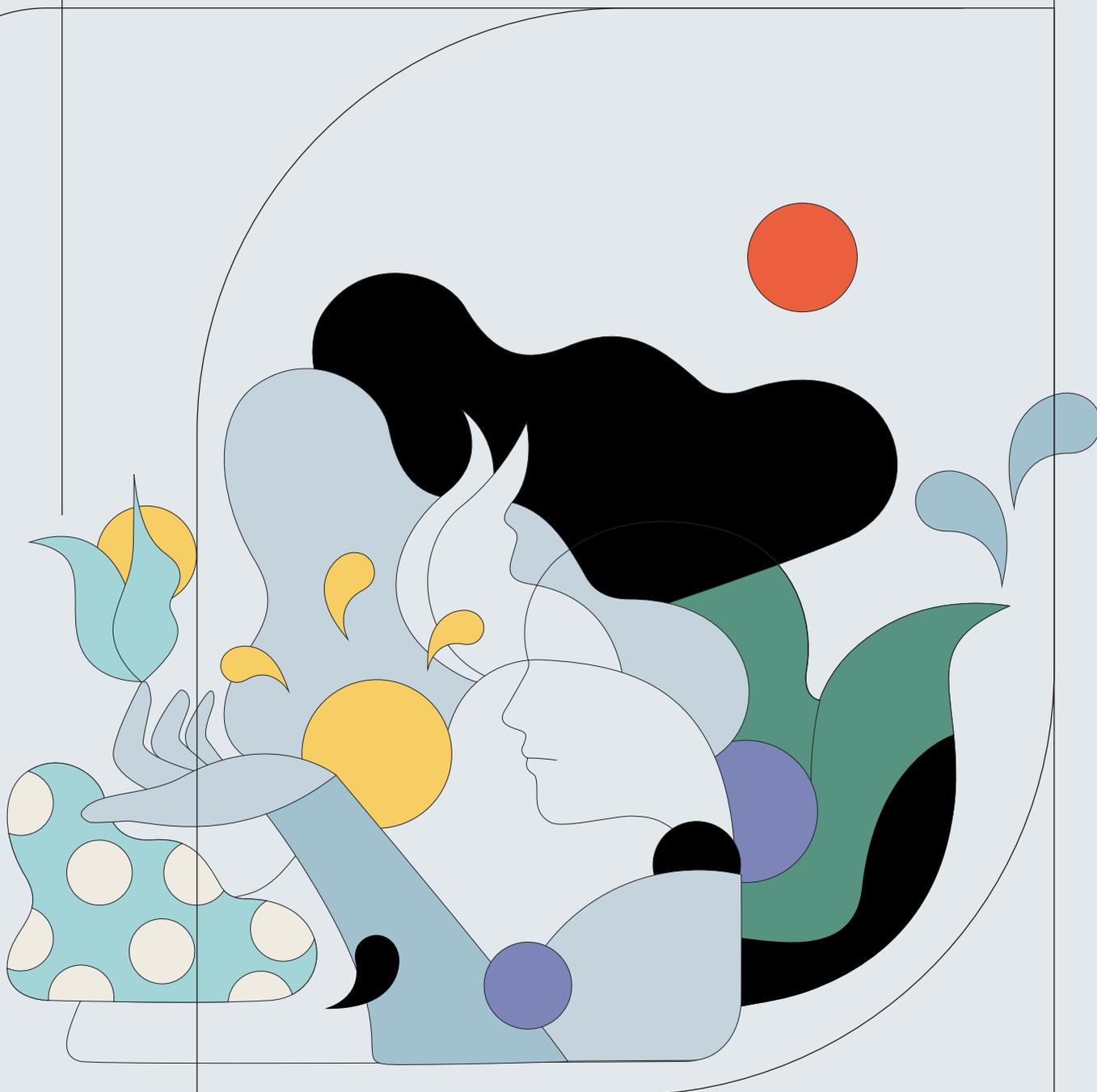




# Country profile - Lithuania

## Polices for longer working lives and two good practices

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# 1 COUNTRY PROFILE

## 1.1 Introduction

This country profile provides information about key national policies that focus on older workers (55+), prolonging working life and active ageing through access to training, lifelong learning and provides an analysis of two good practices related to prolonging working life in Lithuania.

Lithuania could be characterised as a country with a changing population structure: decreasing number of children and increasing number of older people, declining of population due to migration and low birth rate. According to Eurostat, the old age dependency ratio has dramatically increased in Lithuania during the last decade. The old age dependency ratio was 28.6% in 2013 (in comparison to 27% for EU-28). In 2021, it has already reached 30.7%<sup>1</sup> (in comparison to 32.5% for EU-27). According to Eurostat prognosis for 2014-2049<sup>2</sup>, the population will decrease, and the society will continue to age in Lithuania. It is forecasted that in 2050 only approximately 2 million people will live in Lithuania, of which more than 0.5 million (544,500), or 28.5%, will be older people. It is estimated that there will be 52 older people per 100 population aged 15-64. Life expectancy at birth in Lithuania in 2020 was 70.1 years for men and 80.0 years for women respectively. In 2020, life expectancy decreased by more than one year for both women and men in comparison to 2019. Life expectancy for Lithuanian men is one of the lowest in the EU.

The employment rate in the age group 55-64 was 70.5% for men and 66.9% in 2020 (Eurostat LFS 2022). The employment rate for people aged 50-64 has been growing and has remained above the EU average. Another important measure to express the labour market situation for the elderly is the inactivity rate, showing the amount of people who have left the labour market altogether. According to the data provided by the Public Employment Service (PES), the share of older unemployed persons (50+) registered to PES is constantly increasing in Lithuania. In January 2022, they constituted 42.2% of all unemployed (in comparison to 2021 – 36.4%). Unemployed persons (50+) constitute the largest part of all long term unemployed. Almost one third of all unemployed (50+) are low skilled persons.

The effective retirement age was 63 years for men and 62.5 for women in 2017. In comparison, the official retirement age is 63.5 for men and 62.0 for women. Lithuania is currently seeking to equalise the retirement age for men and women, and to reach a retirement age of 65 by 2026 for both men and women.

The level of lifelong learning (education of the population aged 25-64) in Lithuania is low compared to other European countries. According to Eurostat data, in 2020 the level of lifelong learning in Lithuania was 7.2%, while the average of the European Union member states was 9.2%. The level of lifelong learning is particularly low in rural areas. According

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<sup>1</sup> <https://ec.europa.eu/eurostat/web/products-datasets/-/tps00198>

<sup>2</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Projected\\_population\\_by\\_broad\\_age\\_group,\\_EU-27,\\_1\\_January\\_2019-2100\\_\(%25\\_of\\_total\\_population\).png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Projected_population_by_broad_age_group,_EU-27,_1_January_2019-2100_(%25_of_total_population).png)

to the Ministry of Education and Science in 2018, the level of lifelong learning was only 3.7% in rural areas.

## 1.2 Policies related to employee level

The issues related to population ageing and the measures to tackle these issues within a period from 2018 to 2021 were reflected in the 18<sup>th</sup> Government Programme (2020), “The National Demography, Migration and Integration Policy Strategy” 2018-2030 (adopted in 2018), Demography, Migration and Integration Policy 2018–2030 Strategy action Plan 2019-2021, etc.

“**The National Demography, Migration and Integration Policy Strategy 2018-2030**” provided, inter alia, measures related to the tackling of population ageing problems, i.e., improve the quality of life of Lithuania’s population, reduce morbidity, mortality and inequality in order to increase life expectancy. The third goal of the Strategy is to provide opportunities for older people to integrate into society, e.g., ensure the participation of older people in the labour market and their financial security and opportunities for lifelong learning.

**The 18<sup>th</sup> Government Programme (2020)** is aimed at decreasing unemployment and active inclusion of different population groups into the labour market. Among other groups, older persons, long-term unemployment are priority groups. It is foreseen that through higher education institutions and the private sector, “social innovations will be expanded and ensure that older people have the opportunity to work and earn as long as they want and can, and that working conditions are more flexible and responsive to individual needs”.

Among the other main strategic documents defining Lithuania’s tasks in pursuance of active ageing provisions is “**The 2014-2020 Programme for Employment Increase**” and “**The Action Plan for Enhancing Social Inclusion 2014–2020**”. The 2014-2020 Programme for Employment Increase sets a strategic objective to raise employment levels as much as possible so that every person would be able to find a job that meets his or her qualifications and to secure an adequate standard of living. This objective is based on three tasks: 1) to promote creation of jobs and labour demand; 2) to improve the match between labour skills and market needs; 3) to integrate and retain free labour resources in the labour market.

Although all the objectives and tasks indirectly contribute to the implementation of active ageing objectives, inclusion of older people in the labour market is specifically identified only in the third objective of the Programme which reads “to encourage older employees to stay in the labour market longer”. This objective is to be achieved by creating favourable conditions to work at retirement age, promoting training of older employees by means of application of flexible training forms for adults, providing older unemployed persons with skills refreshment and reskilling opportunities, applying target incentives to admitting older persons to work and supporting the transfer of work experience of older people to youth by various means of experience transfer. Responsibility for the achievement of the qualitative targets of the Programme - increase the employment rate up to 53.5% among people aged 55-64 and the extension of the average age to exit the labour market up to 64 – is vested upon the Ministry of Social Security and Labour. The

preparation of specific measures to promote active ageing is also envisaged within the framework of the Programme implementation.

**The Action Plan for Enhancing Social Inclusion 2014–2020** sets out obligations of the Ministry of Social Security and Labour to develop timely and effective health services in the area of healthy ageing in order to keep elderly people in the labour market as long as possible and to reduce their social exclusion risks. The Plan also addresses the improvement of coordination, management and monitoring of preventive health services with a view to ensuring better effectiveness thereof in territories with the poorest health indicators, reducing health inequalities among various social groups, and ensuring possibly longer healthy ageing, as well as supporting projects in the area of healthy ageing. In addition, the Plan addresses the reduction of health inequalities by improving the quality of and access to health services, including ensuring opportunities for the elderly to stay active in the labour market and in their usual social life.

According to the **Law on Employment** (2016) article 25, unemployed persons older than 50 years are among the groups that are additionally supported to enter the labour market. It is becoming more and more difficult for older people to get a job in Lithuania. Once they have left the labour market, it is difficult for them to return, a reason why the unemployed from the age of 45 are additionally supported in the labour market. Older residents of the country wishing to return to the labour market can benefit from a wage subsidy of up to six months. Furthermore, the Law on Employment foresees that unemployed over the age of 45 can be provided with a one-time support for the establishment of their own microenterprise. The support may reach up to 19,900 euros. State support funds are allocated for the acquisition, installation, and adaptation of work equipment, as well as for the repair and adaptation of the premises required for the installation of the workplace, which are managed by the right of ownership (up to 50% subsidy). The support can be provided for a small company with less than 10 employees and whose annual income or assets do not exceed 2 million euros.

The Action Plan for the “**Motivation of Older Persons and the Promotion of Volunteering 2016–2020**” is aimed at facilitating the participation of older people in voluntary activities, consulting and motivating them, increasing their self-esteem, organising general skills training, and arranging educational activities to remain longer in the labour market.

The Ministry of Economy has prepared several new measures in further training for the **Programme for Investment Promotion and Industrial Development for 2014–2020**, co-financed by European Union Structural Funds. These funds are used for implementing skills upgrading and competency development initiatives using a “competency voucher”. The scope of these actions includes older workers. These vouchers should increase the employees’ access to opportunities for upgrading their skills and developing competencies and provide support for projects to develop competencies at the sectoral level. Furthermore, the vouchers will make the acquisition of competencies available to small and very small enterprises.

In order to promote life-long learning, the **Law on Vocational Education and Training (VET)** (2017) has been renewed. This means that the education system is being renewed, the management and funding of the VET Centres is being rearranged, and new qualitative requirements for education are being introduced.

### 1.3 Policies related to employer level

Age discrimination is prohibited in Lithuanian legal and strategic documents. The general principle of equal opportunities and equal treatment is enshrined in **the Constitution of the Republic of Lithuania** (Article 29), the **Law on Equal Opportunities for Women and Men** (1998), and the **Law for Equal Treatment** (2005). Another key policy is the **National Programme on Equal Opportunities for Women and Men for 2015–2021**, approved in 2015. Other relevant legal documents regulating women and men integration into the labour market are the new **Labour Code** (2017) and **Law on support on Employment** (2016). The new Labour Code, in force since 1 July 2017, stipulates that the employer must implement the principles of non-discrimination. Any direct or indirect discrimination in the employment relationship, including discrimination on the basis of age, is prohibited. By implementing the principles of non-discrimination, the employer shall be obliged to: 1) apply equal selection criteria and conditions when recruiting employees; 2) provide equal working conditions and equal opportunities to career development and access to (re-)training; 3) use equal work evaluation criteria and equal criteria for dismissal from work; 4) pay equal remuneration for the same work or work of the same value; 5) take adequate measures to ensure that people with disabilities are provided work opportunities and career development. Companies with more than 50 employees must adopt and announce measures to ensure supervision of the implementation of these requirements.

**Trade union** membership in Lithuania is low and decreasing, and it is primarily concentrated in the public sector. The social dialogue, collective bargaining is limited, employers are rarely members of employers' organisations and only 10% of employees are covered by a collective agreement, mostly at the company level. Company level age management practices are almost not present in Lithuania.

#### Subsidies for the employers

Employers who have employed a person over the age of 45 may be paid a wage subsidy for up to six months. An applicant for subsidized employment must meet age and other established criteria and be registered with the Employment Service (PES) as unemployed. An employer who needs an employee with the appropriate qualifications, education and skills is then found together with the Employment Service (PES). If more than one person applies for such a subsidized job, priority is given to the person who meets at least some of the criteria, such as being over 45 years of age and having a disability or being over 45 years of age and long-term unemployed. The wage subsidy can amount to up to € 963 gross per month, which is up to 1.5 times the minimum monthly wage. The subsidy is paid to the employer, and the employer pays the employee the salary specified in the employment contract. For persons over 45, the subsidy is 50% from the salary specified and calculated in the employment contract, but not more than 963 euros.

## **1.4 A short assessment of possible shortcomings in the policies**

In the context of the aging population and challenges that older (55+) people face in the labour market, unfortunately, Lithuania does not have an effective and comprehensive strategy guiding the implementation of active ageing policies on national level.

In terms of promoting the employability of older workers throughout their working lives it is important to continue the implementation of public policy measures and to initiate new activities that will help to seize the opportunities and meet the challenges of an aging population.

There are several shortcomings in the policies. The participation of adults in non-formal learning is very low and becoming an obstacle to their successful competition in the labour market and their participation in social life. Insufficient and unequal access to lifelong learning makes it particularly difficult for older workers to remain in the labour market and has a negative impact on their overall situation. There are no vocational guidance services specifically targeting older people. In this context, it is important to develop lifelong learning opportunities, with a special focus on older people, adapting teaching and learning methods and content to the needs of older workers

It is necessary to strengthen the role of the social partners. Unemployment issues are mainly solved through public employment services (PES). The role of the social partners is rarely defined in strategic or planning documents, good practices are not encouraged in collective labour agreements in managing an age-diverse workforce. No specific action relevant to older workers has been taken. Individual employers may have implemented this type of measure. encourage social partners to implement better retention and hiring mechanisms targeted at older workers; and provide lifelong learning guidance services.

Therefore, establishing a common strategy or a responsible function on the Government's level would probably contribute to the more effective management of active aging on a national level. Sharing knowledge and experience across different age groups and adjusting work responsibilities of older workers.

## 2 TWO GOOD PRACTICES

<b>Name of the good practice</b>	<b>European Social Fund funded project "Take the Opportunity"</b>
<b>Link to the good practice</b>	<b><a href="https://uzt.lt/es-investicijos/igyvendinami-projektai/pasinaudok-galimybe/">https://uzt.lt/es-investicijos/igyvendinami-projektai/pasinaudok-galimybe/</a></b>
Technical details	The aim of the project is to increase older than 54 years old (55+) persons possibilities to integrate and establish in the labour market. Project target group: older than 54 unemployed persons (e.g. 55+), registered at the Lithuanian employment services (PES). Project duration: December, 2017-December, 2022. Project value – 28 709 450,00 Eur.
Outcomes	During the implementation of the project, it is planned that 7,225 unemployed persons and registered to PES (55+) and 8,328 will be included in the employment with subsidies. Approximately 15 000 persons will participate in the activities of the project. Until February 28, 2022, 5826 persons participated in vocational training (36% of the participants obtained professional qualification) and 8328 persons in subsidized employment measures (66% of the participants started to work (including self-employment).
Identification of the possible success factors or barriers to successful implementation of similar programmes in future	This measure is directly aimed at implementing of active ageing policies objectives stated in strategic documents on national level. For the successful implementation of similar programmes in the future, it would be necessary to strengthen cooperation between social partners, to revise content of vocational training programmes and more effectively tackle age discrimination prevention in society.

<b>Name of the good practice</b>	<b>Increasing the opportunities for the participation of older people in the labour market in the territories of Marijampolė county municipalities</b>
<b>Link to the good practice</b>	<b><a href="https://www.esinvesticijos.lt/lt/paraikos_ir_projektai/vyresnio-amziaus-zmoniu-dalyvavimo-darbo-rinkoje-galimybiu-didinimas-marijampoles-apskrities-savivaldybiu-teritorijose">https://www.esinvesticijos.lt/lt/paraikos_ir_projektai/vyresnio-amziaus-zmoniu-dalyvavimo-darbo-rinkoje-galimybiu-didinimas-marijampoles-apskrities-savivaldybiu-teritorijose</a></b>
Technical details	The aim of the project was to increase the participation of older people in the labour market and voluntary activities in Marijampolė County, Lithuania. During the implementation of the project, a complex of different services was provided for the participants. The services included organization and implementation of voluntary activities, the motivation older people of working age population to return to the labour market, the assessment of needs and opportunities, the development of basic skills and the implementation of educational activities and dissemination of information.
Outcomes	The planned project contributed to the reduction of social exclusion of the older population in Marijampolė County, enabled the 54+ age group to remain in the labour market longer, and contribute to the reduction of negative age-related stereotypes and discriminatory treatment of the elderly. The project contributed to the 2014-2020 Programme for Employment Increase and contributed to the strategic goal formulated in it the programme- to achieve the highest possible employment of the population, so that every inhabitant has the opportunity to find a job corresponding to the available qualifications and to ensure a decent standard of living.
Identification of the possible success factors or barriers to successful implementation of similar programmes in future.	This measure is directly aimed at implementing of active ageing policies objectives stated in strategic documents on regional level. For the successful implementation of similar programmes in the future, it would be necessary to strengthen the cooperation between social partners, to revise content of vocational training programmes and more effectively tackle age discrimination prevention in society.

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