



# **ESPN Thematic Report on Social Investment Lithuania**

**2015**

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**EUROPEAN SOCIAL POLICY NETWORK (ESPN)**

**ESPN Thematic Report on  
Social Investment  
Lithuania  
2015**

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# Contents

SUMMARY .....	6
1 ASSESSMENT OF OVERALL APPROACH TO SOCIAL INVESTMENT .....	7
2 ASSESSMENT OF SPECIFIC POLICY AREAS AND MEASURES.....	9
2.1 Support for early childhood development.....	9
2.1.1 Early childhood education and care (ECEC).....	9
2.1.2 Family benefits.....	10
2.1.3 Parenting services .....	11
2.2 Supporting parents’ labour market participation.....	12
2.2.1 Childcare.....	12
2.2.2 Long-term care .....	13
2.2.3 Maternal/paternal/parental leave schemes .....	14
2.3 Policy measures to address social and labour market exclusion .....	14
2.3.1 Unemployment benefits.....	14
2.3.2 Minimum income .....	15
2.3.3 Active labour market policies.....	16
2.3.4 Social services .....	17

## Summary

Social investment is not a central theme in Lithuanian social policy. From 2009, the fiscal consolidation measures have dominated the social investment type of policies.

Current social policy documents focus on the improvement of family and child situations. However, some features of family situations reflect traditional, conservative values, with a lower pre-school participation rate, a lower employment rate among young women, a high rate of child poverty, and largely unsupported informal care of the elderly.

The legal instruments support parents' participation in the labour market. However, this participation, and especially the return to the workforce of women who are raising children, is complicated by the shortage of childcare facilities, the limited possibilities for part-time work, and a lack of motivation for employers to take on mothers with young children.

Municipalities treat the social investment approach in different ways. Only a few of them prioritise social investment in child welfare when developing social services. The majority fail to develop a consistent network of social services: they limit themselves to using services provided by state agencies.

Due to the economic crisis, in 2009 the national Government abolished the universal child allowance. As far as informal educational services are concerned, these are comparatively expensive for many families, and from a social investment perspective this leads to the reproduction of social inequalities.

Under legislation, pre-school education is universal, i.e. it must be accessible for every family. But unfortunately, access to it – important from the social investment policy perspective – is limited by a lack of institutions, especially in rural areas.

In big cities, the supply of private services is growing, but the high cost of these services makes them available only to families with an above-average income. The quality of services in public institutions suffers from a high staff workload. In rural municipalities, there is a shortage of qualified special education teachers, speech therapists and other specialists.

Pro-social investment services include home care services. However, formal non-residential care services are underdeveloped. Family members, mostly women, take care of the elderly, and this has restricted women's participation in the labour market.

Contributory benefits for families play a more important role than non-contributory family and child benefits. Contributory maternity/paternity benefits reconcile work and family life and could be regarded as social investments. However, in some cases maternal leave merely postpones the problem: after two years, when the maternity benefit payment period expires, the risk-of-poverty rate increases for some families. Since contributory paternity benefits are just paid to insured people, only two-thirds of families are eligible for contributory benefits. The family policy support is lacking non-contributory measures.

Proper investment in active labour market policy (ALMP) measures could increase employability and human capital. However, the Government gives priority to the public work scheme. This scheme provides temporary income support for participants, but there is no evidence to show how public works improve beneficiaries' employability in the long term. The lack of synergy between ALMP and social services also reduces the potential of ALMP. The lack of synergy complicates integration of the most vulnerable groups into the labour market.

In public and political discourse, a negative attitude prevails towards recipients of social assistance. The current social assistance reform increases monitoring of applicants and beneficiaries.

## 1 Assessment of overall approach to social investment

We share the definition of the social investment package as an aggregate of policies “designed to strengthen people’s skills and capacities and support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job-search assistance and rehabilitation.”<sup>1</sup> We think that social policy discourses differ concerning the social investment approach. For example, the social integrationist discourse is more favourable to social investment policy than is the moral underclass discourse.<sup>2</sup>

We think that in Lithuania the social investment approach is not yet completely recognised as a special mode of social policy, and current social policy is still dominated by the measures of fiscal consolidation. Social spending in the majority of cases is treated as profitless expense. Nevertheless, we identify some social policy developments that are in keeping with the features of social investment policy and, on the contrary, there are social policy developments that run counter to the social investment approach.

It is symptomatic that the concept of *social investment* was not mentioned in the National Reform Programme of 2014. The European Commission, in its assessment of the 2014 National Reform Programme and Lithuania’s Convergence Programme mentioned the ALMP measures several times and concluded: “Despite some progress having been made, devising ALMPs of sufficient scope and quality, whose effects reach the intended target group, continues to be a challenge.”<sup>3</sup>

For Lithuania, the European Council has recommended “(3) Better target active labour market policy measures to the low-skilled and long-term unemployed ... (4) Ensure adequate coverage of those most in need and continue to strengthen the links between cash social assistance and activation measures.”<sup>4</sup> The Commission noted that in recent years, the proportion of participants in the total ALMP package undertaking public work has decreased from 72% to 65%, but a further reduction could be considered, as the measure provides only income support and do not improve employability.

It would seem that the social investment approach in the area of child policy receives more discussion. In 2003, the Parliament of the Republic of Lithuania approved the Concept of State Policy on Child Welfare.<sup>5</sup> The Concept follows the principles of the UN Convention on the Rights of the Child and includes three principles: protection of the child, provision of child services and active participation of the child in the organisation of his/her life. The Concept resembles an integrated multi-dimensional strategy that tackles child welfare and could be considered a social investment plan. In 2012, the Ministry of Social Security and Labour approved a Programme of Child Welfare for 2013–2018 and a Plan of Implementation Measures for this Programme.<sup>6</sup> These focus attention on policy measures and services for families to guarantee child welfare.

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<sup>1</sup> <http://ec.europa.eu/social/main.jsp?catId=1044>

<sup>2</sup> “Moral underclass discourse is a gendered discourse with many forerunners, whose demons are criminally inclined, unemployable young men and sexually and socially irresponsible single mothers, for whom paid work is necessary as a means of social discipline, but whose (self-) exclusion, and thus potential inclusion, is moral and cultural. Social integrationist discourse focusses more narrowly on unemployment and economic inactivity, pursuing social integration or social cohesion through inclusion into paid work.” Quote from Levitas, R. (2005), *The Inclusive Society? Social Exclusion and New Labour*, second edition, Palgrave Macmillan, Basingstoke, pp. 7–8.

<sup>3</sup> European Commission (2014), Assessment of the 2014 national reform programme and convergence programme for Lithuania. Commission Staff Working Document, pp. 11–12.  
[http://ec.europa.eu/europe2020/pdf/csr2014/swd2014\\_lithuania\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2014/swd2014_lithuania_en.pdf)

<sup>4</sup> European Council (2014), Council Recommendation of 8 July 2014 on the National Reform Programme 2014 of Lithuania and delivering a Council opinion on the Convergence Programme of Lithuania, p. 70.  
[http://ec.europa.eu/europe2020/pdf/csr2014/csr2014\\_council\\_lithuania\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2014/csr2014_council_lithuania_en.pdf)

<sup>5</sup> [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=242678](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=242678)

<sup>6</sup> [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=438640&p\\_query=&p\\_tr2=2](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=438640&p_query=&p_tr2=2)

Unfortunately, the Plan and the Programme do not take into account other aspects of child welfare.<sup>7</sup>

The Action Plan for Increasing Social Inclusion 2014–2020 also involves children and young people.<sup>8</sup> The Action Plan includes investments in accessibility of pre-school and non-formal education, activities of child day-care centres, provision of comprehensive services, social work with children in foster care, and employment enhancement measures for young people. The Action Plan for Reducing Health Disparities in Lithuania stresses investment in children's health.<sup>9</sup> The measures of both action plans are in keeping with the key aspects of the social investment approach.

However, EUROCHILD research places Lithuanian family policy in the cluster of countries that are oriented towards traditional, conservative values.<sup>10</sup> The characteristics of this cluster include a low pre-school participation rate, a low employment rate among young women, a high rate of children in poverty, and largely unsupported informal care of the elderly. These social policy outcomes run counter to the measures of social investment policy.

During the crisis since 2009, the real living standards of families with children have decreased most, and despite the economic recovery, households with children still feel the negative impact of fiscal consolidation measures.<sup>11</sup> There are no measures designed to reduce the social exclusion of children in single-parent families.<sup>12</sup> A survey of services provided for children facing various social problems reveals the gap between the needs of children and the social, educational, health and legal services provided for children.<sup>13</sup>

In the development of social services, the following are the gaps that inform the shortcomings of the social investment approach:

- In long-term care, social services prevail in institutional settings.
- Rural areas lack child day-care services for children with disabilities and children from families at social risk.
- Despite the fact that Lithuania is a leader among EU countries in terms of the suicide rate in the 15–19 age group and generally, there is a lack of social and psychological services.<sup>14</sup>

<sup>7</sup> Poviliūnas, A. (2014), *Investing in Children: Breaking the cycle of disadvantage. A Study of National Policies: Lithuania*, p. 6. Report for the European Commission.

<http://ec.europa.eu/social/BlobServlet?docId=11648&langId=en>

<sup>8</sup> <http://www.socmin.lt/download/6579/socialines%20itraukties%20veiksmu-planas.pdf>

<sup>9</sup> Sveikatos netolygumų mažinimo Lietuvoje 2014–2023 m. veiksmų planas [Action Plan for Reducing Health Disparities in Lithuania], Ministry of Health, 16 July 2014, No. V-815. <https://www.e-tar.lt/portal/lt/legalAct/6c22d09031da11e4a83cb4f588d2ac1a>

<sup>10</sup> Eurofound (2014), *Quality of life in Europe: Families in the economic crisis – Third European Quality of Life Survey*, Publications Office of the European Union, Luxembourg, p. 16.

[http://eurofound.europa.eu/sites/default/files/ef\\_files/pubdocs/2013/89/en/4/EF1389EN.pdf](http://eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2013/89/en/4/EF1389EN.pdf)

<sup>11</sup> Navickė, J. (2014), *Fiskalinės konsolidacijos pasekmės pajamų pasiskirstymui Lietuvoje ir kitose ES šalyse. Socialinės politikos tyrimai trumpai, [Consequences of fiscal consolidation measures for income distribution in Lithuania and other EU countries. Social policy research in short]*, Lietuvos socialinių tyrimų centras, pp. 5–6. [http://lstc.lt/download/laikrastis\\_Issue\\_2.pdf](http://lstc.lt/download/laikrastis_Issue_2.pdf)

<sup>12</sup> "Our simulations do not reveal any significant design features that would reduce child poverty among single parent families in Lithuania." Quote from Salanauskaitė, L. and Verbist, G. (2013), *Is the neighbour's grass greener? Comparing family support in Lithuania and four other New Member States*, *Journal of European Social Policy*, 23(3): 315–331. <http://esp.sagepub.com/content/23/3/315.full.pdf+html>

<sup>13</sup> ESTEP (2013), *Palanki aplinka vaikams ir jaunimui: iššūkiai ir galimybės [Favourable Environment for Children and Youth: Challenges and Possibilities]* Socialinės apsaugos ir darbo ministerija, Vilnius. [http://www.socmin.lt/download/6114/2013-palanki\\_aplinka\\_vaikams\\_ir\\_jaunimui.pdf](http://www.socmin.lt/download/6114/2013-palanki_aplinka_vaikams_ir_jaunimui.pdf)

<sup>14</sup> Independent Human Rights NGOs (2012), *Rights of the Child in Lithuania: Alternative NGO Report for the UN Committee on the Rights of the Child on the third and fourth periodic reports by the Government of Lithuania*. [http://www.hrmi.lt/uploaded/PDF%20dokai/CRC\\_Alternative\\_Report\\_Lithuania\\_NGO\\_Group\\_20120816\\_2.pdf](http://www.hrmi.lt/uploaded/PDF%20dokai/CRC_Alternative_Report_Lithuania_NGO_Group_20120816_2.pdf)



- Social services for the education of children with special needs are increasing. However, the continuing shortage of special education teachers and social pedagogues complicates the integration of disabled children into the educational system. Overall, neither school communities nor disabled children themselves and their parents are prepared for integration into general educational settings.

The priorities of the 2014-2020 financing period include improvement in services for the child and family.<sup>15</sup>

There are legal instruments that support parents' participation in the labour market. However, this participation, and especially the return to the labour market of women who are raising children, is complicated by a shortage of childcare services, poor take-up of the opportunity to work part time,<sup>16</sup> and the unwillingness of employers to employ mothers with young children.

Municipalities do not have special schemes for family/child benefits. However, local authorities vary in the extent to which they adopt policies that prioritise social investment in child welfare when developing social services. The funding of social services for the child and the family by municipalities is very uneven. Many municipalities fail to develop a network of social services, and use only the services of fixed state agencies. In the above-mentioned programmes the plan is to develop social services for families by including more non-governmental organisations (NGOs) and by encouraging communities to be more active.

Although in the national programmes and documents associated with child welfare the Government highlights the social investment approach, in practice the priority remains fiscal consolidation, with minimal income support.

## 2 Assessment of specific policy areas and measures

### 2.1 Support for early childhood development

#### 2.1.1 Early childhood education and care (ECEC)

In Lithuania, pre-school education is provided under the pre-school programme for children from birth to 6 years of age. Institutional pre-school education is universally available but is not compulsory, and is delivered at the request of parents (guardians). In individual cases, for example, in the case of children from social risk families,<sup>17</sup> this education may be compulsory. Pre-school education is provided by state and private nursery-kindergartens, kindergartens and kindergarten-schools. In more remote rural communities, such groups can be set up at multifunctional community centres, or children may be taken on a school bus free of charge to the nearest school where there is such a group.

Pre-primary education groups are attended by more than 92% of 6-year-old children. An earlier start for pre-primary education is under discussion: experts suggest starting pre-primary education from the age of 4. However, no decision has yet been made.

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<sup>15</sup> VPVI, Lietuvos socialinių tyrimų centras (2011), *Socialinės integracijos paslaugų socialiai pažeidžiamų ir socialinės rizikos asmenų grupėms situacijos, poreikių ir rezultatyvumo vertinimas, siekiant efektyviai panaudoti 2007-2013 m. ES struktūrinę paramą [Evaluation of social integration services for socially vulnerable and socially excluded individuals for the effective use of the EU structural assistance for the period of 2007-2013]*.

<sup>16</sup> According to the Labour Code, the possibility exists to set part-time daily working time or part-time weekly working time for families with children.

<sup>17</sup> "It should be noted that alcohol abuse and the use of psychotropic substances as well as the lack of social skills of families remained the main reasons for including the majority of families in the Register of Social Risk Families with Children of the Municipalities across Lithuania in 2013, like in 2012." Ministry of Social Security and Labour (2014), *The Social Report, 2013-2014*, p. 66.  
<http://www.socmin.lt/download/8233/en%20socialinis%20pranesimas%202013-2014%20interactive-09-15.pdf>

“At the pre-school level the highest opportunities to participate are among children who belong to urban population, non-single-parent households, and households with no disabled members and those with no children less than one year of age.”<sup>18</sup> The main reasons why a child does not attend a pre-school institution are living in a rural area, a divorced family or household poverty. These factors limit the scope for children to participate in pre-school education, and these children experience systematic social injustice.

Thus it is reasonable to have ongoing discussion in the Parliament of the Republic of Lithuania and the Ministry of Education and Science about whether to make pre-primary education compulsory, in order to ensure that all children have similar opportunities to be prepared for compulsory school from the age of 7.

Access to pre-school education has improved significantly in rural areas. Some €2.05 million were allocated in 2012 from the European Social Fund (ESF) project “Development of Pre-Primary and Pre-School Education”. During the 1st to the 3rd quarters of 2012, 4,333 pre-school education vouchers were provided.<sup>19</sup>

Integrated early childhood policies are in the process of formation. The importance of the complementary effect of different measures is recognised. The Ministry of Education and Science supports a multidimensional approach that includes the development of infrastructure, improvement in access to social services, individualisation of education, in-service training for educators, and the strengthening of the partnership between school communities and parental organisations and parents.<sup>20</sup> The Ministry of Education and Science recognises the necessity of developing inclusive education<sup>21</sup> and supports the idea that pre-school education should be one of the ways of transcending the culture of poverty. Consequently, there are obvious signs of increased recognition for the social investment discourse in social policy.

### 2.1.2 Family benefits

The benefits for children include: a lump-sum child benefit; a child benefit; a benefit for the child of a serviceman on mandatory service; a guardianship (curatorship) benefit; a lump-sum settlement benefit; a lump-sum benefit for a pregnant woman; and a targeted guardianship (curatorship) benefit supplement.<sup>22</sup> Due to the economic crisis, in 2009 children’s benefits were transformed from categorical to income-tested benefits.

According to the Law on Social Assistance for Pupils, social support is provided for children from low-income families. There are two types of social support for pupils: free meals for pupils and provision of pupils with school supplies prior to the beginning of a new school year.<sup>23</sup>

<sup>18</sup> Žalimienė, L., Lazutka, R., Skučienė, D., Aidukaitė, J., Kazakevičiūtė, J., Navickė, J. and Ivaškaitė-Tamošiūnė, V. (2011), *Socialinis teisingumas šeisingu: teorini samprata ir praktinis vertinimas [Social Justice in Education: Theoretical Approaches and Evaluation of Practice]*, ŠMM ir LRTC, Vilnius, p. 85. [http://www.smm.lt/uploads/lawacts/docs/693\\_f31fc7ad3da4f678e4cb208806e76b91.pdf](http://www.smm.lt/uploads/lawacts/docs/693_f31fc7ad3da4f678e4cb208806e76b91.pdf)

<sup>19</sup> Povili Aidukienė, T. (2014) *Kaip užtikrinsime inkluzinio ugdymo kokybę [How do we guarantee the quality of inclusive education]*. Švietimo ir mokslo ministerija ūnas, A. (2014), *Investing in Children: Breaking the cycle of disadvantage. A Study of National Policies: Lithuania*, p. 37. <http://ec.europa.eu/social/BlobServlet?docId=11648&langId=en>

<sup>20</sup> ŠMM Aidukienė, T. (2014) *Kaip užtikrinsime inkluzinio ugdymo kokybę [How do we guarantee the quality of inclusive education]*. Švietimo ir mokslo ministerija (2013), *Švietimo raidos Lietuvoje [žvalgus: medžiaga diskusijoms [Insights for the Development of Education in Lithuania. Materials for discussion]*, pp. 49, 50, 114. [http://www.smm.lt/uploads/lawacts/docs/687\\_40dbcd36fe7aaba1746b7a8271f8f004.pdf](http://www.smm.lt/uploads/lawacts/docs/687_40dbcd36fe7aaba1746b7a8271f8f004.pdf)

<sup>21</sup> Aidu Aidukienė, T. (2014) *Kaip užtikrinsime inkluzinio ugdymo kokybę [How do we guarantee the quality of inclusive education]*. Švietimo ir mokslo ministerija kienė, T. (2014) *Kaip užtikrinsime inkluzinio ugdymo kokybę [How do we guarantee the quality of inclusive education]*. Švietimo ir mokslo ministerija. [http://www.lietuviunamai.vilnius.lm.lt/index\\_files/konferencija\\_pranesimas\\_aidukiene.pdf](http://www.lietuviunamai.vilnius.lm.lt/index_files/konferencija_pranesimas_aidukiene.pdf)

<sup>22</sup> Law on Benefits for Children. [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=471308](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=471308)

<sup>23</sup> Law on Social Assistance for Pupils. [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=420175](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=420175)

Schoolchildren have a right to free meals if the monthly income per family (i.e. persons living together) member is less than 1.5 times the amount of state supported income<sup>24</sup> (SSI) (€152); and to school supplies if the monthly income per family (persons living together) member is less than 1.5 times SSI (€152).

Taking into account the living conditions of families (persons living together), pupils may be provided with free meals in other cases, too, as specified by the municipality, which decides on the allocation of social assistance to pupils.

Funds (120% of the Basic Social Benefit (€45.20) per pupil per calendar year) are allocated for purchase of school supplies. Sets of school supplies for pupils from families at social risk are put together for each pupil according to individual need, taking account of the number of pupils in a family and the supplies already available to them.

### 2.1.3 Parenting services

One of the goals of Lithuanian family policy is to implement measures to assist a family to be an autonomous, responsible, stable institution that is able to perform its functions independently.<sup>25</sup> However, parenting services in Lithuania are not developed sufficiently and are fragmented. Typically, people seek them when families are already experiencing problems. These services include:

- The national programme *Prevention and Help for Children Experiencing Violence*<sup>26</sup> provides resources for professionals working with children who have experienced violence.
- Pedagogical psychological agencies in municipalities provide services to families raising children with different disabilities (developmental disorders, autism, etc.).
- The Ministry of Social Security and Labour (2013–2018) is financing projects run by organisations to provide comprehensive services for parents with children in crisis: for example, courses on the development of communication skills for parents.
- The Ministry of Education and Science initiates and supports programmes to improve the parenting skills of parents who raise children with behavioural and emotional disorders.

The attention paid to the provision of parenting services has increased since 2012, after the *Programme of Child Welfare for 2013–2018* was approved. The Programme includes actions to improve the capacities of families to cope with psychological and social problems.<sup>27</sup> An *Action Plan for Reducing Health Disparities in Lithuania 2014–2023* highlights the importance of health education skills, healthy nutrition, and promotes breastfeeding programmes.<sup>28</sup> All documents encourage cooperation among

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<sup>24</sup> The amount of the state supported income is used when calculating cash social assistance for low-income persons (social benefit and home heating expenses), establishing the right of school students from low-income families to free meals and provision with the necessary materials at the beginning of a school year, and also when calculating the unemployment social insurance benefits for the unemployed who are registered at a labour exchange.

<sup>25</sup> Ministry of Social Security and Labour. Family policy. See: <http://www.socmin.lt/lt/seima-ir-vaikai/seimos-politika.html>

<sup>26</sup> LR socialinės apsaugos ir darbo ministro įsakymas Nr. 2-81 [The Order of the Minister of Social Security and Labour No. 2-81] (2014), Nacionalinė smurto prieš vaikus prevencijos ir pagalbos vaikams 2011–2015 metų programa [The National Programme for the Prevention of Violence against children and Assistance for Children for 2011–2015].

<sup>27</sup> LR socialinės apsaugos ir darbo ministro įsakymas Nr. A1-547 [The Order of the Minister of Social Security and Labour No. A1-547] (2012), Vaiko gerovės 2013–2018 m. programa [the Programme of Children Welfare 2013-2018“].

<sup>28</sup> LR sveikatos apsaugos ministro įsakymas Nr. V-815 [The Order of Minister of Health] (2014), Sveikatos netolygumų mažinimo Lietuvoje 2014-2023 m. veiksmų planas [Action Plan for Reducing Health Disparities in Lithuania 2014–2023]. [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=478355&p\\_tr2=2](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=478355&p_tr2=2).

ministries working in this area (Ministry of Social Security and Labour, Ministry of Health and Ministry of Education and Science), as well as funding for the projects of NGOs working in the field of family welfare. According to these documents, the ongoing programmes and projects seek to strengthen positive parenting, help to prepare individuals for family life, assist families in the crisis of divorce, develop caregivers, and run training programmes, etc.

At the municipal level there are *pedagogical psychological services*, which provide free consultations for parents, and a special programme is run – *School for Parents*. These services are not popular, though, and families tend not to use them enough.

Public primary healthcare institutions provide free counselling services for parents about the care of infants. Although the health policy places an emphasis on children's health, the attention given to the family's involvement in activities to improve children's health is inadequate.

The promotion of various methodological tools for families is quite widespread, but there has been no research into how popular these tools are and how effective they are among parents.

## 2.2 Supporting parents' labour market participation

### 2.2.1 Childcare

Analysing the national legal basis, many examples can be found where childcare is treated as a service, enabling parents to work. For example, the National Demographic Strategy places an emphasis on the services for children, in order to assist a family in reconciling family and work responsibilities.<sup>29</sup> Using EU support, municipalities have the opportunity to establish after-school groups for children in schools of general education and in pre-school institutions. An action plan has been approved for improving funding for the non-formal education of children 2014–2016,<sup>30</sup> developing services to families in the community, and improving their quality, services and availability, etc.

Pre-school education in Lithuania is provided by the state and private nursery-kindergartens, kindergartens and kindergarten-schools, but the availability of these services is inadequate. Take-up of these services is limited by a lack of institutions and places, and by regional disparities in the infrastructure development. In big cities, the supply of private services is growing, but the high cost of the services make them available only to families with above-average income. The quality of services in public institutions suffers from a high staff workload, and in smaller peripheral municipalities there is a shortage of qualified special education teachers, speech therapists and other specialists.<sup>31</sup>

An action plan to increase the availability of inclusive education for disabled children with special needs and for their families has been developed.<sup>32</sup> Under this plan, access

<sup>29</sup>LR socialinės apsaugos ir darbo ministro įsakymas Nr. A1-209 [The Order of the Minister of Social Security and Labour No. A1-209] (2014), Nacionalinės demografinės (gyventojų) politikos strategijos šeimos gerovės srityje įgyvendinimo 2014–2015 metų veiksmų planas [Action Plan of the National Demographic Policy in the Field of Family Welfare for 2014-2015] <https://www.e-tar.lt/portal/legalAct.html?documentId=a84f4d80c3a011e38c43fee5c144a67d>

<sup>30</sup> LR švietimo ministro įsakymas Nr. V-972 [The Order of the Minister of Social Security and Labour No. V-972] (2013), Neformaliojo vaikų švietimo finansavimo tobulinimo veiksmų planas 2014–2016 m. [Action Plan of the Improvement of Financing of the Informal Education for 2014-2016].

<sup>31</sup> Žalimienė, L., Lazutka, R., Skučienė, D., Aidukaitė, J., Kazakevičiūtė, J., Navickė, J. and Ivaškaitė-Tamošiūnė, V. (2011), *Socialinis teisingumas švietime: teorinė samprata ir praktinis vertinimas* [Social Justice in Education: Theoretical Approaches and Evaluation of Practice], ŠMM ir LRTC, Vilnius, p. 85. [http://www.smm.lt/uploads/lawacts/docs/693\\_f31fc7ad3da4f678e4cb208806e76b91.pdf](http://www.smm.lt/uploads/lawacts/docs/693_f31fc7ad3da4f678e4cb208806e76b91.pdf); ŠMM (2013), *Švietimo raidos Lietuvoje įžvalgos. Medžiaga diskusijoms* [Insights for the Development of Education in Lithuania. Materials for discussion], pp. 49, 50, 114. [http://www.smm.lt/uploads/lawacts/docs/687\\_40dbcd36fe7aaba1746b7a8271f8f004.pdf](http://www.smm.lt/uploads/lawacts/docs/687_40dbcd36fe7aaba1746b7a8271f8f004.pdf)

<sup>32</sup> Specialiosios pedagogikos ir psichologijos centras [National Centre for Special Needs Education and Psychology] (2011), Specialiųjų poreikių asmenų ugdymo(-si) formų plėtra. Inkliuzinis ugdymas ir

to pre-school and pre-primary education for disabled children has been improved. The institutions for integrating children with disabilities have had their budgets increased by 35%. Unfortunately, in rural areas access to social services for disabled children remains limited due to the lack of infrastructure and specialists. In 2011–2013, the number of children in day-care centres for disabled children decreased by about 10%.<sup>33</sup>

Currently, services for the non-formal education of children are being developed, and the qualifications of staff providing such services have been improved.<sup>34</sup> In the 2012–2013 school year, the non-formal education services were provided to about 27.4% of children.<sup>35</sup> However, the network of services and the level of funding vary greatly across municipalities.

The number of school-age pupils not attending school is decreasing. However, a large gap remains between urban and rural school dropouts.<sup>36</sup> The main causes for such regional differences include inadequate school networks, underdeveloped infrastructure of educational support, and inadequate qualifications among teachers.<sup>37</sup>

## 2.2.2 Long-term care

Although in Lithuania, a policy of the de-institutionalisation of social services has been introduced and is a priority for community-based services that have the potential to maintain the independence of individuals and to avoid the need for more intensive support, residential care services constitute a large part of the services. In 2013, only 2.2% of the 65+ population received home care services. During 2010–2012, expenditure on home care services decreased by about 12%, while expenditure on inpatient accommodation increased by about 10%.<sup>38</sup> The availability of formal home care services is low, and families are forced illegally to employ caregivers for their relatives. Home help services delivered by private providers are very expensive and available only to a small number of families. In the case of elderly people with a high level of special needs, the provision of home help services cannot prevent institutionalisation, because of the organisational peculiarities of home help services.<sup>39</sup> The accessibility of day-care services is low. The number of users of day-care services for the elderly decreased in 2011–2013 by 23%.

As formal non-residential care services are underdeveloped, Lithuania traditionally has a large element of informal care. Family members, mostly women, take care of the elderly, which has restricted women's participation in the labour market. In 2010, the

komandinė pagalba mokiniui. Metodinė priemonė. [The Development of the Education of the Persons with Special Needs. Inclusive Education and Team Assistance for Pupil. Methodic Recommendations]. <http://www.sppc.lt/index.php?-1772431713>

<sup>33</sup> Lithuanian Statistics, 2014. Socialinės paslaugos [Social Services]. <http://osp.stat.gov.lt/en/temines-lenteles15>

<sup>34</sup> LR švietimo ministro įsakymas Nr. V–972 [The Order of the Minister of Social Security and Labour No. V–972] (2013), Neformaliojo vaikų švietimo finansavimo tobulinimo veikslių planas 2014–2016 m. [Action Plan of the Improvement of Financing of the Informal Education for 2014–2016]. <https://www.smm.lt/uploads/documents/svietimas/neformalus%20ugdymas/NVS%20finansavimo%20tobulinimas%2009%2023%20sured%20%202.pdf>

<sup>35</sup> Švietimo informacinių technologijų centro duomenys [The Data of Centre of Information Technologies in Education].

<sup>36</sup> ESTEP. 2013. Palanki aplinka vaikams ir jaunimui: iššūkiai ir galimybės. Tyrimo ataskaita. [The Favourable Environment for Children and Youth: Challenges and Possibilities. Report of the Research] Socialinės apsaugos ir darbo ministerija. [http://www.socmin.lt/download/6114/2013-palanki\\_aplinka\\_vaikams\\_ir\\_jaunimui.pdf](http://www.socmin.lt/download/6114/2013-palanki_aplinka_vaikams_ir_jaunimui.pdf)

<sup>37</sup> National Reform Programme, 2014.

<sup>38</sup> Lithuanian Statistics. See: <http://osp.stat.gov.lt/web/guest/statistiniu-rodikliu-analize?portletFormName=visualization&hash=33039a62-da96-4e2d-ad53-4119e6ed497e>

<sup>39</sup> In Lithuania, home help services are provided only during working days and time and not at the weekend or evening time.

care of children or other family members, or close relatives who need constant care was provided by 68,800 people, two-thirds of them women.<sup>40</sup>

### 2.2.3 Maternal/paternal/parental leave schemes

The role of contributory benefits for families is much more important, and public expenditure on contributory benefits is several times greater than expenditure on non-contributory family and children's benefits. The amount of maternity or paternity benefit depends on the chosen duration of the benefit: if the insured person chooses to receive the benefit until the child is 1 year old, the amount of the benefit is 100% of the beneficiary's reimbursed remuneration;<sup>41</sup> if the person chooses to receive the benefit until the child is 2 years of age – the benefit up until the child's first birthday is 70% of the beneficiary's reimbursed remuneration, and thereafter 40%. In the case of adoption, after childcare leave is granted (following the court's decision on the adoption of a child), maternity (paternity) benefit may be claimed for three months at 70% of the beneficiary's reimbursed remuneration.

There are no data on poverty among the recipients of contributory benefits. However, because of high rates of contributory benefits, those families that are eligible for maternity or paternity benefit in case of pregnancy and childbirth are protected. Nevertheless, there are at least two problems.

First, contributory benefits mainly protect the income of families during the first two years after the birth of a child. The return to the labour market is complicated by high levels of unemployment and a shortage of childcare services.

Secondly, since contributory benefits are paid only to insured people, only two-thirds of families are eligible for contributory benefits. The birth grant is paid to every family with a new-born child, but the maternity grant is paid only to insured parents. The difference between the number of recipients of the birth grant and the number of recipients of the State Social Insurance maternity (pregnancy and childbirth) benefit is increasing.

## 2.3 Policy measures to address social and labour market exclusion

### 2.3.1 Unemployment benefits

In Lithuania, unemployment benefit is contributory. It can be claimed if someone has 18 months of contributions during the previous 36 months. The benefit is paid for six months, with an extension to nine months for those unemployed people with a contributory period who are over 25. Only 20–25% of the registered unemployed receive unemployment benefit. Others have to rely on mutual solidarity within their family or on the safety net if the family resources are insufficient.

The benefit consists of a flat rate and an earnings-related component. On average, the total amount of the benefit is about 50% of the minimum wage. The unemployment benefit cannot be less than the SSI (€101), but cannot exceed €300 (close to the minimum wage and about 30% above the at-risk-of-poverty threshold for a single person).

Both the coverage and the amount of unemployment benefit need to be improved, to provide better protection for the unemployed and greater investment in the labour force.

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<sup>40</sup> National Reform Programme, 2014.

<sup>41</sup> "Reimbursed remuneration" means the sum total of the insured person's insured income on the basis of which sickness and maternity social insurance shall be calculated. Law on Sickness and Maternity Social Insurance, Article 3. [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=429439](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=429439)

### 2.3.2 Minimum income

In Lithuania, cash social assistance benefit (SAB) is means-tested and is paid if the value of property does not exceed the average property value set for the residential area, and if monthly income is below the level of the SSI (i.e. €101 Euro per family member per month). Readiness to work and undergo training is taken into account. Refusal of a job offer, training or public works may lead to the suspension of SAB.

Lithuania's social assistance system worked fairly well during the crisis and fiscal consolidation period. The coverage has increased to include a far greater number of impoverished inhabitants. Unfortunately, as demand for funds went up, a negative attitude to social assistance recipients has become quite prevalent in the political elite, the mass media and society in general. Social assistance administrators, social workers and even some representatives of NGOs support a policy that tightens the process of application for social assistance and do not worry overly about non-take-up. Take-up of SAB depends a lot on its administration. Statistical data show a strong impact of local administration on the number of assistance beneficiaries. Disparities in the number of beneficiaries among municipalities are considerable. Even if demographic, economic and labour market differences are taken into account, the proportion of beneficiaries can vary by up to 100% – solid proof for very high dependency of SAB take-up on the administrative culture of municipalities.

During the last few years, the social assistance benefit scheme has undergone some reform:

- In-work benefit has been introduced: the benefit is granted for six months if a person starts work after a spell of long-term unemployment, even if the income of the family exceeds the SSI. The benefit amount is 50% of SAB paid before employment.
- Economy of scale was introduced for SAB: the amount of SAB starts to decrease from the second member of the family.
- SAB (except SAB paid for a child (or children) or for an adult child (or children) who is in full-time education, including for the period from the day of completion of the general education curriculum until 1 September of the same year) has been reduced for those beneficiaries who are entitled to SAB over a long period: 20% reduction if social benefit is paid for 12–24 months; 30% reduction for 24–36 months; 40% reduction for 36–48 months; and 50% reduction for 48–60 months. SAB is not paid for a period of 24 months<sup>42</sup> if a person was entitled to SAB for more than 60 months.
- Workfare has been introduced. Recipients of SAB must take part in “socially useful activities” organised by the municipal administration (40 hours per month). Avoiding participation in socially useful activities may result in cancellation of SAB payment.
- Financing of SAB has been decentralised. Until 2014, SAB was paid by municipalities from targeted subsidies allocated to them from the national budget.<sup>43</sup> Municipalities provide SAB as a municipal function from their budgets. They have received a strong incentive to spend less on SAB and to reallocate money for other purposes. Therefore, the number of beneficiaries and the amount spent on SAB have both decreased significantly.

<sup>42</sup> “The administration of municipality has the right not to reduce the amount of the social benefit, provided that the local labor exchange office of Lithuania or the national employment service of another state did not offer a job or participation within the active labor market policy measures during the period while the social benefit was being provided.” <http://www.socmin.lt/en/family-and-children/social-assistance-to-z2xz/support-to-low-e7u6.html>

<sup>43</sup> Piniginės socialinės paramos nepasiturintiems gyventojams įstatymas [Law on Cash Social Assistance for Low-Income Residents]. 2003 m. liepos 1 d. Nr. IX-1675. [http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=415160](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=415160)

Recent reforms may put minimum income protection in the country at risk. Summing up, the social assistance reform has sought to reduce expenditure on SAB. The amendments include stronger monitoring of applicants and beneficiaries and restrictions on benefit payment. Meanwhile, the minimum income scheme in Lithuania does not encourage the inclusion of unemployed persons in the labour market, due to the low wages on offer, especially for unskilled work. The minimum net wage is usually very close to the at-risk-of-poverty threshold for a single person.

### 2.3.3 Active labour market policies

In Lithuania, ALMP are not well developed. In 2011, the average EU-27 expenditure on ALMP was 0.47% of GDP; in Lithuania it was 0.18%. From 2010 to 2012, expenditure actually decreased. The funding for these measures is unstable (mainly through ESF); ALMP coverage is low and during the economic crisis it has declined. "The analysis of ALMP implementation disclosed insufficient individual work with unemployed and lack of consistency in the provided assistance."<sup>44</sup>

ALMP measures are not attractive to many unemployed: 50% stated that they did not want to participate in the measures, with the exception of the supported employment measure, where subsidies are paid to the employer.<sup>45</sup>

In order to increase the participation of unemployed people in the ALMP measures, the Government relies too heavily on the public works programme. In case of unemployment for 12 months or more, when a person is not entitled to unemployment insurance benefit or the payment of social benefits has expired, ALMP becomes a form of income support for the unemployed. The scheme provides temporary income support for participants, but there is no evidence on how this helps to improve the beneficiaries' employability in the long term.<sup>46</sup>

The national ALMP system focuses on the so-called "secondary labour market", which is dominated by low-skilled jobs and the minimum wage.<sup>47</sup> It is important to expand the range of ALMP, to search for new forms that could be attractive to a wider range of unemployed.

To increase the effectiveness of the ALMP, a new evaluation methodology was introduced in 2013, under which the Public Employment Service (labour exchange) now carries out evaluation of the ALMP measures' effectiveness. However, external assessment of employment policy impact is very urgent. The Lithuanian Research Council is launching a new National Research Programme on the welfare state for the period of 2015-2021. Hopefully, that will provide a platform for this kind of assessment.<sup>48</sup>

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<sup>44</sup> Moskvina, J. (2008), The Impact of the Active Labour Market Policy Measures on the Social Integration of the Unemployed (summary of doctoral dissertation, social sciences, sociology), Vilnius University, p. 21.

<sup>45</sup> Projekto "Darbo santykių ir valstybinio socialinio draudimo teisinio administracinio modelio sukūrimas" darbo grupė (2014), Aktyvios darbo rinkos politikos priemonių efektyvumo tyrimas [The Analysis of the Effectiveness of the Active Labour Market Policy Measures]. <http://www.socmodelis.lt/wp-content/uploads/II-21.pdf>

<sup>46</sup> ES struktūrinės paramos poveikio gyvenimo kokybei, socialinės atskirties ir skurdo mažinimui Lietuvoje vertinimas. [The Evaluation of the Influence of EU Support for Life Quality, Decreasing of Social Exclusion and Poverty in Lithuania] June, 2014. [http://www.esparama.lt/es\\_parama\\_pletra/failai/fm/failai/Vertinimas\\_ESSP\\_Neringos/Ataskaitos\\_2013MVP/Skurdo\\_vertinimas\\_santrauka.pdf](http://www.esparama.lt/es_parama_pletra/failai/fm/failai/Vertinimas_ESSP_Neringos/Ataskaitos_2013MVP/Skurdo_vertinimas_santrauka.pdf)

<sup>47</sup> Projekto "Darbo santykių ir valstybinio socialinio draudimo teisinio administracinio modelio sukūrimas" darbo grupė (2014), Aktyvios darbo rinkos politikos priemonių efektyvumo tyrimas [The Analysis of the Effectiveness of the Active Labour Market Policy Measures]. <http://www.socmodelis.lt/wp-content/uploads/II-21.pdf>

<sup>48</sup> Research Council of Lithuania (2015). National Research Programme. [http://www.lmt.lt/lt/mkf/nmp/nmp\\_projektai.html](http://www.lmt.lt/lt/mkf/nmp/nmp_projektai.html)



### 2.3.4 Social services

Lithuanian social policy suffers from the lack of synergy between ALMP and social services. ALMP measures are not combined with the relevant social services. This complicates integration of the most vulnerable groups into the labour market. There is an urgent need for social services for people who are the most distant from the labour market (people with disabilities, older women returning to the labour market, ex-prisoners) in order to restore their social skills and motivation. Their psychological readiness is inadequate.<sup>49</sup>

Lithuania has an extremely low level of employment of the disabled. In 2012, only 17.6% of the disabled were participating in the labour market. Using EU structural funds, Lithuania is developing a system of vocational rehabilitation services for the disabled and a network of service-providing institutions. However, the employment rate among the disabled who graduate from vocational rehabilitation programmes is low, or else their employment in the labour market often lasts a very short time. In 2013, the National Programme of Social Integration of Persons with Disabilities 2013–2019 and actions plan were introduced. Their aim is to seek greater inclusion of disabled people into the labour market.

Other social services relevant to social investment are covered in other sections of this report.

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<sup>49</sup> VPVI, Lietuvos socialinių tyrimų centras (2011), Socialinės integracijos paslaugų socialiai pažeidžiamų ir socialinės rizikos asmenų grupėms situacijos, poreikių ir rezultatyvumo vertinimas, siekiant efektyviai panaudoti 2007–2013 m. ES struktūrinę paramą [Evaluation of social integration services for socially vulnerable and socially excluded individuals for the effective use of the EU structural assistance for the period of 2007-2013].

