

POVERTY AND SOCIAL EXCLUSION

2022

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INTRODUCTION

The last few years have been extremely difficult for Lithuania and the world. One crisis after another – the COVID-19 pandemic, the migrant crisis, rising energy prices, and the war in Ukraine. We are still feeling the effects of these crises, and the outlook for the future is equally dim. Citizens, businesses, and politicians anxiously watch worsening economic trends and geopolitical unrest.

We need to take action that mitigates inflation's effects and ensures a sustainable, balanced, and lasting reduction in poverty and social security for the population. The acute crises of recent years are hitting the poorest people hardest. Rising energy, food and services prices are forcing the poor to cut back and neglect their basic needs. Anxiety and uncertainty about the future also have psychosocial consequences at a personal and societal level. In such situations, we turn once again to the country's social policy, which must ensure the population's social security.

This year's review focuses on the long-term goals of Lithuania and the world, and the country's progress towards achieving them. We will discuss the United Nations Sustainable Development Goals (SDGs), which are closely linked to poverty, the challenges faced by people living in poverty, as well as the insights and assessments of experts from non-governmental organisations. As we do every year, we will present the key concepts and methods of calculating poverty indicators, as well as trends in recent years.

About us:

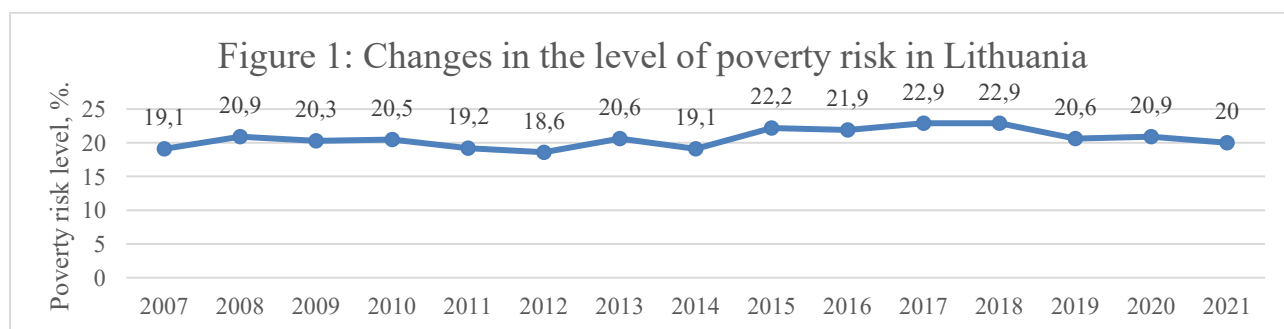
Founded in 2006, the Lithuanian National Anti Poverty Network (EAPN Lithuania) unites and strengthens half a dozen non-governmental organisations fighting poverty and social exclusion. EAPN Lithuania's objectives:

To unite Lithuanian NGOs working in the field of poverty and social exclusion reduction and strengthen their institutional capacity and cooperation with national and local authorities in Lithuania;

- Participate in social policy formulation and implementation processes.

POVERTY RISK LEVEL

According to the Lithuanian Statistics Department, the poverty risk threshold in 2021 was EUR 483 per month for a single person and EUR 1 015 for a family consisting of two adults and two children under 14 years old. In 2021, about 560 000 people will live below the poverty line. The country's poverty risk rate was 20% in 2021, a decrease of 0.9 percentage points compared to 2020¹ (Figure 1).



Source: the Lithuanian Statistical Department

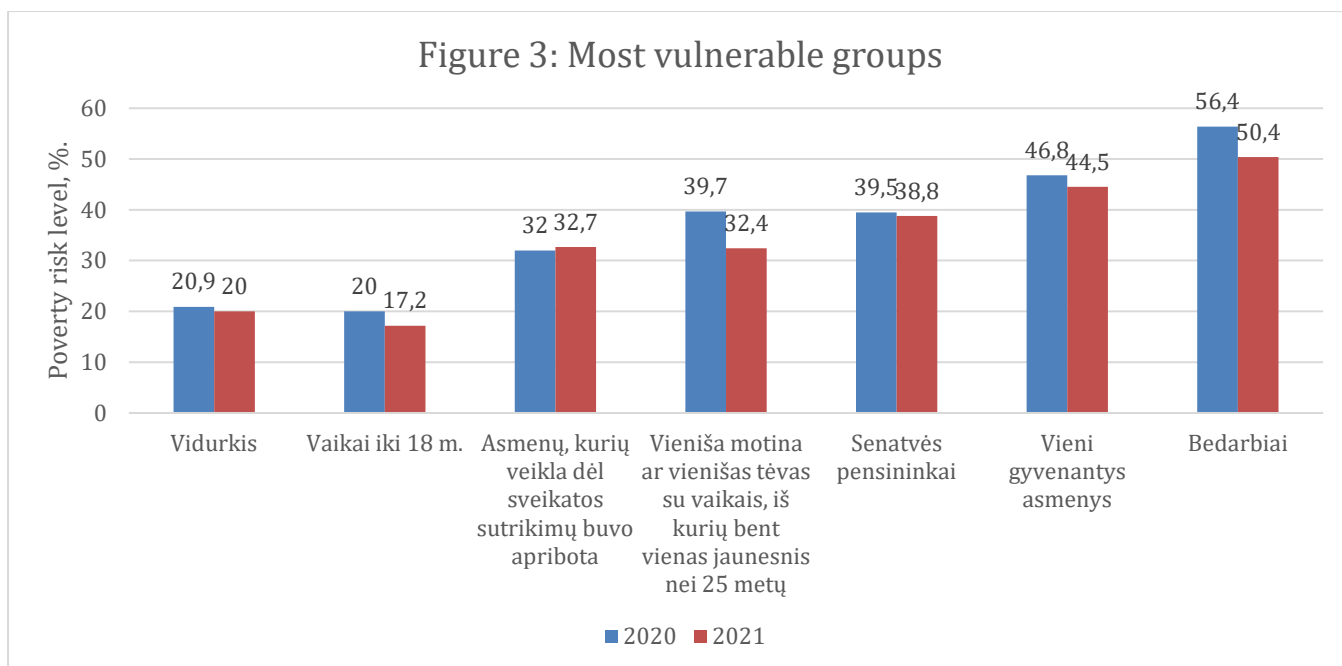
Most vulnerable groups

Some social groups are more vulnerable to social and economic challenges and risks, and have fewer resources to cope with them successfully. Statistics show that the most vulnerable to the risk of poverty in Lithuania are the unemployed, single people, single parents with children, pensioners, and people with disabilities.²

Compared to 2020, the poverty risk level in 2021 has decreased or remained similar for most groups (Figure 3). The largest decrease was observed among the unemployed (6 percentage points) and lone parents with children under 25 (7.3 percentage points). Child poverty has long been above the national average. Still, in recent years child poverty has been on a downward trend and in 2021, for the first time, it was significantly lower than the overall at-risk-of-poverty rate. In the vulnerable groups monitored, the at-risk-of-poverty rate increased slightly among persons whose activities were limited due to health impairments (i.e. persons with disabilities).

¹ <https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=c35487a6-aeba-4d4d-82f5-c231c8e4bfc6>

² It should be noted that the content of the survey on income and living conditions has changed in 2022, which means that some of the variables previously monitored for grouping households according to the previously used household types (e.g. large families) no longer exist.



Source: the Lithuanian Statistical Department

It is important to keep in mind that the 2021 at-risk-of-poverty rate is based on the population's income in 2020. It means that this is the first year we can see the impact of the pandemic and its mitigation measures on poverty rates. The reduction in child poverty is mainly due to the increase in the Child Money and the Supplementary Benefit for Needy Families and the widening of the range of recipients. Looking at the slight reduction in the poverty risk rate for other groups, we can assume that the main contributing factors were the pandemic's social mitigation package – the job-search allowance, one-time payments for disabled and pensioners, increased cash social assistance and the facilitation of access to it. Without these measures, poverty would have affected a larger share of the population. On the other hand, many measures were temporary or even one-off and did not address long-term poverty problems. In 2020, the average old-age pension grew below the poverty line and was only 78% of the poverty line. The minimum monthly wage after tax was 92.5% of the poverty line.

KEY CHANGES FOR 2022 TO REDUCE POVERTY AND SOCIAL EXCLUSION

In 2022, the main changes are related to the increase in the minimum monthly wage (MMSW), the increase in benefits and the broadening of the range of beneficiaries, changes in social services and employment reform.

Changes in benefits and allowances

At the beginning of 2022, the range of beneficiaries of heating compensation was widened by doubling the amount of State Supported Income (SSI) used to calculate compensation, the average old-age pension increased (from EUR 414 to EUR 465), and a large part of social benefits increased³. And yet the increase in benefits has been very uneven. A large part of the basic amounts on which benefits are based are indexed and linked to the AWPD, but the annual increase has been very slow and has lagged significantly behind inflation. In 2022, the AWPD will reach EUR 267, an increase of only EUR 7 per year, or 2.3%. Correspondingly, some social benefits have increased by only a few euros, such as social cash assistance, child cash, etc. Meanwhile, according to Eurostat, the average annual inflation rate in July 2022 has already reached 21.6%.

The base rates are in line with rising inflation⁴ on which benefits were based increased in June 2022, so benefits such as cash social assistance for deprived people, social assistance pensions, targeted compensation for disabled people with special needs, etc., have also increased significantly. While these changes are important and welcome, they were rather late and still insufficient in the face of very low benefit levels. Some benefits, such as cash support for the poor or disability pensions, still fall short of minimum consumption needs and, in the face of rising inflation, are barely sufficient to cover essential costs.

Social services

In the field of social services, only accredited social care services will be launched in 2022⁵. According to the EAPN Lithuania, this is an important step to strengthen the quality and accessibility of social services and promote the purchase of services from non-governmental organisations. However, most accreditation focuses only on formal requirements, such as staff qualifications and premises, which do not necessarily guarantee the quality of services. Moreover, accreditation does not provide sufficient opportunities to choose from a wide range of service providers.

³ <https://socmin.lrv.lt/lt/naujienos/2022-metais-dides-maziausiai-uzdirbanciuju-pajamos-seniorai-sulauks-desimtdaliu-didesniu-pensiju-ugtels-ir-kitos-ismokos?lang=lt>

⁴ <https://socmin.lrv.lt/lt/naujienos/dideja-pensijos-ir-socialines-ismokos-kada-jos-pasieks-salies-gyventojus?lang=lt>

⁵ <https://socmin.lrv.lt/lt/naujienos/socialines-paslaugos-kokius-pokycius-atnes-2022-metui?lang=lt>

The Law on Social Services focuses more on strengthening the competencies of social workers. A new category of social services is introduced – preventive social services. These services can be provided to the entire population, regardless of their status or membership in a particular target group. However, the EAPN Lithuania considers that the prevention of social challenges should not be strengthened by introducing a new category of services but should be promoted through a general increase in the availability of services. Preventive measures should be implemented primarily through an increase in the scope and funding of services. Services would play a real preventive role if they were provided in a timely manner, according to the needs of the individual.

Employment reform

A new reform of the employment system⁶ came into force in July to strengthen personalised social services for the long-term unemployed and reduce informality and national unemployment. The reform is accompanied by the introduction of a new status of a person preparing for the labour market. This applies to people who lack social skills, have debts, or addictions, are caring for children or parents, do not have a way to get to the workplace or face other challenges. People in this group will receive personalised social services.

While the drive to strengthen services for the unemployed is welcome, the reform of employment policy lacks measures that take into account the fact that there are significant regional differences in labour demand and the complexity of measures. Moreover, a large part of the challenges can be tackled in tandem with the search for a job – for example, the employment of children can be tackled by looking for a job that offers a free schedule, etc. NGO practice shows that services are most effective when job search and addressing social challenges are combined. In contrast, the current reform maintains linearity, i.e. job search and social services are separated. Finally, social services for the unemployed are still underdeveloped and underfunded. The risk remains that people who do not receive adequate services will simply be thrown out of the Employment Service and be further marginalised.

⁶ <https://socmin.lrv.lt/lt/naujienos/pokyciai-salies-uzimtumo-sistemoje-jau-liepa?lang=lt>

SUSTAINABLE DEVELOPMENT GOALS

This year's review is based on the concept of sustainable development, i.e. social, economic and environmental objectives are seen as indivisible and complementary. We emphasise that without social inclusion we will not achieve environmental sustainability. Conversely, when climate change is imminent, it is the poorest who will suffer the most. In this section, we, therefore, look at six MDGs that are closely linked to poverty.

OBJECTIVE 1. ERADICATE POVERTY IN ALL ITS FORMS IN ALL COUNTRIES

DOES CASH SOCIAL ASSISTANCE IN LITHUANIA PROVIDE PROTECTION AGAINST POVERTY?

The first MDG is about eradicating poverty in all its forms in all countries. It recognises that poverty eradication is a major global challenge and a prerequisite for sustainable development. The primary focus is on the eradication of extreme poverty. In Lithuania, as in other Western countries, the focus is more on reducing relative poverty.

Poverty reduction measures cover a wide range of policy areas: education, health, tax policy, labour market regulation, etc. Social protection plays a key role in ensuring a decent standard of living in the face of a range of risks, where the individual is unable to do so. The MDG Declaration states that a basic standard of living must be guaranteed for all people, including in the case of social security systems.

Cash social assistance – the last safety net

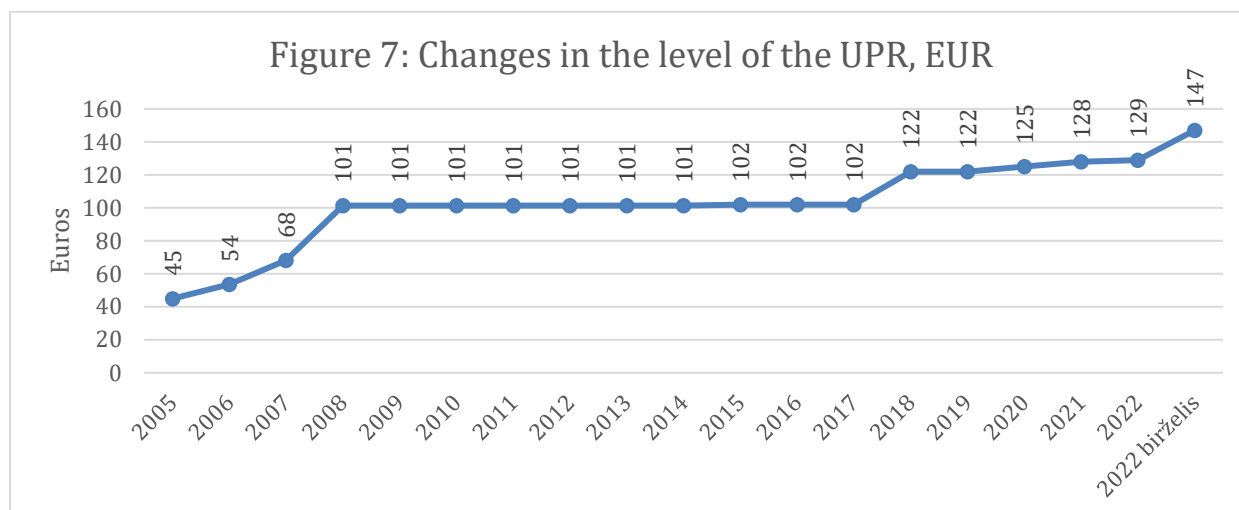
Social cash benefits are one of the cornerstones of social protection, aimed at ensuring a minimum income, a decent standard of living and protection against poverty. Beneficiaries of social cash assistance are those whose income is below a certain threshold and who have not been or have been deprived of the right to social security benefits (e.g. unemployment, disability, etc.). This form of support is therefore the last *safety net*. The right to minimum income protection is also enshrined in the European Pillar of Social Rights⁷, which stipulates that everyone who does not have sufficient resources to live on has the right to a minimum income of an adequate level to ensure a decent standard of living at all stages of life and to have real access to the goods and services he or she needs. However, the very low adequacy of cash social assistance in Lithuania has for many years not ensured either a decent standard of living or basic needs.

Who needs an MVPD?

For a long time in independent Lithuania, most benefits were based on amounts that were not based on objective calculations, were not indexed, and depended mainly on political will. This has led to the freezing of certain benefits. For example, we have experienced periods when the UPR, on which social benefits are based, remained unchanged for almost a decade. Despite the

⁷ European Pillar of Social Rights, 26 April 2017 https://ec.europa.eu/info/publications/commission-recommendation-establishing-european-pillar-social-rights_en

dramatically changing economic situation, the VRP rate has remained largely unchanged from 2008 to 2018 (Figure 7).



Calculated by the authors on the basis of Government Decrees on the amount of state-supported income, the amount of the base of social assistance pensions, the amount of the base of targeted compensations and the amount of the base of state pensions, the amount of the reference indicators for social assistance benefits, etc.

The social security system has undergone important changes in 2017-2020 to improve the system. In 2017, the Ministry of Social Security and Labour approved the methodology for calculating the MVPD⁸. This indicator refers to the amount of a person's expenditure per month needed to meet his/her minimum needs for food and non-food (goods and services). The methodology provides that the calculation is based on the structure of the minimum food package approved by the Ministry of Health, and that this package is accordingly calculated on the basis of average monthly retail food prices. The non-food part is calculated by a derivative coefficient based on the ratio of the actual expenditure of the Lithuanian population on food and non-food goods and services. This rate is indexed and updated annually, also taking into account the average annual inflation rate, according to the September forecast for the coming year published by the Bank of Lithuania.

Amendments to the Law on Establishing the Reference Indicators for Social Assistance Benefits and the Basic Amount of Punishments and Penalties⁹ entered into force in 2020, linking the MVPD to other reference indicators for social assistance benefits, such as the basic social benefit, the base of the social assistance pension, the base of the targeted compensation

⁸ Methodology for calculating the AWPD https://socmin.lrv.lt/uploads/socmin/documents/files/veikla/teises-aktai/isak/MVPD%20skaic_metod_%20isakymas%202017%20m_%20gruodzo%2022%20Nr_A1-657.pdf

⁹ Law No. X-1710 of the Republic of Lithuania amending Article 2 of the Law No. XIII-2604 on the Establishment of the Reference Indicators for Social Assistance Benefits and the Basic Amount of Penalties and Penalties <https://www.e-tar.lt/portal/legalAct.html?documentId=46098de0222f11eabe008ea93139d588>

and the state-supported income. According to the EAPN Lithuania, these changes were particularly important as they were accompanied by a methodologically sound indexation of social benefits. However, there are still fundamental flaws in the system which make the protection of minimum income inadequate.

Challenges in ensuring the adequacy of cash social assistance

First of all, it is important to note that benefit levels are inevitably subject to political decisions. When these rates were linked to the AAP in 2020, their percentage of the AAP was essentially set according to the benefit rates in force before then. For example, in 2018, the UPR was EUR 122 and the calculated MVPD was EUR 245. Accordingly, the Law on Establishing the Reference Indicators for Social Assistance Benefits and the Basic Amount of Penalties and Sanctions¹⁰ stipulated that state-supported income could not be less than 50% of the AWPD. Thus, the percentage set in fact only reflected the previous levels of benefits, which, as already mentioned, were not based on objective calculations. In EAPN Lithuanian's view, if a country has an ALMP, no one should live below this threshold and state-supported income should be 100% of the ALMP. It is important to note that it is not only the lowest level of benefits (i.e. allowances, pensions) that fall below the ALMP. Some old-age pensions and unemployment social security benefits are also below this level.

Another challenge is the complexity of calculating benefit levels. The EAPN Lithuania advocates for a minimum income guarantee system that is as simple as possible, both in terms of the conditions for granting support and how benefits are calculated. At present, the amount of social benefits is calculated at several levels. The social allowance is set at 1.4 UPR for the first 6 months¹¹, and then reduced thereafter. If there is more than one person in the household, the first person receives a monthly benefit of 1.1 UPR, the second 90% of 1.1 UPR and the third and subsequent persons 80% of 1.1 UPR. Meanwhile, the VRP is at least 50% of the AWPD, and may exceed this limit by government decision. The UPR is set at EUR 147, which is about 55% of the AWPD, by the Government Decision of 2022¹². It is clear that the system for calculating the benefit is complex. Such a complex system makes it difficult for beneficiaries of cash assistance to understand their entitlement. According to data from the Ministry of Social Security and Labour, recipients of social benefits do not always understand what support they are entitled to and under what conditions¹³. It is also questionable whether the system is always clear to decision-makers at the national and municipal levels, which in turn can hinder change in this area.

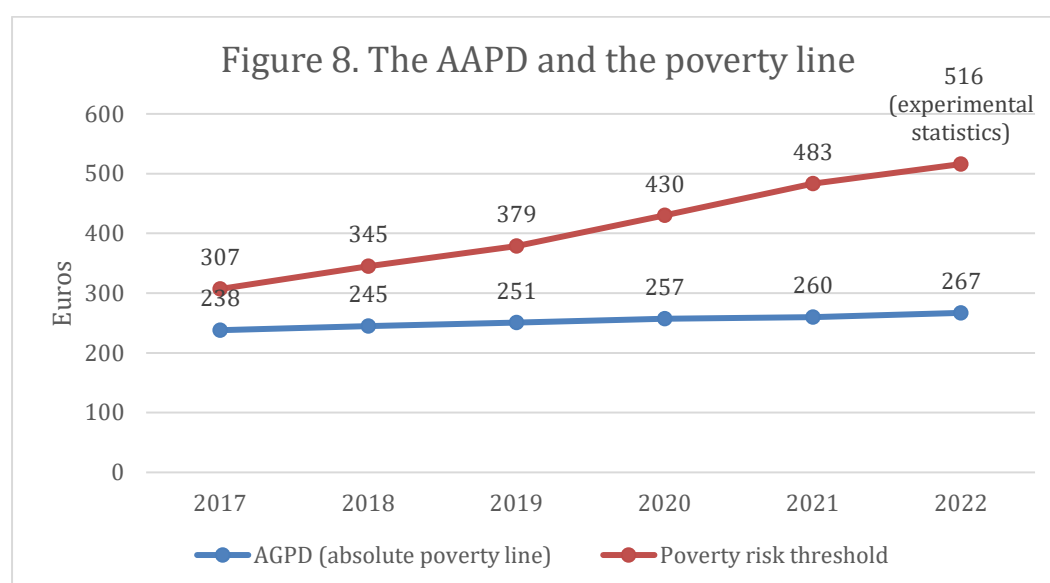
¹⁰ <https://www.e-tar.lt/portal/lt/legalAct/TAR.821DEBBBD657/asr>

¹¹ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.215633/asr>

¹² <https://www.e-tar.lt/portal/lt/legalAct/f8c61530667711e4b6b89037654e22b1/asr>

¹³ <https://glik-public.socmin.lt/sense/app/3e5e3c84-c376-464f-b397-7b8a19c7e096/sheet/ba24c288-de75-4930-839d-6fb40d1489d8/state/analysis>

Finally, it is important to note that the level of the AWPDP, and thus the level of social benefits, is no longer in line with the changing living standards in Lithuania. The level of the MVPDP is falling further and further behind the poverty line every year (see Figure 8). In 2017, when the MVPDP (also considered the absolute poverty line) was calculated, it was 78% of the at-risk-of-poverty line, while in 2021, the MVPDP was only 59% of the at-risk-of-poverty line. In the period 2021-2022, the MVPDP has increased by only EUR 7, or 2.3%, and according to the data from Eurostat, the annual average inflation rate has already reached 21.6% as of July 2022. It is not entirely clear why the annual increase in the APD is so low. It can be assumed that part of the reason may be that the AICP is indexed to next year's inflation forecast, which this year has fallen far short of actual inflation. It is clear that this figure is becoming less and less valid and that the methodology for calculating it needs to be reviewed and updated.



Source: data from Statistics Lithuania

It should be noted that minimum income protection is still inadequate. According to the Ministry of Social Security and Labour, the average amount of social cash support (allowance) in Lithuania in 2021 was EUR 107.7¹⁴. Thus, the amount of the benefit was approximately 4 times lower than the poverty risk threshold and more than 2 times lower than the absolute poverty risk threshold. Although the average amount of cash social assistance has been increasing year over year, and is likely to increase even more significantly due to the changes that will come into force in June 2022, cash assistance is still below both the absolute and the at-risk-of-poverty threshold. Rising inflation makes it even harder for the real level of the benefit to meet basic needs.

¹⁴ Ministry of Social Security and Labour, 13 October 2021, "Income of the lowest earners to rise next year, pensions and other benefits for seniors and disabled to increase", <https://socmin.lrv.lt/lt/naujienos/kitamet-dides-maziausiai-uzdirbanciuju-pajamos-ugtels-senjoru-ir-neigaliuju-pensijos-ir-kitos-ismokos>

Although recipients of cash social assistance can also qualify for other types of support, a 2018 State Audit Office report¹⁵ noted that even when combining different types of support, such as compensation for housing, free meals for children and other services, as many as 86% of beneficiaries were not provided with the MVPD. Data from the Ministry of Social Security and Labour's monitoring of municipal social assistance¹⁶ shows that the value of cash assistance received by social benefit recipients, including social allowance, other benefits, compensations and incentives, reached 63% of the AWPD in 2021. Although the national trend is improving, in no municipality does the average value of social assistance reach the AWPD. This means that recipients of cash assistance are not guaranteed a minimum standard of living, let alone decent living conditions, and social or cultural life.

How to ensure the adequacy of cash social assistance and protection against poverty

The methodology for calculating the AWPD needs to be reviewed. Revise the components of the calculation of the food and non-food share. Also, consider the criteria for other elements such as projected inflation for the coming years. For example, relying on later forecasts rather than September. However, this may be difficult to implement due to the timing of next year's budget. In this case, other criteria for determining growth could be considered.

Indexation to the MMW or average wage growth would maintain the relationship between cash benefits and wages, i.e. maintain work incentives. The advantage of indexation to the MMW is that the timing coincides with the adoption of the budget. On the other hand, there is a risk of greater opposition to raising the MMW in the Tripartite Council. Indexation to the increase in the poverty line is also an option but may be complicated by delays in poverty statistics, whose forecasts are also subject to significant errors. A combination of the above criteria could also be considered, for example by indexing the AWPD to inflation or the MMW, whichever is higher at the time. This would ensure that the growth of the AWPD does not keep pace with the growth of these rates, but might exceed them in the longer term by applying the higher of the two rates.

The criteria for the growth of the AAL should be clarified. With this year's increase in the UAA, it is not entirely clear how it will increase next year, as there is no new higher coupling coefficient enshrined in the law. While the current wording gives the flexibility to increase the UAA even in the middle of the year, the uncertainty of the rate creates the risk that the UAA may not be increased at all next year.

¹⁵ State Audit Office Report: Does social assistance ensure the minimum consumption needs of the poor and encourage them to enter the labour market, 2018 <https://www.valstybeskontrole.lt/LT/Product/23857/ar-socialine-parama-uztikrina-skurdziai-gyvenanciu-asmenu-minimalius-vartojimo-poreikius-ir-skatina-isitraukti-i-darbo-rinka>

¹⁶ <https://qlik-public.socmin.lt/sense/app/3b7d2f59-5a02-4f21-87aa-e92332d457d7/sheet/4dc8db21-cd1c-4e1e-80e4-adc10f1be814/state/analysis>

The UPR should be set at 100% of the AWPDP. This should of course be done after a thorough analysis of the benefit system, implemented in phases and maintaining the hierarchy of social security benefits. Ensure that other benefit reference levels, such as the base for pensions for the elderly, are also increased, thus preventing people with disabilities and people of retirement age who have not accumulated a long service record from ending up in the system of cash social assistance for the deprived population. It should also be ensured that social insurance benefits such as old-age pensions and unemployment insurance benefits exceed the AWPDP. Accordingly, the gap between the level of cash social assistance and the MMW should be maintained to avoid poverty traps.

If the UPR reaches 100% of the AWPDP, it is advisable to abolish the UPR and simplify the Law on Cash Social Assistance to the Needy Population by linking the social assistance directly to the AWPDP.

“The income is not keeping up with prices, it’s very hard to survive.”

“Food prices are now very high. You go to the shop, look around and leave.”

People living in poverty

OBJECTIVE 4. ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING

QUALITY EDUCATION FOR ALL – FACTORS MOVING THE VISION FORWARD

To achieve the new 2030 Agenda, the goal of education must go beyond preparing young people for the world of work – it must equip learners with the skills they need to build an active, responsible and engaged society. The 2030 Agenda makes clear the need to ensure that all learners, at all levels of education, acquire the knowledge and skills needed to understand and promote sustainable development. Education is defined as a separate fourth MDG and a means to achieve all other MDGs. Countries are obliged to provide quality education at all levels: early childhood, general, vocational and higher education. All people, regardless of gender, age, race, or ethnicity, also persons with disabilities, migrants, children and young people, especially those in vulnerable situations, should have equal access to lifelong learning. Countries, taking into account their different national specificities, must ensure that individuals have the opportunity to acquire the knowledge and skills needed to participate fully in society.

The 2030 Agenda also identifies education as a key tool in the fight against the spread of poverty. The link between poverty and education works in two directions: poor people are often unable to get a proper education, and those who do not get a proper education are often forced to live in poverty. Socioeconomic status is one of the most important determinants of educational outcomes. Poor living conditions create inequalities of opportunity for children to achieve better results throughout their schooling. Quality early childhood education has an important role to play here and can reduce the inequalities that exist for children growing up in under-resourced and lower-income families, as children growing up in poverty are often left with a weak foundation for further learning, making it harder to achieve better learning outcomes and often preventing them from progressing to a higher level of education. Education can be a means out of poverty, but it requires state intervention to reduce the impact of poverty on learners.

Situation in Lithuania

The Organisation for Economic Co-operation and Development's (OECD) Well-being Index has three indicators for education:

- *Educational attainment* (the share of the population with secondary or tertiary education) – Lithuania ranks 4th among other countries (94%, compared to an OECD average of 79%);
- *The average length of schooling* – Lithuania ranks 10th (18.5 years), close to the OECD average (18 years);
- *PISA* – Lithuania's score (480 points) is below the OECD average (488 points), and it also lags behind the other Baltic countries.

According to the latest OECD Well-being Index, Lithuania's education score has already exceeded the National Progress Plan 2025 target (7.5). Lithuania is considered to have made progress in education, with the score improving from 7.3 to 7.7 in the last year. A closer look at the indicators shows that while the results are quantitative, which allow a country to be viewed positively in the context of other countries, the PISA results, which are perhaps the most important, as they reflect the social, cultural and economic factors that influence students' learning achievements, provide an assessment of the contextual educational environment at the individual and national level, and indicate the quality of education, are the worst in the OECD Well-being Index. As the assessment of the state of education in the index is considered a key indicator of success in improving the inclusiveness and effectiveness of education, which is most effectively reflected in the PISA results, it can be assumed that the national target for education was not sufficiently ambitious.

Lack of access to pre-school education

Early childhood education aims to help your child prepare successfully for school. It is important to ensure quality pre-primary and pre-school education that is accessible to all children, especially those from families at risk or with special educational needs (SEN), because of the benefits of education for psychosocial development and the later stages of learning, thereby reducing the achievement gap.

In a Council Resolution, EU countries agreed to achieve an average participation rate of 96% of children aged 3 years and above in pre-school and early childhood education by 2030. Lithuania's National Progress Plan expects 90% coverage by 2025. According to the latest data (2020), the majority (90.3%) of children aged between 3 and the compulsory primary school age in Lithuania were enrolled in pre-school and pre-primary education programmes, ahead of the 2025 target. However, premature coverage targets have not addressed the challenges of equity of opportunity and inclusion. Coverage of pre-primary education in rural municipalities was significantly lower than in urban areas, with half as many children aged 3-6 years old in pre-primary and pre-school programmes in rural areas than in urban areas. As pre-school education is not compulsory, except when a decision is taken to provide compulsory education or education for children with SUP, municipalities are not obliged to provide transport for children, which creates a barrier to access to education for pre-school children living in remote areas. The state audit found that in 2019-2020, the proportion of pre-school children who needed a transport service but were not provided with it was around 64%.

General Education Achievement Gap

The Ministry of Education, Science and Sport's Education in the Country and Regions 2021 publication points out that the latest 2018 PISA results showed little change in Lithuania's learning outcomes, which were below the strategies' targets. For fourth and eighth graders, the results of the International Mathematics and Science Test (PISA) have been improving and

were above average in 2019, with an increase in the number of pupils reaching the highest levels of achievement in all grades and domains studied. However, poor learning outcomes and gaps between different socio-economic and cultural (SEC) backgrounds and between rural and urban areas were reflected in the research and remain a persistent problem in education policy.

The lowest average scores on the International Mathematics and Science Test are found in schools in towns and rural areas. PISA scores were higher than the national average in the capital and major cities, while rural students scored lower in all areas, with Vilnius schools' reading scores on average 77 points higher than rural students. The existing disparities in general education outcomes between large cities and districts lead to greater challenges for children in rural areas to achieve a quality education. Lack of teachers, support specialists, modern educational tools and access to non-formal education outside school are important reasons for the achievement gap in rural areas.

In Lithuania, the achievement gap is mainly influenced by the students' SEC background: students from the lowest and highest SEC backgrounds had a 90-point difference in their PISA scores, which corresponds to just over two years of schooling. Significant differences can be observed in the performance of fourth-graders from high and low SEC backgrounds: 60 points in mathematics and 20 points in science, while the gap is even wider for eighth-graders, with 71 and 91 points respectively. With effort, but without social mobility (the ability to change one's social status), a student from a low-SES background reduces the probability of enrolling in university to 15%, while a student from a high-SES background has a 60% probability.

The type of school was also found to be significant for learning achievement, with fourth-graders in grammar schools and eighth-graders in primary schools performing below the national average in all areas. Polish pupils also scored significantly lower than Lithuanian and Russian pupils, with differences of 50 and 51 points respectively.

Lack of educational support in inclusive education

The number of pupils with SUP has increased recently, reaching almost 12% of the total enrolment in 2021. The largest share of pupils with SUP was in pre-school and pre-primary education – around 20% of all pupils in both groups. In 2021, the percentage of integrated learners in pre-school education was around 95% and 93.5% in pre-primary education, while in primary and especially in secondary education, the percentage of integrated learners was significantly lower, at 84.5% and 56.8%, respectively, and it is worth noting that almost 40 special schools were operating together. By 2024, according to the amendment to the Education Act, it is expected that all children will be included in mainstream education and that there will be no more special schools.

An external evaluation of inclusive education in mainstream schools, carried out by the National Agency for Education, found that while some schools are succeeding in creating an inclusive culture and allocating resources, a large number of schools are still on the road to implementing inclusive education: facilities are not suitable for all children, there is a lack of specialists, teachers lack competences, and the quality of the day-to-day education process is

not guaranteed. As the number of pupils with SUP has increased, the need for specialist support staff has also grown: the availability of support staff has been improved in many municipal schools, but there is still a shortage of support staff, and some schools do not have any at all, and the need for special support staff has been highlighted by previous country context analyses. This may be a major obstacle to access to inclusive education in primary and secondary education and quality assurance at all levels.

Changes to the Education Act, which will come into force in 2024, oblige all schools and kindergartens to provide opportunities for children with SUP to be educated in the nearest educational institution, to receive the necessary learning support and to create opportunities for everyone to achieve a full, quality education. The preparation phase is currently underway, so from 2021 onwards, the focus will be on the shortage of specialists and improving their competencies. Last year, the state budget allocated funds to municipalities to create 285 additional teaching assistant posts, and salaries for education support specialists have been rising.

Challenges posed by COVID-19

The pandemic has had a profound impact on the education sector, creating an urgent need to find solutions through the reorganisation of educational processes, and a shift towards distance and blended learning. The importance of equality and inclusion has become even more apparent. Geographical and social barriers had reduced learners' access to the best education even before the pandemic, but the shift to distance learning has brought new inequalities and exacerbated previous ones.

The digital divide between pupils and students from disadvantaged backgrounds or living in remote areas has been exposed. Although the Ministry of Education, Science and Sport mandated the National Agency for Education to provide ICT facilities to students who were not able to study from home following the quarantine, the lack of facilities meant that some students did not have full access to distance learning. Almost 3% of all pupils in the country did not have a computer and internet connection, and the situation was even worse in rural areas, where 6.2% did not have a computer and internet connection. In 2021, students who did not have the facilities at home were able to learn more smoothly in school.

The introduction of distance learning in general education has been challenging for primary school pupils, who need more direct adult support, and for school leavers, where sudden changes in teaching/learning and assessment could affect their performance and future career prospects. Pupils experienced social isolation, children's physical and emotional health deteriorated due to the excessive use of ICT, and children from families with social risk factors had low participation in distance education.

The pandemic has particularly highlighted the need to develop educational support for pupils with SUP, *and the* difficulties of engaging pupils in distance learning. For example, students with visual or hearing impairments have become unable to access special learning tools, students with minor SUPs find it more difficult to work independently on the computer and

concentrate, and changes in their daily routine and environment can also have a negative impact. Learning support was also not available for all pupils with SUP, as some educational establishments did not have specialists available, which put most of the strain on the parents of these children before their children had the chance to return to class.

Summary

While the State's ambitions are promising and significant changes are expected from 2024 onwards to contribute to the achievement of the MDGs, looking at the recent period, education still faces challenges of opportunity and inclusion: early childhood education has not been accessible to all children, there has been a significant gap in the achievement of pupils in mainstream schools, and inclusive education is still in the preparatory phase. The different contexts of SEC learners not only exacerbate these challenges, but often prevent students from lower SEC backgrounds from achieving the best results, education and ultimately employment and economic productivity. The COVID-19 pandemic has opened up new problems and exacerbated some of the existing ones, but has also prompted a more effective and faster response to the challenges.

“There is a division at school: the rich and the poor. Even the teachers divide, they don't motivate the children. The child even got lower grades, even though the girl is gifted. The child himself said: “There is exclusion.”

“I had to buy a computer by instalments for my child to study.”

“We live with 6 children in a two-room social housing and during the quarantine, it was very difficult when all the children had lessons at the same time: one of them was doing maths and the other was in the same room for a PE lesson. When online education started, we couldn't log in, so when the teacher called, she even threatened to call the social children services if we didn't log in. The social worker saved us in this situation, but even with her help we were not able to join right away.”

People living in poverty

OBJECTIVE 5. ACHIEVE GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN AND GIRLS

Prepared in cooperation with the Women's Information Centre

THE FEMININE FEATURES OF POVERTY

Poverty eradication and gender equality are closely linked to MDGs. The most vulnerable to poverty in Lithuania are the unemployed, single persons, single parents with children, pensioners, people with disabilities and children. A glance at the list of the most vulnerable groups reveals the feminine characteristics of poverty. Among single people and pensioners, women are significantly more numerous due to the fact that their life expectancy is about 10 years longer than that of men¹⁷. According to the Department of Statistics¹⁸, 18.3% of Lithuanian women will be living alone in 2021, i.e. one and a half times more than men (11.9%). Women are the absolute majority of single parents with children – 8 times more than men¹⁹. Data from the Lithuanian Statistical Department²⁰ confirms the female bias in the risk of poverty: in 2021, the risk of poverty was 17.1% for men and 22.4% for women. Let's look at the main reasons behind this difference.

Pension and wage gap

According to the Lithuanian Statistics Department, the poverty risk rate for men aged 65 and over was 24.3% in 2021, while for women aged 65 and over it was as high as 42%.²¹ Not only is the higher number of female pensioners important, but also the fact that women's social security old-age pensions are significantly lower than men's (Figure 9). According to Eurostat data²², in 2020 Lithuanian women's social security pensions were on average 15% lower than those of men.

Lithuania is no exception among EU countries, with a pension gap below the EU average of 27.5%. The highest gaps in 2020 were in Malta (39.3%), Luxembourg (37.7%) and the Netherlands (36.9%), and the lowest in Estonia (1.1%), Hungary (2.6%) and Denmark (7.7%). The gender pension gap tends to be higher in countries where there are (or have been in the past) large numbers of women out of work, but this is not the case in Lithuania, and the gap is therefore due to other reasons.

¹⁷ <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?indicator=S3R584#/>

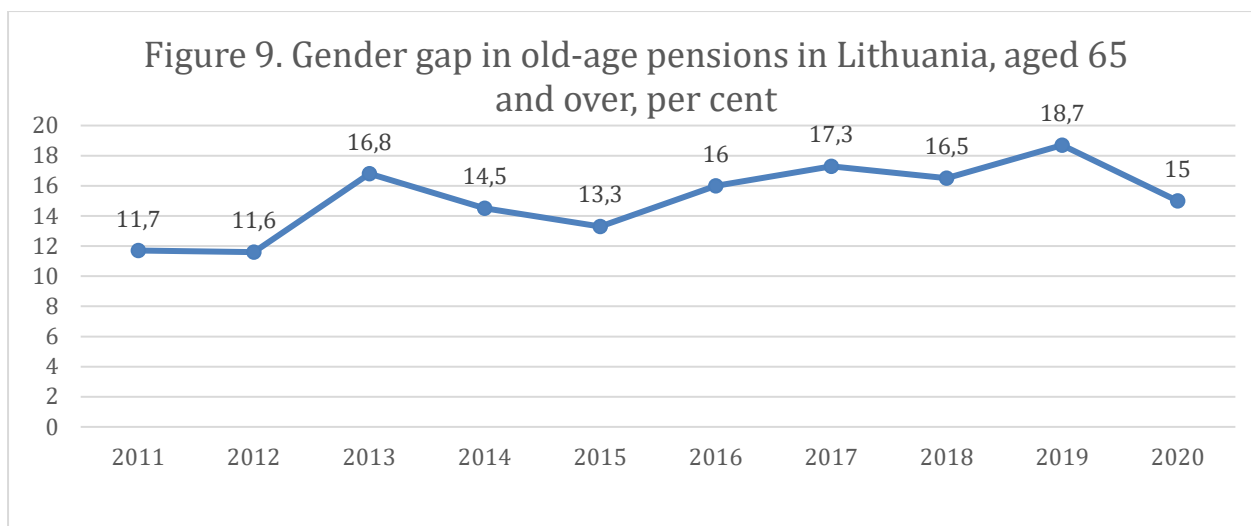
¹⁸ <https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=10141509>

¹⁹ The same

²⁰ <https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=ec766b01-0c70-4796-b7ce-c3f4150b5eac#/>

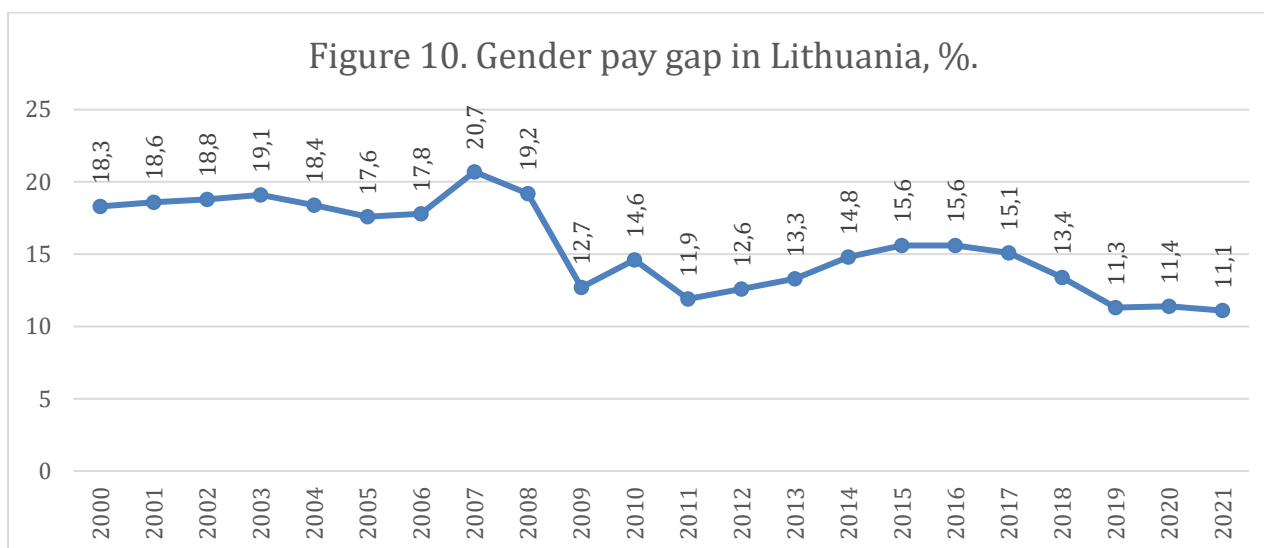
²¹ The same

²² https://ec.europa.eu/eurostat/databrowser/view/ILC_PNP13__custom_589388/default/table?lang=en



Source: Eurostat

The amount of a social security pension depends directly on the social security contributions paid, which in turn depend on the length of social security coverage and, in many cases, on earnings. Men's higher average earnings result in a difference in average pensions in favour of men. The dynamic of the gender pay gap is presented in Figure 10.



Source: the Lithuanian Statistical Department

According to Eurostat²³, the gap has narrowed to 11.1% in 2021 and 13% in 2020, equal to the EU average. Across the EU, men's average earnings exceeded women's, ranging from the smallest gap in Luxembourg (0.7%) to the largest in Latvia (22.3%)²⁴. Women's average earnings are significantly lower than men's for a number of reasons. First and foremost, occupational segregation. Women have traditionally chosen so-called feminine professions, i.e. in the cultural, educational, social or health fields. In these sectors, salaries are also lower. For

²³ <https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=10153074>

²⁴ The same

example, according to the Department of Statistics²⁵, in the academic year 2020-2021, the most segregated occupations in colleges were: Health care (5 380 girls and 665 boys), social welfare (1 458 girls and 119 boys), education (1 440 girls and 22 boys) were popular among girls, and engineering and engineering professions (2 919 boys and 136 girls), architecture and construction (1 304 boys and 256 girls) and information and communication technology (1 383 boys and 220 girls) were the most popular for boys. At the university level, the distribution of students is similar. Obviously, the economic activities do not correspond exactly to the occupations, but to illustrate, average salaries can be given: in 2021,²⁶ for information and communication: EUR 2 859.5, and for education: EUR 1 490.5. Thus, the choice of occupation alone has a major impact on future earnings, and the so-called traditional gendered choice of occupations leads to lower salaries for women and, subsequently, pensions.

Lower salaries are also a function of job title, with women often working in lower-level or service jobs. For example, there is a very clear difference in healthcare, where nurses are almost exclusively women. Another possible reason for lower pensions is the shorter length of social security (work) – women still retire earlier. In addition, social security contributions may be reduced by childcare. More women than men work part-time.

While the most important indicators of poverty relate to income per family member, quality of life has many more dimensions. Quality of life also includes a leisure dimension, and is linked to personal development and thus better career prospects. In this area, the differences between men and women are very clear, with more women bearing the burden of household chores and more men enjoying leisure time.

Links between poverty and violence

Violence against women is also a major contributor to poverty, as victims of violence suffer poorer health, including mental health, and poorer working capacity and labour market prospects. Such problems are long-lasting. In 2021, there were 5 801 domestic violence cases²⁷, but this does not reflect the true extent of violence.

Decisions needed

The common cause of women's poverty can be explained by inequality. According to the European Institute for Gender Equality's Gender Equality Index²⁸, in 2021 Lithuania ranked only 20th out of the 27 members of the European Union, although it has risen 2 places in a year. Looking at the areas where the situation is worst compared to other EU countries, we see that these are participation in politics and governance, wages and pensions, occupational

²⁵ <https://osp.stat.gov.lt/lietuvos-svietimas-ir-kultura-2022/svietimas/aukstasis-mokslas>

²⁶ <https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=10060034#>

²⁷ <https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=9634950>

²⁸ <https://eige.europa.eu/gender-equality-index/2021/LT>

segregation (not only in the labour market, but also in education) and leisure²⁹. The governance indicator has slightly increased due to the increase in the number of female ministers, but its other components reflecting women's power in business are very low. Worst of all, some indicators directly linked to poverty are also trending downwards. Occupational segregation in the labour market and education is deepening, and household burdens are increasingly falling on women's shoulders³⁰.

Women's power – the role they play in politics and governance, not only in running the state but also in running businesses – is important in tackling poverty inequalities. We cannot expect women to be able to make decisions that are favourable to them in terms of their working and living conditions if they are not present at the decision-making level. Women's participation in politics is growing, but at a very slow pace: in 2020, only 24.3%³¹ of women were elected to the Parliament, and in 2019 the proportion of women elected to municipal councils was less than a third (29%), and only 5 out of 60 mayors were women³². The situation in business leadership is also quite bad: for example, women accounted for only 12% of the boards of listed companies in 2020.³³

In order to close the gender pension gap in the future, the wage gap must first close. In the longer term (Figure 2), we see a downward trend in the gap. The number of women in political governance is slowly increasing, although it is not clear whether this is a sustainable prospect. The introduction of non-transferable parental leave should lead to more men becoming involved in childcare and, in line with other countries, improve women's position in the labour market. As women's retirement age rises, so does the length of social security coverage.

Eradicating women's poverty requires first tackling gender inequality. While it is slowly diminishing, it cannot wait for it to disappear on its own. Experts at the European Institute for Gender Equality estimate that, without specific measures, it will take an average of 60 years to achieve gender equality in the EU³⁴, while the World Economic Forum estimates that gender equality in society and business will only become a common practice after 136 years³⁵. If we want to achieve gender equality and eradicate female poverty sooner, we need to take proactive measures. We need to educate the public about the benefits of gender equality and eliminate gender stereotypes, especially in the choice of professions. There is currently a tendency to hide the problems of gender inequality. In particular, one of the very effective tools in the fight for gender equality, the publication of detailed gender statistics, has been abolished. Clearly presented comprehensive statistics make it possible to plan policy measures. The Department

²⁹ <https://eige.europa.eu/gender-equality-index/2021/country/LT>

³⁰ Lithuania Gender Equality Index: analysis of the situation in Lithuania:2021/
<https://socmin.lrv.lt/uploads/socmin/documents/files/Projektu-konkursai/MVLG%20konkursai/LT%20Lyciu%20lygybes%20indekso%20analiz%C4%97%202021.pdf>

³¹ https://www.lrs.lt/sip/getFile3?p_fid=27609

³² <https://www.lygybe.lt/lt/naujienos/savivaldos-rinkimai-kiek-ivairoves-issirinkome/1077>

³³ https://eige.europa.eu/sites/default/files/documents/mh0220021lta_002.pdf

³⁴ <https://eige.europa.eu/news/gender-equality-index-2020-can-we-wait-60-more-years>

³⁵ <https://www.delfi.lt/darbas/darbo-aplinka/pasaulio-ekonomikos-forumas-paskaiciavo-kada-lyciu-lygybe-visuomeneje-ir-versle-taps-iprasta-praktika-prognozes-stulbina.d?id=89431657>

of Statistics used to publish an annual publication, “Women and Men in Lithuania”, but unfortunately the last one, which has been reduced in size and is less valuable than the previous ones, reflected the statistics for 2017. Secondly, the Commission for Equal Opportunities for Women and Men under the Ministry of Social Security and Labour, which monitored the implementation of the plans for equal opportunities for women and men, was quite effective. Recently, the NGO community has not heard about the work of the Commission or the development of follow-up action plans. There is a risk that these measures may disappear. Thus, in order to eradicate poverty, we must not turn a blind eye, we must not try to hide the facts, but rather take them into account and act in a targeted manner.

“I’m looking for a job, but when they hear that I have 6 children, I feel so useless.”

“I’d like to work, but I have two children and I couldn’t get a kindergarten.”

“It happened that the father passed away. I thought at the beginning that somehow it would work out, but it didn’t. I had to leave my job”

“I was offered a better-paid position, but, you know, I’m a single parent with two children and it involves frequent travel... So, I thought maybe I can’t afford it for now.”

Women in poverty

OBJECTIVE 7. ENSURE AFFORDABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

Developed in cooperation with the Consumer Alliance

ENERGY POVERTY IN THE FACE OF THE ENERGY CRISIS

Energy poverty and its solutions are addressed in the seventh MDG. This is defined as access to affordable, reliable and modern energy services **for all**.

Lithuania has one of the highest energy poverty rates in the EU. In 2018, one in three people in Lithuania reported being in energy poverty (27.9% of people said they were unable to keep their homes warm enough). This percentage was almost four times higher than the EU average³⁶. Almost one in ten people said they were in arrears with their utility bills³⁷. Residents spent more than 13% of their household income on energy costs.

Recent studies show that energy poverty in Lithuania has been declining. For example, in a Vilnius survey in 2020, more than 23% of the population said they could not heat themselves sufficiently³⁸, and in 2021, 22.5% of the population³⁹. Nevertheless, this figure is quite high compared to other EU countries – we are still among the countries with the highest energy poverty rates, and with energy prices rising more than incomes, the proportion of the population in energy poverty is likely to rise again in recent years. This year we have already seen an increase in the number of applications for home heating allowances. In the first three months of this year, an average of 5.5% of the total population of the country received compensation for home heating costs, i.e. an average of 152.9 thousand people per month. At the same time last year, around 95 000 people received compensation. People (3.4% of the country's population)⁴⁰.

The National Energy and Climate Action Plan of the Republic of Lithuania (NECSP, 2019) identifies four causes of energy poverty: inefficient energy consumption, high energy prices and low household incomes, and lack of consumer awareness.⁴¹ Energy poverty in Lithuania

³⁶ European Commission. 2020. EU energy poverty observatory: Lithuania. Last accessed 19 August 2021. URL: <https://www.energypoverty.eu/observatory-documents/lithuania>

³⁷ According to the Lithuanian Association of Heat Suppliers, around 14% of heat consumers paid late for the services provided in 2019. According to the Lithuanian Heat Suppliers Association, “this is by far the lowest ratio in the last decades (...), influenced by changes in heat prices and lower volumes of heat supplied”. Source: https://lsta.lt/wp-content/uploads/2020/12/Apzvalga_Silumin%C4%97je_technikoje.pdf

³⁸ Vilnius Centre for Public Opinion and Market Research. 2020. Energy Saving. Vilnius, 2021

³⁹ <https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=7f3cc1da-a1c7-44c6-b573-73efcc3b3189#/>

⁴⁰ <https://socmin.lrv.lt/lt/naujienos/busto-sildymo-kompensacija-gaveju-padaugejo-beveik-40-procentu?lang=lt>

⁴¹ See THE [NATIONAL ENERGY AND CLIMATE ACTION PLAN OF THE REPUBLIC OF LITHUANIA 2021-2030](#).

is tackled through a range of state measures to address these problems. Unfortunately, not all of them are given the necessary weight.

How is Lithuania tackling energy poverty?

High energy prices are being tackled through a range of renewable energy options. In our country, a number of public support programmes are available to help people and households in energy poverty to install renewable energy sources: installing a solar power plant up to 10 kW on the roof of their house, purchasing a solar power plant up to 10 kW away from a solar park, replacing a gas cylinder, replacing a solid fuel boiler, renovating an individual house, renovating a block of flats, purchasing a low-emission car.

The income problem is mitigated by cash support (social benefits, housing heating, drinking and hot water allowances) and information and education on personal finance management, and in the long term by public policies that increase sustainable incomes for the poorest members of society. From 1 July to the end of 2022, provides residents with gas and electricity reimbursements (9 cents/kWh above 24 cents). If the deadline is not extended and residents are forced to pay the full price themselves, we can expect to see more people struggling to pay their energy bills.

We need to tackle **energy inefficiency** by: a) accelerating the renovation of buildings. Currently, 4 286 multi-apartment buildings in Lithuania have been renovated and 1 812 multi-apartment buildings are being renovated⁴² (it is estimated that there are about 30 000 multi-apartment buildings in Lithuania). However, the renovation process lacks prioritisation of buildings occupied by socially vulnerable people; b) by changing the energy consumption habits of the population, i.e. by educating them to save energy. Unfortunately, the energy literacy of vulnerable groups is not high. Ways need to be found to reach this population group, which is often less likely to use digital technologies.

The fourth, now highlighted as an independent factor of energy poverty – **low consumer awareness and motivation to change energy consumption habits** – requires a new approach. The National Energy and Climate Action Plan foresaw the inclusion of energy poverty and efficiency advice in the catalogue of social services, but unfortunately, this idea seems to be abandoned in the revision of the Plan. It remains unclear how consumption patterns will be changed. There are cases where, due to a lack of knowledge, people who have adopted renewable energy sources start using more energy, which not only does not reduce their bills but also makes them even bigger energy wasters.

What else could we improve in Lithuania?

In Lithuania, energy literacy among consumers has not been developed, and there is little education and counselling of the population on energy efficiency issues, so the potential for

⁴² <https://map.betalt.lt/> inf.

improving energy efficiency and reducing energy poverty is not sufficiently exploited. We believe that measures to change people's energy consumption habits must be retained in the National Energy and Climate Action Plan, which is being revised this year. Especially as we are also seeing a trend in Europe towards *one-stop-shops*, where people can get all the information they need on energy efficiency and building renovation.

This was discussed at the final event of the *Solutions to tackle energy poverty* (STEP) project on 26 May 2022 at the Ministry of Energy, where a number of interested institutions presented their consumer information plans and proposed the establishment of a Consumer Information and Empowerment Platform on Energy Efficiency.

In order to reduce energy poverty in Lithuania, the Consumer Alliance has set up the Energy Advisors Hotline (tel. 8 670 00066) as part of the STEP project. Residents of Vilnius and Tauragė were informed about the hotline regarding their heat bills. The STEP consortium has published toolkits for policy makers in Lithuania and the European Union for 2020-2022⁴³. We encourage you to⁴⁴:

- Establish an inclusive definition of energy poverty.
- Establish a network of energy advisors.
- Continue to provide social support to households in poverty by easing the burden of energy costs.
- Legislation to limit rising energy prices.
- Ensure cheaper energy through district heating and cooling.
- Strengthen protection against disconnection from the grid.
- Promote access to renewable energy sources, including for apartment dwellers and tenants.

The rights of tenants are not sufficiently protected in Lithuania. There is still a shadow rental market in Lithuania and tenants whose landlords do not pay their taxes are not able to benefit from compensation offered by the state. Similarly, residents whose actual and declared place of residence do not coincide (for example, adult children with families declare their place of residence with their parents) are also excluded.

Households in energy poverty are characterised by a lack of financial literacy, limited capacity to invest, limited knowledge of alternatives to energy services, and a lack of skills⁴⁵. For these reasons, low-income populations are often excluded from public support programmes. Collective action is needed to address energy poverty in such populations.

⁴³ See https://www.stepenergy.eu/wp-content/uploads/2020/08/Policy_Recommendations_1st_set_D6.3_final.pdf ir https://www.stepenergy.eu/wp-content/uploads/2021/04/LT_versija_2nd_set_of_Policy_Recommendations_D6.6_March_2021.pdf

⁴⁴ Solutions to Tackle Energy Poverty (STEP). 2022. 13 steps to tackle energy poverty. Last accessed 7 June 2022. URL: <https://www.stepenergy.eu/lt/13-steps-to-tackle-energy-poverty>

⁴⁵ Lekavičius V. 2021, Lithuanian Energy Institute. Consumer Alliance STEP project training for social workers (June 2021).

We have repeatedly stressed that collective action would accelerate the transition of Lithuanian households to renewable energy, and would provide energy-poor consumers with a faster and more efficient solution to reduce their energy and heat bills. Collective solutions, such as building solar farms in municipalities rather than just installing them on the roofs of private houses, would allow for greater involvement of municipalities, which have been lacking in tackling energy poverty. The Consumer Alliance is launching in 2022 a collective purchasing campaign for renewable energies at⁴⁶, which we hope will be the first swallow that paves the way for collective solutions. In anticipation of further increases in energy prices, the importance of collective solutions will increase even further in the future. We will also need to find ways to strengthen protection for the energy poor, as they will be most affected by energy price rises.

So, we still have a long way to go to achieve MDG 7.

“I pay for rent and heating. I pay a lot for heating. But I don’t get compensation because our landlady is a big farmer and we can’t get compensation. Because we don’t have a contract.”

“I get compensation for solid fuel. We live in a three-room apartment, which has been partly renovated, but the compensation is just a drop in the ocean. A tonne of briquettes is given to a three-room flat in the autumn, but it is only enough for a month for such a flat. Two months, God forbid. If we get the briquettes straight away, the cost here would be around EUR 200. We have four children, six in total. We finish them quickly, especially when there is mould, an old house.”

“I get a state allowance and I could do training on how to survive on that amount of money. I’ve been living like this for the first year, and I’m still managing to keep my cat and my house. The house is harder to maintain than the flat, the children sometimes help, and I get compensation, but I only get compensation around January.”

People living in poverty

⁴⁶ <https://www.clear-x.eu/>

OBJECTIVE 11. TO MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

SUSTAINABLE TRANSPORT: ACCESSIBLE AND ENVIRONMENTALLY FRIENDLY

This MDG includes access to adequate, safe and secure housing with basic services, and safe, inclusive, affordable and sustainable transport. In this section, we look at mobility options for people living in poverty. The eleventh objective of the MDGs stresses that transport must not only be accessible to different groups in society (including people with disabilities, and people living in rural areas), but also develop clean transport modes, both public and private.

Lack of transport services limits people's opportunities

Transport plays a key role in modern society. This includes access to the workplace, education, health, social or other public services, but it is also important for maintaining social ties. Unfortunately, some people in Lithuania face insufficient public transport services and a lack of accessibility for people with disabilities. The very low ability of poor people to buy a less polluting car and pay the pollution tax if they do not is also worrying.

The 2020 State Audit Report "Social Integration of Persons with Disabilities"⁴⁷ found that in 2019, 34 municipalities did not have a single public transport vehicle adapted for persons with disabilities. The mobility of some people with disabilities is already very limited and the lack of transport makes their mobility even more difficult. For the blind and visually impaired, there must be audible route announcements and bright stripes, and for the hearing impaired, routes must be clearly signposted on signboards.

The lack of public transport is particularly acute for people living in rural areas. In this respect, they are lagging far behind the big cities. This is often a problem for the most vulnerable, those on the lowest incomes – those who cannot afford to buy and maintain a car themselves. In rural areas, residents point out that buses run only a few times a day and are at best only timed to coincide with children's return from school. During children's summer holidays, there are cases where buses only reach villages a few times a week, which prevents people from working due to the lack of transport links. In addition, as there is often no realistic possibility of getting to and from work on time, the daily use of public transport in the regions also requires significant financial resources.

Lack of transport services also limits access to other services – social, educational, health, cultural, financial and others. Services are important for the full participation of individuals in society, and the inability to use them limits inclusion and negatively affects the quality of life. People living in poverty face significant difficulties due to a lack of resources and access to

⁴⁷ <https://www.valstybeskontrolė.lt/LT/Product/23932/asmenu-su-negalia-socialine-integracija>

public transport. For example, children have to adapt to school buses after school, which prevents them from participating in non-formal education activities. Getting to health care facilities becomes difficult, and there are cases where people who are taken by ambulance to hospital reception and discharged from the hospital, or their accompanying relatives, have no way of getting home because of the lack of accessible public transport. There are also cases where a person has been referred to comprehensive family support services after being identified as being at risk of domestic violence, but has no access to activities such as psychological counselling or mandatory positive parenting courses. People also face difficulties in accessing financial institutions or post offices.

Reducing pollution cannot make things worse for poor people

It is also important to discuss the ecological aspect of sustainable transport. Transport pollution is one of the worst in Lithuania. According to the Environmental Protection Agency⁴⁸, the road transport sector in Lithuania accounts for 62% of total annual emissions of nitrogen oxides, 14% of carbon monoxide and 23% of particulate matter.

The Green Deal commits Europe to reduce greenhouse gas emissions from transport by 90% by 2050. It is clear that to achieve such an ambitious target, all EU countries need to undertake a major transformation in this area, and the transformation itself will be difficult and resource-intensive. It must also be borne in mind that the transformation must be socially just and fair.

In 2020, the European Commission published a Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “A strategy for sustainable and smart mobility. Europe's transport path to the future”⁴⁹. It states that the economic turmoil caused by the COVID-19 pandemic has highlighted the need to ensure affordable, accessible and fair mobility for passengers and other transport users. Unfortunately, mobility remains expensive for those on low incomes and the development of public transport links will be essential to ensure seamless access to mobility for all. The transformation must accelerate the reduction of dependence on fossil fuels. It also argues that the transition to sustainable, smart and resilient mobility must be the right one, or it risks not happening.

To meet these ambitious targets, countries are increasingly proposing pollution taxes. The proposed taxes risk making it relatively easy for those with sufficient income to pay for their pollution, while they may not change their habits even though they are able to do so. On the other hand, those on low incomes will be forced either to devote a large part of their income to the pollution tax or to give up their transport, which in some cases is the only way to have mobility and, at the same time, to be able to work, use services and maintain social ties. It is important to note in the context of transformation that innovations are adopted when they are widely perceived by the public to be the right thing to do, so it is important to inform the

⁴⁸ <https://am.lrv.lt/lt/naujienos/lietuvoje-pirma-karta-matuojama-reali-automobiliu-tarsa>

⁴⁹ <https://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX:52020DC0789>

population in advance and to discuss what problems are being addressed, why the transformation is being carried out, and what the consequences will be if no solutions are found. The introduction of pollution taxes must also be accompanied by the development of public transport services that provide mobility options.

A measure for the needy – with insurmountable barriers

It is important to note that Lithuania has a number of measures in place to ensure the mobility of people in need and to encourage them to switch to less polluting vehicles. For the first time this year, the Environmental Project Management Agency⁵⁰ has launched a measure whereby, for the first time this year, disadvantaged people can apply for EUR 2,000 compensation after having disposed of an old car and purchased a low-emission vehicle. The facility is open to people who have received social cash assistance (compensation or allowance) under the Law on Social Cash Assistance to Needy Residents for a continuous period of six months until 1 December 2021. The objective of the measure – to switch to less polluting cars – is welcome, but there are doubts about the accessibility of the measure for people who are genuinely deprived. It should be noted that according to the Statistics Department, in 2021 as many as 36% of Lithuanians said that they would not have the means to meet unexpected expenses if they reached EUR 380. It is questionable whether people who are not well-off have the savings to buy a less polluting car in order to be able to receive compensation afterwards. Given the condition of receiving social cash assistance for six months before the beginning of December, it could be argued that only recipients of social benefits, but not of heating allowances, are actually eligible for this compensation mechanism, as the heating season has only just started. As regards the social allowance, it should be noted that people have to meet a number of requirements in order to qualify for the allowance, such as being on an extremely low income, meeting property valuation norms, etc. The number of recipients of social benefits in Lithuania is around 2-3% each year, a quarter of whom are children. In other words, far from all people in need are among the beneficiaries of social assistance, so it is worth considering other criteria for compensation for the purchase of a polluting car. In addition, people living in poverty often report that it is not easy to use the measures due to the lack of access to information and their lesser ability to use information technology.

What should change? Suggestions and recommendations

Public transport must therefore be developed and made accessible to people with different forms of disability in order to develop truly sustainable transport. To achieve the objectives of the Green Deal, it is important to ensure that the principle of *Just Transition* is upheld, and to seek to raise awareness and information as widely as possible on the subject of environmental protection and Just Transition. The introduction of pollution taxes must also be accompanied

⁵⁰ <https://www.apva.lt/nepasiturintiems-siuloma-2-tukst-euru-parama-isigyti-netarsu-automobili-2/>

by the development of public transport services, and pollution taxes must directly improve transport infrastructure.

We welcome the introduction of measures for the disadvantaged in the Climate Change Programme, while at the same time suggesting consistent monitoring of whether the measures are sufficiently accessible to those in poverty. Taking into account the fact that the poor do not have savings, we suggest that measures for the purchase of less polluting cars should be designed in such a way that the subsidy is transferred directly to the seller. Because of the seasonality of heating and the associated compensation, we suggest that consideration be given to introducing a criterion in the financing conditions that the subsidy should be available to persons who have received social cash assistance for 6 months in the last 12 months. We also suggest that in the future, such support should not be limited to persons receiving a benefit or compensation under the Law on Cash Assistance to Needy Residents, but that other criteria should be considered, such as support for persons whose per capita household income does not reach the minimum level of consumption needs. Given that this is a new measure and that it is not widely known, more communication is needed.

“I live near the main road. During the quarantine, there was no bus service at all, I could only get somewhere once a week.”

“Not everyone has access to transport. For example, if you can’t afford to [pay for transport] on benefits, you don’t have money for food.”

“I’m against the air pollution, but many people don’t have access to a luxury car and a car is essential for transport.”

“The state only asks people to pay, but we see that the buses are old and very polluting. The state does not make it easy to ride city buses. The prices are priceless.”

People living in poverty

OBJECTIVE 13. TO TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Prepared in cooperation with the Environmental Coalition

HOW CAN WE NOT LEAVE BEHIND THE MOST VULNERABLE WHEN CLIMATE CHANGE IS INEVITABLY CHANGING?

Climate change, along with other ecological crises, is one of the greatest challenges facing humanity today. Science warns that this decade is a critical one: if climate change is not contained and biodiversity loss is not halted, irreversible global change will begin. There is already no country that will not feel the effects of these crises. Countries around the world are suffering hundreds of billions of dollars in losses every year, human health and even lives are being threatened, and the quality of life is falling. The poorest and most vulnerable people are most affected.

Climate change knows no borders, and all countries around the world must act together to stop warming and adapt to inevitable changes. The United Nations Framework Convention on Climate Change came into force in 1994 to coordinate global goals and actions. It also led to the famous Paris Agreement, which commits the world to strive to keep the increase in global average temperature below 1.5 °C and to ensure that the increase in global average temperature is well below 2 °C compared to pre-industrial levels. It is important to emphasise that 1.5 °C warming is a scientifically proven relatively safe limit where the consequences are not yet substantially disruptive. A warming of 2 °C is a threshold beyond which scenarios lead to major social and economic crises.

The average global temperature has already risen by 1°C since pre-industrial times, in 1880.⁵¹ The summer of 2021 has made us realise what heatwaves or heavy rainfall promised by science mean. In the USA, a heat wave was so severe that cooling centres had to be opened to prevent deaths, and in Germany, a flash flood destroyed homes.

In Lithuania, climate change is evident. Between 1961 and 2019, the average annual air temperature rose by 2.2 °C. Average annual precipitation has increased by 17%. The number of cases of temperatures above 30 °C has increased. The period with snow cover is shortened by an average of 30 days. The water level in Klaipėda rose by about 15 cm.⁵²

Climate change mitigation

Climate change cannot be reversed, but it is essential to stop it. Warming is becoming more severe with each additional degree, posing an existential threat to both humans and the natural world around us. The key to stopping global warming is to reduce greenhouse gas emissions

⁵¹ [NASA. Global climate change](#)

⁵² [Climate change projections and scenarios for Lithuania](#)

as quickly as possible to below the level absorbed by natural ecosystems and oceans. This is popularly known as climate neutrality. In 2020, Lithuania emitted 20.2 million tonnes of greenhouse gases into the atmosphere, while only 5.4 million tonnes were absorbed⁵³.

Recognising the existential threat of climate change and other environmental challenges, the European Union announced the Green Deal, committing itself to achieve climate neutrality by 2050. By 2030, all EU countries collectively promise to reduce greenhouse gas emissions by 55% compared to 2005 levels, and Lithuania's individual pledge is to reduce greenhouse gas emissions by 30% over the next decade. Unfortunately, Lithuania has not made progress in reducing its greenhouse gas emissions since 2010. Per capita, greenhouse gas emissions have been rising steadily: 3.4 tonnes of carbon dioxide (CO₂) per capita in 2010 and 5.5 tonnes in 2019.⁵⁴

Reversing trends and achieving the targets will require major changes in the energy, transport, industry, agriculture, and waste management sectors, as well as changes in the way land and natural resources are used and better thought through. In the energy sector, for example, there is an urgent need to move towards renewable energy sources and away from fossil fuels. Houses must be renovated and heating systems replaced. Travel habits need to change, from internal combustion engine-powered transport to bicycles, public transport, electric cars, trains or simply walking to work. New forests must be planted, all hayfields protected, wetlands and grasslands protected and restored.

Changes of this magnitude inevitably affect almost everyone. Businesses change and retraining may be needed, investments are needed to insulate your home or replace your boiler, or buy a bicycle or a less polluting car. To encourage change as quickly as possible, a lot of money is made available through various funds or programmes, but additional restrictions are also imposed, support for polluting activities is stopped, and taxes on polluting activities are introduced. The increasing frequency of extreme events - droughts, torrential rains, winds, heat waves - is already having consequences, affecting health, damaging infrastructure, the environment and nature.

Adaptation to climate change

Changes caused by climate change are inevitable, some thresholds have been crossed irreversibly and adaptation action is needed. This includes long-term measures such as greening cities or installing cooling systems to mitigate heat waves, as well as preparing for emergencies, which will require timely warnings of impending danger and swift action in the event of large-scale flooding, for example. Adaptation solutions are becoming increasingly important as we move ever closer to warming above 2 °C.

In Lithuania, the most vulnerable sectors to climate change are agriculture, public health, energy, industry, transport and communications infrastructure, forestry, ecosystems,

⁵³ <https://am.lrv.lt/lt/veiklos-sritys-1/klimato-kaita/sesd-apskaitos-ir-prognoziu-ataskaitos-nacionaliniai-pranesimai>

⁵⁴ <https://lithuaniasdg-ls-osp-sdg.hub.arcgis.com/pages/tikslas13> Indicator 13.2.2a.

biodiversity, landscape, water resources and coastal zones, and urbanised areas.⁵⁵ This means that these sectors will be most affected by changing conditions and more extreme events, and a range of adaptation measures need to be assessed and implemented now.

Each country and even region of the world will be affected differently by climate change, so adaptation solutions need to be localised, of course drawing on good practices from other countries. In Lithuania, the Baltic Sea region is the most vulnerable. In this region of Lithuania, the changing climate is expected to have a strong impact on people's lifestyles and a significant impact on the activities of industrial enterprises. Like many coastal cities, Klaipėda is at high risk of flooding. In the port city, this threat is linked to rising water levels in the Baltic Sea and the Klaipėda Strait, and storm surges (rising water levels in bodies of water) during storms.⁵⁶

The impacts of climate change are unavoidable. Failure to assess its impacts and implement adaptation measures will not only result in significant economic losses but will also put human health and even lives at risk. Globally, between 1998 and 2017, climate change-related events are estimated to have caused 1.3 million deaths and 4.4 billion injuries⁵⁷.

The right transformation so that no person and no place is left behind

Climate change has the greatest impact on the poorest and most vulnerable people. They are finding it much harder both to cope with the effects of climate change and to adapt to the rules imposed by a changing economy. One of the guiding principles of the Green Deal is that no person and no place should be left behind in economic transformation. This principle requires that climate change management and social policies are integrated, that the responsible institutions coordinate their actions, and that sufficient funding is made available to implement actions.

In Lithuania, we see that climate change and other environmental crises are not taken seriously enough in social policy. It is not clear which institution should take responsibility for ensuring a fair and inclusive transition to a green economy so that the most vulnerable social groups do not suffer. In our view, the Ministry of Social Security and Labour should be much more involved in the design and implementation of climate change management policies, with consistent advocacy so that no one is left behind. The Ministry of Social Security and Labour mustn't be left alone to deal with the social consequences, but other ministries and institutions actively contribute to a socially just transformation through the Green Deal, right from the planning of measures. It is essential that representatives of the most vulnerable members of society are involved in decision-making, and that better education and information about the situation and the threats are ensured.

The transition to a climate-neutral economy will be a challenge for the whole country. However, the regions with the highest concentration of greenhouse gas emitting industries will

⁵⁵ <https://klimatokaita.lt/prisitaikymas-prie-pokyciu/prisitaikymas-prie-klimato-kaitos/>

⁵⁶ <https://klimatokaita.lt/prisitaikymas-prie-pokyciu/issukiai-lietuvos-gyventojams/>

⁵⁷ <https://www.undp.org/sustainable-development-goals#climate-action>

be the most affected, as the necessary changes in the industry will inevitably have an impact on jobs. In Lithuania, Kaunas, Šiauliai and Telšiai counties, and in particular the municipalities of Jonava, Akmenė and Mažeikiai districts, where the employment of the population is dependent on the three largest GHG emitting companies, AB Achema, AB Akmenės Cementas, AB Orlen Lietuva⁵⁸ are estimated to be the most affected. In order to manage the negative impact on such regions, the European Union has set up the Just Transformation Fund⁵⁹, the rules of which are still being agreed upon and which will provide Lithuania with EUR 249 million for the period 2021-2027⁶⁰. The Fund focuses on maintaining and creating jobs in the most affected regions and retraining workers.

The general principle of leaving no one and no place behind must apply to all funds and investments. We welcome the fact that the Climate Change Programme includes specific measures and conditions for disadvantaged populations⁶¹. After the first calls, it is now possible to assess what has worked and what should be reviewed. One of the biggest limiting factors for the participation of disadvantaged populations in the programmes is the need for their own working capital, where the applicant is required to make payments out of his own funds, which are only reimbursed after a certain period of time. Most of the poor do not have savings, so the programmes for them need to include mechanisms to transfer the support directly to the service provider.

The consequences of climate change and other ecological crises are already being felt and will only get worse. Citizens must be informed about the situation and understand the threats so that they know what action they need to take and what funding options are available. Information for the poorest and most vulnerable must be given special attention. It is important to look at what has already worked and to take into account the widening digital divide when selecting measures. For example, social workers or other counsellors working with this group could be used, as well as the use of platforms for social support measures.

For more information on climate change, see the Environmental Coalition's public review of Lithuania's environmental situation, "How is Lithuania doing on the Green Deal?" (https://www.akoalicija.lt/aplinkos_bukle)

SUMMARY

⁵⁸ <https://www.esinvesticijos.lt/lt/naujienu-1/naujienu/viesas-aptarimas-del-teisingos-pertvarkos-fondo>

⁵⁹ <https://www.europarl.europa.eu/factsheets/lt/sheet/214/teisingos-pertvarkos-fondas>

⁶⁰ <https://ppplietuva.lt/lt/finansavimas/teisingos-pertvarkos-fondas>

⁶¹ For example, <https://www.apva.lt/klimato-kaitos-programos-investicijos-ir-socialiai-remtiniems-gyventojams-skatins-naudotis-zaliais-energijos-istekliais/>

The crises of recent years have highlighted the persistent problems of poverty and social exclusion. In this review, we have highlighted the social and economic challenges faced by the most vulnerable groups in Lithuania on a daily basis, through a discussion of the facts, evidence and experiences of people living in poverty. This year, we focused on the six goals of the UN 2030 Agenda for Sustainable Development, the implementation of which would contribute significantly to reducing poverty and social exclusion in Lithuania. After analysing their implementation so far, we highlight the most important suggestions that should be taken into account in the near future in order to achieve the SDGs:

1. In order to reduce poverty in all its forms, we propose to improve the adequacy of social assistance by reviewing the methodology for calculating the AWP. It is also proposed to increase the UPR to 100% of the AWP in the long term.
2. As education is one of the key tools in the fight against poverty, quality early childhood education must be provided for all children. Municipalities should be obliged to organise pre-school education in their localities or to provide transport services for children.
3. Use education, monitoring and other proactive measures to tackle all forms of gender inequality.
4. In order to reduce energy poverty and to develop access to cash social assistance and compensation for the Lithuanian population, especially for people living in poverty, access to cash social assistance and compensation should be improved. Collective measures leading to lower energy consumption are equally important in reducing energy poverty.
5. In order to ensure accessible and environmentally friendly transport, municipalities must ensure that public transport is accessible to all, and that it is accessible to people with different forms of disability. Measures to encourage the transition to less polluting individual vehicles must be available to the less well-off.
6. Addressing climate change and environmental crises requires integrating social policies to ensure that the most vulnerable groups are not affected and that transformation is socially just.