



Lithuania: Developments in working life 2016

[Developments in working life in Europe:
EurWORK annual review 2016](#)

Contents

| | |
|--|---|
| Political context affecting working life aspects..... | 1 |
| Developments in social dialogue and collective bargaining 2016..... | 2 |
| Policies and actions to address pay-inequalities..... | 6 |
| Promoting the reconciliation of working families and caregivers..... | 9 |

Author: Inga Blaziene, Sandra Krutuliene (Lithuanian Social Research Centre)

Eurofound reference number: WPEF17022

© European Foundation for the Improvement of Living and Working Conditions, 2017

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75 to contribute to the planning and design of better living and working conditions in Europe.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Political context affecting working life aspects

The government(s) in office during 2016

| | |
|--|--|
| <ul style="list-style-type: none"> • Government 1 | |
| <ul style="list-style-type: none"> • In office since / to | 12 12 2012-13 12 2016 |
| <ul style="list-style-type: none"> • Name of the head of government (prime minister / chancellor / ...) | <ul style="list-style-type: none"> • Prime Minister Algirdas Butkevicius |
| <ul style="list-style-type: none"> • Name all the parties that are forming this government | <ul style="list-style-type: none"> • Lithuanian Social Democratic Party • Labour Party (Labourists) • Party Order and Justice |
| <ul style="list-style-type: none"> • List the changes in the composition of the government in 2016 | <ul style="list-style-type: none"> • In April new Minister of Interior and in June new minister of Finances were appointed |
| <ul style="list-style-type: none"> • Government 2 | |
| <ul style="list-style-type: none"> • In office since / to | <ul style="list-style-type: none"> • Since 13 12 2016 |
| <ul style="list-style-type: none"> • Name of the head of government (prime minister / chancellor / ...) | <ul style="list-style-type: none"> • Prime Minister Saulius Skvernelis |
| <ul style="list-style-type: none"> • Name all the parties that are forming this government | <ul style="list-style-type: none"> • Lithuanian Peasant and Greens Union (LVZS) • Lithuanian Social Democratic Party |
| <ul style="list-style-type: none"> • List any changes in the composition of the government in 2016 | <ul style="list-style-type: none"> • - |

Elections and referenda

| | |
|---|---|
| <ul style="list-style-type: none"> • Election 1 | |
| <ul style="list-style-type: none"> • When did the elections take place? | 09 10 2016 (second round – on 23 10 2016) |
| <ul style="list-style-type: none"> • What kind of election it was? (parliamentary / presidential / referendum / local / ...) | <ul style="list-style-type: none"> • Elections to the Parliament of the Republic of Lithuania |
| <ul style="list-style-type: none"> • Outcomes of the election (mention also % of the votes achieved by the major participants in the election) | <ul style="list-style-type: none"> • <u>Lithuanian Peasant and Greens Union</u> – 22.63% of votes, 54 seats • Homeland Union – 22.45% of votes, 31 seats • Lithuanian Social Democratic Party – 15.04% of votes, 17 seats • Liberal Movement – 9.45% of votes, 14 seats • Electoral Action of Poles – 5.72% of votes, 8 seats • Order and Justice – 5.55% of votes, 8 seats |

Forthcoming significant elections or political events in 2017

No.

Reactions from the social partners on new government's working life policies

In general as LVZS declared a number of socially-oriented initiatives, including a review of the much-debated new Labour Code, trade unions supported the new government. Moreover [several unionists have come to the Parliament](#) as members of LVZS and the board of the Lithuanian Trade Union Confederation (LPSK) is even [considering a possibility of signing an agreement](#) on a closer cooperation with the LVZS. Business representatives, on the contrary, are rather sceptic about what they consider as ambitious targets and initiatives foreseen by the new government. They publicly express their concerns about many challenging initiatives declared by the LVZS, e.g., intentions to introduce alcohol and drug monopoly, etc. According to business representatives, the [authorities should refrain from intervening in business](#) and think carefully of every step before making serious decisions.

Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness

The representativeness criterion for social partners to be represented at the Tripartite Council of the Republic of Lithuania (LRTT) is foreseen in the new Labour Code adopted in Lithuania in September 2016. However in December Parliament passed a decision to postpone the implementation of the Labour Code (and the rest of legislation related thereto) for six months until 1 July 2017. During this period it is expected that social partners will have the possibility to discuss all controversial issues of the LC and very likely – all issues of representativeness as well.

Major developments affecting the main actors

There were no major developments on the issue in 2016. However, during 2016 peak trade union organisations discussed a unification possibility. In June during the annual congress of the second largest peak trade union – LPS Solidarumas – a [resolution 'On the unification of trade unions' was adopted](#). In the Resolution trade unions argued that it would be wise to have only one, but strong peak national trade union in Lithuania. Until the end of 2016 no further steps were implemented.

In the 4Q 2016, three education trade unions – Trade Union of Lithuanian Education Institutions, Lithuanian Education Employees Trade Union and Trade Union of Lithuanian Teachers – initiated a merger procedure. To confirm their intentions, on 27 October the trade unions signed a Resolution on Merger and Social Partnering.

During 2016 two sectoral trade unions – Christian Trade Union of Educational Employees and Unification of Trade Unions of Lithuanian Higher Schools – [joint the LPSK](#).

Legislative or institutional changes to the main social dialogue institutions

As mentioned above some changes (e.g. representation of employees by trade unions, representativeness criteria for social partners to be represented at the LRTT) are foreseen in the new Labour Code adopted in Lithuania in September 2016. However in December Parliament passed a decision to postpone the implementation of the Labour Code (and the rest of legislation related thereto) for six months until 1 July 2017. During this period it is expected that social partners will have the possibility to discuss all controversial issues of the LC and very likely – all issues of representativeness as well.

Changes in the social dialogue processes

There were no major developments on the issue in 2016.

Here we may mention, that within the framework of the 2012–2016 Programme of the LRV, the Minister for Social Security and Labour issued an Order No A1-81 of 12 February 2016 approving the Action Plan for the Strengthening of Social Dialogue in Lithuania 2016–2020. The purpose of the plan is “to develop and strengthen social dialogue by developing social partnership skills in the social partners – employers and trade unions, improving individual and collective industrial dispute resolution, informing and raising public awareness of labour regulation issues, promoting implementation of non-discriminatory principles, facilitating democratic public administration through consultations between public authorities and organised groups of society representing different interests, contributing to the development of a sustainable society”. The Plan provides for implementation of the following major tasks:

1. Implementation of joint activities between trade unions, employers and NGOs (organisation of round-tables and training on CB, I&C, employee participation and other issues; disseminate SD issues in the public; develop a system of awarding for achievements in the area of social dialogue).
2. Development of social partners’ skills and competences (organisation of conferences, trainings, seminars for institutions and organisations, social partners and NGOs on the social model, novelties in labour law, remuneration for work, CB and CAs; implementation of international cooperation and exchange in the area of social dialogue, etc.).
3. Creating conditions for the analysis of the SD situation in Lithuania (holding international conferences on SD issues with a view to sharing good practices with foreign countries, performing regular public opinion polls on SD issues).

In addition to national budget funds, the aforementioned activities are to be co-financed by the ESF, assigning EUR 1,793 thousand for the implementation of the activities in 2016–2020. The main developers of the activities foreseen in the Plan are the State Labour Inspectorate (VDI), SP organisations and NGOs. The Plan also contains progress evaluation criteria: the number of the events held, the number of participants, the number of awareness-raising and other measures developed, etc.

It should be noted that the measures foreseen in the Plan 2016-2020 are very different from earlier measures implemented to facilitate social dialogue development in Lithuania. Many of the earlier measures addressed specific activities of the social partners: establishment of tripartite and bipartite commissions, health and safety committees, signing of company-, sectoral- and territorial-level CAs.

Main social dialogue topics and outcomes in 2016

| Themes | Description of issue | Main result |
|--|--|--|
| General labour market topics | | |
| Job creation, reduction of unemployment | Social partners during sittings at the LRTT in 2016 discussed 2012-2015 unemployment trends, main causes of unemployment in regions as well as of Unemployment Fund distribution in 2015 and 2017 (draft) | Debate on unemployment causes was continued during 2016 in several sittings Debate on the Unemployment Fund 2017 to be continued |
| Active labour market policies | No (major) issues debated in this area | |
| Benefits (unemployment, sickness schemes) | Social partners during sittings at the LRTT in 2016 discussed extension of unemployment benefit (UB) in municipalities with highest unemployment rate | Social partners agreed to extend payment of UB in municipalities with highest unemployment rate |
| Taxation and non-wage related labour costs | No (major) issues debated in this area. During discussions on the minimum monthly wage (MMW) employers raised a question of the increase of non-taxable personal income threshold | Debate to be continued |
| Pension reforms | No (major) issues debated in this area | |
| Labour market participation of different groups | No (major) issues debated in this area | |
| Working life related themes | | |
| Wage setting systems, including the setting of minimum wages | Social partners during sittings at the LRTT in 2016 discussed the issue of MMW (1 – the increase, 2 – clearer definition and setting) and the new legislation on the remuneration of public sector employees | 1 – tripartite agreement was not reached, but Government, TUs and several EOs agreed to increase MMW up to 380 € since 1 July 2016, 2 – tripartite group was created (in November) to analyse definition and setting of the MMW |
| Working time regulations | | |
| Terms and conditions of employment, including different forms of contracts | | |

| | | |
|--|--|--|
| Health, safety and well-being at work | Social partners during sittings at the LRTT in 2016 discussed the issue of the level of allowance in case of fatal accident at work | Agreement was not reached – employers and trade unions voted for higher and the representatives of the Government – for lower level of allowance |
| Work-life balance related themes, incl. family leaves | | |
| Skills, training and employability | Social partners during sittings at the LRTT in 2016 discussed on the issues of vocational training | Debate to be continued |
| Any other relevant themes/topics addressed in the national level/peak level social dialogue | Social partners during sittings at the LRTT in 2016 discussed on the issue of the structure, composition and the role of the LRTT Several times issues related to the EU Semester were presented and discussed by social partners during sittings at the LRTT in 2016 | Consultation ongoing |

Examples of selected significant social dialogue debates

Future of the Tripartite Council

[Social partners during sittings at the LRTT in 2016 discussed](#) on the issue of the structure, composition and the role of the LRTT. Social partners dissatisfied with the definition and functions of the LRTT defined in the new Labour Code, adopted in September. During 2016 social partners several time discussed the issue – they applied to the Ministry of Social Security and Labour, to the President. Trade unions argued that some provisions of the LC contradicts to the ILO conventions No 87, No 98 and No 144, social partners argued that the new LC is narrowing functions of the LRTT as well as decreases its role in the system of the social dialogue and in the society.

In October social partners at the LRTT discussed trade unions' Appeal on Decent Work to the President, Government and the Parliament of the Republic of Lithuania. In this Appeal it was also stressed that new Labour Code derogates the role of the LRTT in the society and will have a negative impact on social dialogue in the country.

Finally in December the new Parliament postponed the implementation of the new LC and it is expected that social partners will have possibility to discuss the most important issues of the LC at LRTT.

Discussions on the level and setting principles of the MMW

Social partners at the LRTT are permanently discussing not only the level of the MMW, but also setting principles of the MMW. This discussion was continued in 2016 as well: [social partners during sittings at the LRTT in 2016 discussed](#) the issue of MMW increase and possibilities for clearer definition and setting. Though social partners discussed possibilities to increase the MMW several times in 2016 tripartite agreement was not reached as some representatives of employers argued that there are clear rules of setting the MMW in Lithuania. Since the Government, trade unions and some representatives of employers organisations agreed to increase MMW up to 380 € since 1 July 2016, it was increased.

However social partners also agreed (in November) to establish a tripartite group not only to analyse definition and setting of the MMW, but also wider issues of wage setting mechanisms in Lithuania.

Sectoral and company level social dialogue 2016

There were no major developments in this area in Lithuania in 2016.

Main developments - other than wages and working time - from important collective agreements or bargaining rounds

The main sectoral collective bargaining that took place in 2016 was one in education sector. Educational trade unions [started a year with protests and strike](#) and negotiations among the Ministry of Education and Science (SMM) and educational trade unions continued further during 2016. Though the main issues of the bargaining were related to the wages and working time, social partners also discussed such issues as psychological safety and image of the teacher in the school and society.

The sectoral level collective agreement was signed in 2016 for the first time in the history of independent Lithuania – in the State Border Guard Service at the Ministry of the Interior of the Republic of Lithuania (VSAT). The purpose of this Agreement is to develop social partnership, create attractive and favourable working conditions within VSAT, promote collaboration between the employer, trade unions and employees on employment, economic and social issues, shape traditions of VSAT, and enhance professionalism and motivation of employees, as well as their loyalty to the organisation. Coming into force of this new document is expected to raise intolerance towards corruption, disseminate democratic values and principles in personal and social life.

Examples of innovative collective agreements (at any level) made during 2016

As already written (see above) on 23 February sectoral level collective agreement was signed for the first time in the history of independent Lithuania in the VSAT.

Information on company level collective agreements in Lithuania is treated as confidential and therefore little information on the content of company level collective agreements is available.

From the scarce publicly available information we may mention collective agreement signed in the municipality of Klaipeda city in December. Among usual issues, the Agreement defines obligations of the employer to initiate surveys of employees about the microclimate within the organisation at least once a year; to pay sickness allowance above the statutory sick pay, etc.

Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

In general income inequality in Lithuania is among the highest within the EU countries, however the main reasons usually are related to inadequate taxation policy, i.e. limited tax progressivity, unbalanced tax structure as well as low social protection spending. The inequalities at the workplace attract little attention.

National level social partners mainly stress the low income problem and therefore focus their attention to the rise of the MMW and non-taxable personal income threshold (see above).

During 2016 great attention in Lithuania was paid to salaries of public sector employees – teachers, health employees and nurses – whose salaries are the lowest ones. Since July 1 salaries were increased for health care employees. In December legislation defining salaries of state and municipal employees was submitted for consideration to the Parliament of the Republic of Lithuania. One of the aims of the new legislation – ensure equal pay for equal work, reduce existing inequalities in the public sector and [increase salaries of the public](#)

[sector employees at the lower end](#). During 2015-2016 salaries of educational employees [were discussed by trade unions and the SMM during long-lasting bargaining](#) on the collective agreement in education sector (see also above).

A scientists' picket, which was the first one in the history of Independent Lithuania, took place on 28 October 2016. The aim of the picket was to attract attention of the general public to the difficult situation of scientists in Lithuania and put a demand to approve a long-term programme for raising salaries to employees of research and higher education institutions which are [the lowest among EU countries](#). In December state budget for year 2017 was approved where for the increase of salaries for the lowest paid researchers additional 3 million euros was foreseen.

The issue of gender pay gap remains quite important in Lithuania, but the problem of the pay gap between men and women is mainly tackled at national level. Reduction of the pay gap is included in the [National Programme on Equal Opportunities for Women and Men 2015-2020](#) approved in 2015 and the [Action Plan](#) for implementation of the goals and objectives of this programme in 2015-2017. The Action Plan for 2015-2017 sets forth that gender mainstreaming, public awareness raising, carrying out inspections and promoting legal entities to implement the principles of equality between women and men should be entrenched in reveal legal acts.

Positions regarding the posted workers directive

Positions of trade unions

According to the President of one of the peak Lithuanian trade unions – Lithuanian Trade Union 'Solidarumas' (LPS Solidarumas) – they [support review of the Directive](#). LPS Solidarumas also stresses the importance of developing social dialogue and collaboration with the social partners in one of the most relevant (in term of the Directive) for Lithuania – international road transport – sector. LPS Solidarumas stresses that collective agreement in the sector would be a great step forward. Solidarumas also states that social protection problems of international long distance drivers would be relieved if their daily allowances were qualified as a part of wage and identified for the purpose of calculating social insurance.

Positions of employers organisations

According to LINAVA, the main sectoral EO uniting transport companies, they are [against the revision of the directive](#). According to LINAVA 'Old Member States cause unfair competition and cause barriers to the functioning of the single market and free movement of goods. Administrative burdens are growing. Germany and France (as well as Norway) introduced minimum wage rates, France and Belgium established additional requirements with regard to work and rest. Additional requirements are also anticipated in Italy and Austria. According to the representatives of LINAVA, Europe should revise the conditions on access to the EU internal market and cabotage requirements'.

[According to the main peak EO](#), Confederation of Lithuanian Employers, requirements of the Directive 'would considerably restrict opportunities for Lithuanian undertakings to compete for orders in other Member States'.

Another EO – the LDK – has not an official opinion/position regarding the Directive.

Position of the government

The Lithuanian Government (LRV) disagreed to the proposal of the EC regarding amendments to the Posting of Worker Directive, in particular, harmonisation of pays to posted workers across EU countries. The LRV were of the opinion that such amendment would affect competitive abilities of EU countries. [According to ex- Prime Minister Mr. A. Butkevičius](#), the proposal 'disregarding different levels of economic development in different Member States is likely to lead to new barriers in the service sector'.

On 21 June 2016, the Lithuanian Parliament submitted a reasoned opinion on subsidiarity to the European Parliament warning that the Proposal for a Directive of the European Parliament and Council amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM (2016) 128 final) could violate the principles of subsidiarity and proportionality.

Pay gaps at the workplace

Evidence

Unfortunately in Lithuania there are actually no significant national studies and research on pay inequalities at the workplace.

[According to the Lithuanian Statistics](#), gender pay gap in Lithuania in 2015 was 15.6%; the pay gap was higher in the private sector.

According to researchers¹, the analysis of statistical data revealed that 'women earn less than men in almost all sectors and all fields of economic activity. The most salient gender pay gap remains in the private sector as well as finance and insurance, information and communications, i. e. there, where men compose the largest part of employees and where is required high qualification. Gender segregation in the labour market, the gender stereotypes, the weaknesses of organization's human resources management, underestimation of women's competence and the absence of ability to combine family and work are ones of the most essential reasons of gender pay gap. In order to solve the gender pay gap problem, it is necessary to educate and train the public, to promote women's entrepreneurship, to improve the legal framework, to create conditions for women and men to combine work and family, to raise employers' awareness and change their attitude towards employees'.

[According to the information from Hay Group](#), Lithuania demonstrates the biggest pay gap for equal jobs: 'If we take analogue jobs and take 25% off the highest pays and the lowest ones, the difference among the remaining pays for the same job would nonetheless be 53%. In West European countries, this difference is only about 30%'.

According to the Salary Survey in Accounting in Lithuania, which was carried out by the Lithuanian Association of Accountants and Auditors in 2016, the difference in pay between male chief accountants and female chief accountants has recently increased. Territorial pay gaps have been also observed: net salaries of about 76% of chief accounts in urban areas were above € 600, as compared to only 33% of chief accountants paid such salaries in rural areas. In addition, figures of this survey suggest that pay gaps in accounting also exist between larger and small entities.

Every year the State Labour Inspectorate presents a Report on the OHS and enforcement of labour related legislation in the companies, organisations and institutions. [The last one was published in May 2016](#). All wage related violations, recorded by the VDI in recent years were related to 'envelope wages', non-payment or delay of payment of wages and related benefits hereof. Issues of pay inequalities or pay discrimination at the workplace were not mentioned.

[The Office of Equal Opportunities Ombudsperson](#) (LGKT) collects complaints and provides investigations regarding discrimination on various grounds. However in recent years there were no complaints regarding wages and salaries on the grounds of discrimination because of gender, race, nationality, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

¹ Raguckiene L., Staponiene V. (2016). Salaries of women and men: situation and trends. Public Policy and Administration. 15 (3). 407-424.

Policies to address pay inequalities at the workplace

There were no major changes in the related legislation in 2014-2016.

[LRV Resolution No 112](#) on the Approval of the National Programme on Equal Opportunities for Women and Men 2015-2021 was adopted on 4 February. Although reduction of gender pay gap is positioned as one of the major goals of the programme, it provides only for a minimum reduction from 13.3% in 2013 to 13.29% in 2017 and further down to 13.25% in 2021.

In the [Action Plan](#) for the implementation of the programme in 2015-2017, the reduction of the gender pay gap is pursued through integration of special provisions in legislation whereby employers would be obligated to provide their employees with access to wage payment system of the employer and to communicate information on impersonal average wages by gender to the public at least once per year. Some aforementioned provisions are incorporated in the new Labour Code, adopted in 2016; it is expected that the Code will come into effect since 1 July 2017.

In 2014-2016, a [draft law](#) of the Republic of Lithuania on Salaries for Employees in State and Municipal Institutions was elaborated and improved. [The purpose of the law](#) is to create a uniform system of remuneration for work to salaried employees in state and municipal institutions.

In order to implement the provision of the LRV programme 'to create a uniform system of remuneration for work to public sector executives', a [resolution of the Government of the Republic of Lithuania](#) was adopted on 18 January 2016 to regulate salaries paid to chief executives and deputy executives of state enterprises and companies.

Social partner's involvement in addressing pay inequalities at the workplace

We may say that the main initiatives of social partners were related to the increase of the MMW and increase of the non-taxable amount of income as low income is one of the most important causes of inequality.

Promoting the reconciliation of working families and caregivers

Recent policies

In general in 2016 no major policies aimed at helping families with care responsibilities to better reconcile work and family life were introduced.

The biggest Lithuanian cities, Vilnius and Kaunas in particular, are facing a shortage of places in public kindergartens (pre-schools). In response to this problem, on 1 July 2015, Kaunas city introduced a procedure whereunder parents are paid compensations in the amount of EUR 100 per month if their children fail to receive a place in public kindergartens and have to attend private pre-school establishments (families on lower incomes may be eligible to higher compensations). In Vilnius, the analogue procedure of compensating attendance of private pre-schools has been in effect since 1 September 2015.

In March 2016, the 2016 Action Plan on the Welfare of Families and Mitigation of the Effects of Population Ageing was approved, along with the 2016-2020 Action Plan on Provision of Complex Services for the Family. These documents provide, inter alia, for creating more favourable conditions for persons raising children or caring of older people; analysing and assessing demographic changes in order to effectively implement family policy; developing services aimed at reducing the risk of working-age persons (women in particular) dropping out of the labour market due to caring for children or other dependent persons; creating more favourable conditions for work-family balance; etc.

On 7 April 2016, a draft Law on the Strengthening of the Family was registered with the LRS. The purpose of the law is to establish a system of legal provisions to ensure the development

of conditions facilitating the creation, preservation and strengthening of families. The Law provides, inter alia, for obligations on the part of the State to enable families to receive adequate income, develop flexible forms of employment, create favourable conditions for family business, develop family-friendly tax and social insurance systems, as well as provision of support for families.

Rights to request special working time arrangements, place of work etc.

No major developments in this area in 2016.

The role of collective agreements

There is no such study available

Unfortunately, there are a few studies in Lithuania addresses CA analysis. On the basis of the scarce information available in public, it can be stated that issues on the reconciliation of working families and caregivers, as a rule, are not covered in the CA. According to the evaluation carried out in 2016², in company-level CA, provisions related to family issues (at least to a certain extent) are limited to such measures as paid wedding leave, paid funeral leave on loss of family member, death benefit, childbirth benefit, and partly paid creative/artistic leave.

WPEF17022

² Evaluation of Results, Efficiency and Impact of the 2007–2013 Measure to Facilitate Social Dialogue in Lithuania. Summary of the final report. Estep, 19 April 2016.

WORKING PAPER

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.