocol was renewed for the fourth time for the period 2003-2004. The Protocol provides for information exchange on mutually topical issues in the areas of labour relations, social dialogue, working and safety at work conditions, social insurance and pensions, family and children, social integration and public relations.

Back in 2000 the Ministry started active correspondence with the French Ministry of Solidarity with an aim of establishing contacts and signing a co-operation agreement. On 20 March 2002, the Lithuanian Ministry of Social Security and Labour and the French Ministry of Employment and Solidarity held a meeting in Vilnius and discussed the necessity and possibilities for close co-operation as well as the areas of bilateral co-operation. With a view to the co-operation areas discussed, a co-operation programme for 2003 was drawn up and signed, providing for information exchange in the areas of labour relations in enterprises, assessment of occupational risk at enterprises and illegal employment.

In October 2000-May 2002, the Ministry of Economic Affairs and Labour of the German federal land of Saxony implemented together with France the EU PHARE twinning project on the improvement of occupational safety and health policy implementation. Continuing successful co-operation, the Lithuanian Ministry of Social Security and Labour and Saxony’s Ministry of Economic Affairs and Labour decided to draw up a Joint Co-operation Declaration, which was signed on 28 April 2003. The Ministries agreed to co-operate in information exchange on the European Social Fund and the EU Directive 93/104/EEC on certain aspects of the organisation of working time, establishment of social institutions, etc.

Under an agreement that the Lithuanian Ministry of Social Security and Labour and the Swedish National Labour Market Board signed on 26 March 2003, implementation of the programme “Working Life and
the Enlargement of the EU” was launched. This three-year programme is a form of assistance from the Swedish Government to the countries seeking EU membership. The aim of the programme is to share the experience of Swedish institutions in solving problems in the labour market and working environment. Two projects are planned in Lithuania in the framework of the programme: Development of Risk Assessment Measures and Practice and publishing of an English-Lithuanian Dictionary of Occupational Health and Safety.

In April 2002, the project on Gender Policy in Lithuania was launched. The project is financed by the Swedish International Development Co-operation Agency (SIDA). The project is implemented by the Lithuanian Ministry of Social Security and Labour, the Kaunas Women Employment Information Centre and a Swedish advisory company. 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.

4.2.5. UNITED NATIONS DEVELOPMENT PROGRAMME

Under the programme of co-operation with Lithuania for 2001-2003, the United Nations Development Programme (UNDP) mainly focuses on civil rights and efficient public administration, economic and social rights and the right to a safe environment. UNDP currently puts a special focus on human development, poverty alleviation and promotion of gender equality with a view to Lithuania’s objectives in the context of accession to the EU in 2004. In 2002, the Ministry of Social Security and Labour signed and started implementing the following projects financed by the UNDP:
- Lithuania’s report on human development in 2002-2003;
- Enhancement of Lithuanian women’s skills in information technologies;
- Enhancement of opportunities for non-governmental organisations in fighting poverty and social exclusion;
- Alleviation of social exclusion and poverty in the transition period.

In 2002, the following UNDP-financed projects were continued:
- Support to the implementation of poverty alleviation strategy: drawing up the action plan;
- Integration of the gender aspect into Lithuanian policies.

In 2002, the seven-year project on Social Policy Monitoring and Evaluation, financed by the Netherlands Government through the United Nations, was completed. The project was directly implemented by the Ministry of Social Security and Labour. A practical example of the results of the project - the publishing of the Social Report. Project activities were reported in annual publications. In 2002, the Ministry conducted such activities in the framework of the project:
- Publishing of the Social Report and training;
- International conference on the Monitoring of Social Rights;
- International conference on the Prospects of Pension Reform, etc.

UN 2nd World Assembly on Ageing in Madrid and the conference in Berlin. Delegation headed by the Minister of Social Security and Labour Vilija Blinkevičiūtė attended in April 2002 the UN 2nd World Assembly on Ageing in Madrid. The Assembly addressed such issues as the policy of employment and integration of the elderly, pension policy, development of social and health services, elimination of social exclusion and social policy integration. The issue of ageing is of particular relevance for Lithuania since elderly people comprise a considerable share of our society and this share is becoming increasingly larger. The processes of ageing are stimulated in Lithuania not only by the growing life expectancy but also by migration, conditioned by the economic difficulties in the country, and low fertility. The UN Economic Commission for Europe held a conference on similar issues in September 2002 in Berlin.

On 20-22 January 2003, the conference on Social Inclusion in the EU Candidate Countries in the Context of the Millennium Development Goals was held. The Minister of Social Security and Labour Vilija Blinkevičiūtė and the UNDP Resident Representative Cihan Sultanoglu opened the conference, which was organised by the Ministry and the UNDP in Lithuania. The aim of the conference was to analyse the problems of social inclusion in the EU member states and candidate countries, discuss the millennium development goals with a view to accession to the EU and share the experience of the candidate countries in the areas of poverty alleviation and social inclusion.

4.2.6. THE COUNCIL OF EUROPE

The Council of Europe’s Conference “Youth Building Europe”. In 2002, the Minister of Social Security and Labour Vilija Blinkevičiūtė attended the 6th conference “Youth Building Europe” of ministers dealing with youth affairs from the Council of Europe member states in the Greek city of Thessaloniki. The participants of the conference put a particular focus on three topical issues of youth policy: education for youth participation and democratic citizenship, promotion of social cohesion and stable democracy
in Southern and Eastern Europe and prevention of and fight against violence in daily life.

**Europe puts a special focus on labour migration.** In 2002, the Council of Europe held two conferences of ministers on this topic. The conferences addressed the effects of labour migration on the financing of the systems of social security and health insurance and the solving of unemployment problems. The countries of Europe were encouraged to take a more flexible view at labour migration and grant migrant workers broader social guarantees.

### 4.3. BUILDING OF ADMINISTRATIVE CAPACITIES

Building of administrative capacities is among the major tasks of preparation for the membership of the European Union. The draft action plan for the implementation of the EU acquis in 2003 in the context of Lithuania’s preparation for EU membership provides for the enhancement of administrative capacities of the Ministry of Social Security and Labour: developing the functions for the implementation of new-approach directives; strengthening the functions of social security systems’ coordination and application of the EU regulations on social guarantees for migrants; stepping up the control and supervision of the implementation of the EU directives on the recognition and assessment of professional qualifications; ensuring more opportunities for the development of social dialogue and social partnerships; conducting the revision of the document of Joint Assessment Paper of Lithuania’s Employment Policy Priorities and monitoring of the Programme for Increasing Employment; ensuring better preparation to participate in the activities of the European Social Fund; enhancing administrative capacities in the field of human resources development; meeting the commitments to the European Commission regarding the EU legislation on occupational health and safety; stepping up the implementation of conventions on the protection of the rights of child.

The establishment of the Division of the European Social Fund at the Ministry is one of the major examples of recent activities in the field of administrative capacities’ enhancement. Preparation to administer allocations from the European Social Fund undoubtedly ranks among the main tasks of preparation for EU membership.

Also, special attention is allocated to the preparation of specialists to work and represent Lithuania in different EU institutions: committees, working groups, etc. In practice, such preparation is conducted in two directions: in a special course organised by the Lithuanian Institute of Public Administration (LIVADIS) and individual language learning. LIVADIS organises courses on such topics as the EU law and institutions, the EU acquis, formation of the EU budget, etc. Over 30 specialists from the Ministry and institutions under the Ministry will be trained in these courses; in the first half of 2003, the first group of eight specialists completed the courses.
5.1 MANAGEMENT STRUCTURE OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR

MINISTER

- Vice-minister
- Advisers to the Minister
- Minister’s Spokesperson for the Press
- Assistant to the Minister

State Secretary of the Ministry

- Internal Audit Unit

Secretary of the Ministry

- Social Integration Department
- Family, Children and Youth Department
- Social Insurance and Pensions Department
- Social Insurance Division
- Family Support Division
- Pensions Division
- Pensions System Reform Division
- Secretariat of 1st and 2nd Degree State Pensions

Secretary of the Ministry

- Family, Children and Youth Department
- Social Insurance and Pensions Department

Secretary of the Ministry

- Social Insurance and Pensions Department

Secretary of the Ministry

- Social Insurance and Pensions Department

Finance and Accountancy Division

- Labour Department
- Labour Market and Equal Opportunities Division
- Labour Relations and Remuneration Division
- Labour Conditions Division
- Technical Safety Division
- European Social Fund Division
- Human Resources Development Division

General Affairs Department

- Law Division
- Personnel Division
- Information Technologies Division
- Public Relations Service
- Reception
- Chancelleriy
- Maintenance Division

INSTITUTIONS UNDER THE MINISTRY

State Social Insurance Fund Board (46 regional units)

Lithuanian Labour Exchange at the MSSL (National and 46 regional labour exchanges)

State Labour Inspection of the Republic of Lithuania (13 units)

Lithuanian Labour Market Training Authority at the MSSL (6 services and 14 centres)

State Commission of Medical Social Expert Examination at the MSSL (25 territorial and 5 republican commissions)

Administration of Guarantee Fund at the MSSL

Secretary of the Tripartite Council of the Republic of Lithuania at the MSSSL

Adoption Agency at the MSSSL

State Centre of Compensatory Technique for the Disabled

National Centre of Labour Protection

Institute of Labour and Social Research

Department of Supervision and Audit of Social Institutions at the MSSSL

Social Workers Training Centre at the MSSSL

Technical Supervision Service

Refugees Reception Centre

Fund of Human Resources Development Programmes