

POVERTY AND SOCIAL EXCLUSION  
2023

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## INTRODUCTION

The war in Ukraine, the migrant crisis, record inflation, devastating natural disasters - these are the events that have marked Lithuania and the world in recent years. Successive crises have affected Lithuania's and the world's economic development and created social challenges. Social policy and social protection of the population have played a key role in overcoming Lithuania's complex challenges. Not only for those with the lowest incomes but also for the middle class, various mechanisms have been put in place to mitigate the effects of inflation in particular.

However, people experiencing poverty have been particularly hard hit, as inflation has significantly reduced their incomes and curbed consumption. High prices of energy, food, goods and services have forced people to neglect basic needs. During the coldest winter months, people in poverty often had to pay utility bills and save money on food. It is essential to realise that such situations have a negative impact on people's health and quality of life and have harmful psychological and social consequences not only for those in poverty but also for society as a whole. This year, we are again turning to the country's social policy, which must ensure the population's social security.

This year's Poverty watch focuses on the challenges faced by people living in poverty in Lithuania - the record high inflation in the country and barriers to accessing health services. It also focuses on the challenges faced by non-governmental organisations in the face of crises, the well-being of social workers and the challenges of day-care centres. The Poverty watch includes research, insights and evaluations by EAPN Lithuania and partners. As every year, the Poverty watch will present the main concepts of poverty, methods for calculating indicators, and trends in recent years.

### **About us:**

Founded in 2006, the Lithuanian National Anti Poverty Network (EAPN Lithuania), unites and strengthens 68 non-governmental organisations (NGOs) working in poverty and social exclusion reduction.

**Motto:** Lithuania without exclusion and poverty.

**Mission:** To reduce poverty and social exclusion by mobilising and strengthening NGOs.

**Vision:** A voice for NGOs making a difference in social policy.

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.

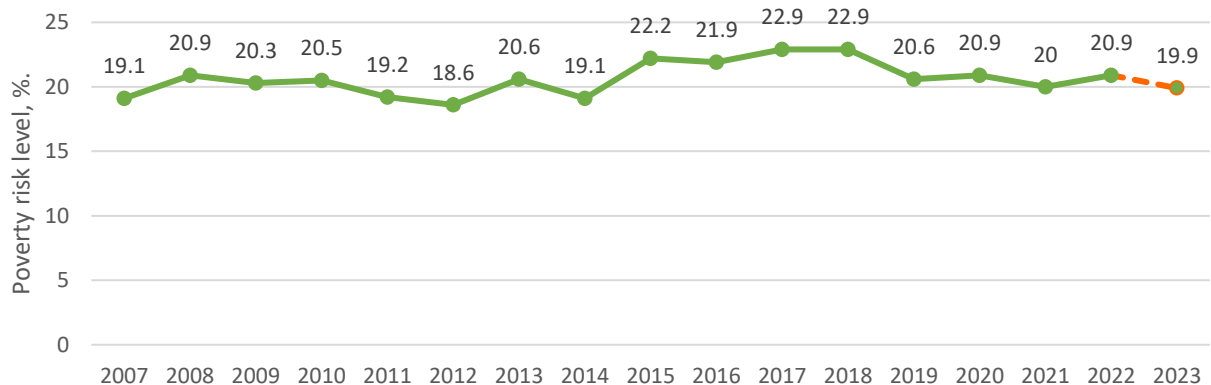
## POVERTY RISK LEVEL

According to the State Data Agency, the poverty risk threshold in 2022 was €510 per month for a single person and €1,071 for a family of two adults and two children under 14 years old. In 2022, about 586,000 people lived below the poverty line. The country's poverty risk rate in 2022 was 20.9%<sup>1</sup>, an increase of 0.9 percentage points compared to 2021 (Figure 1)<sup>2</sup>. The increase in 2022 could be due to the disappearance of the pandemic and its mitigation measures, with the poverty risk rate returning to its previous level.

In recent years, Lithuania has taken essential steps to reduce poverty (read more on page 12). Experimental statistics from the State Data Agency show that in 2023, the poverty risk level (in terms of the country's population income in 2022) is expected to reach around 19.9% (Figure 1). This is 1 percentage point lower than in the previous year. Although precise data will not be available until next year, these trends show that the application of inflation mitigation measures and the increase in wages and social benefits have helped to cope with the difficult situation in 2022 and have positively impacted the decline in the national poverty rate.

**Figure 1: Changes in the level of poverty risk in Lithuania**

(source: State Data Agency)



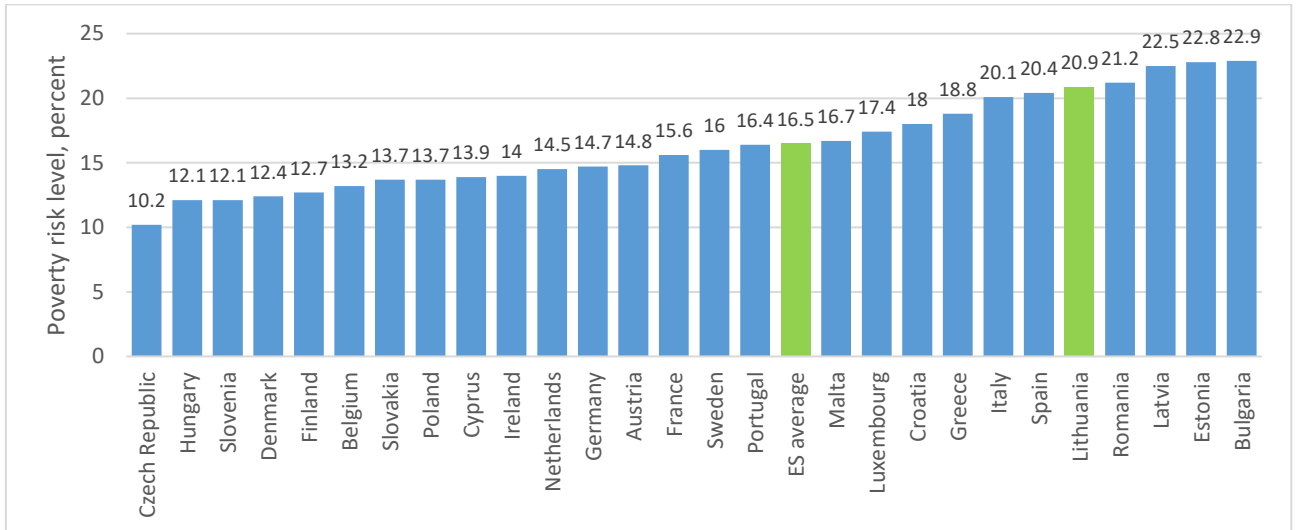
One in five people in Lithuania has been living in poverty for many years, and Lithuania's poverty risk indicators are among the highest in the European Union (Figure 2).

**Figure 2: Poverty risk levels in the European Union, 2022**

(source: Eurostat)

<sup>1</sup> <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?hash=89c4152f-1b9c-4788-a496-e8a50d390cc2#/>

<sup>2</sup> Notably, the 2022 poverty risk level is based on the population's income in 2021.



### 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.<sup>3</sup>

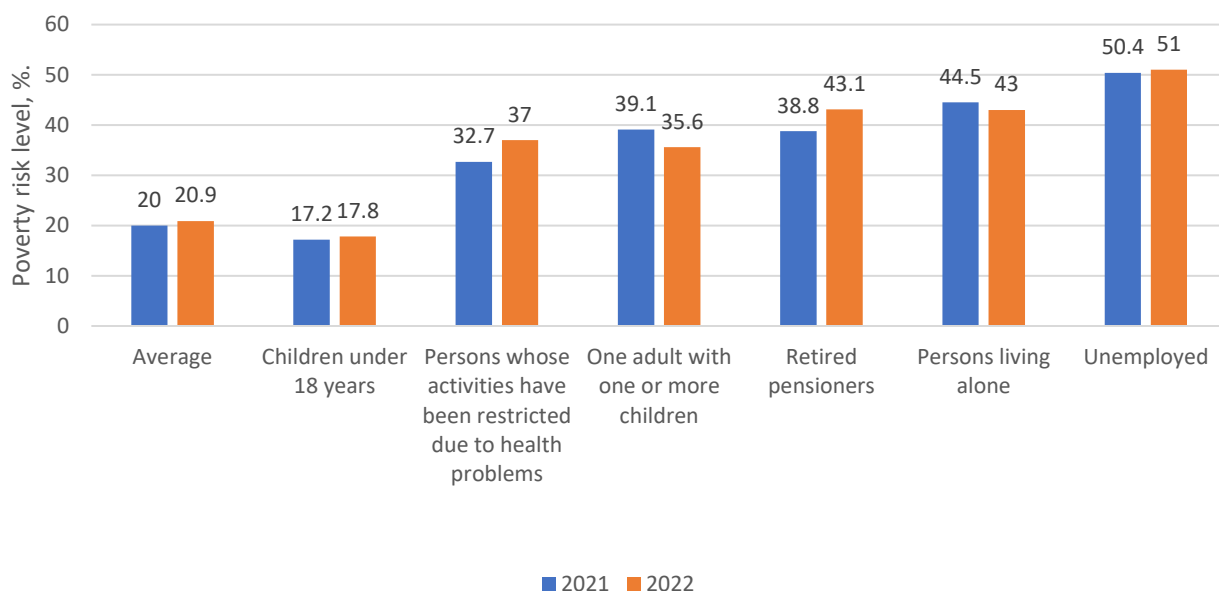
Compared to 2021, the poverty risk level for many groups has increased in 2022 (Figure 3). The highest increases are found among those whose activities were restricted due to health problems (4.3 percentage points) and old-age pensioners (4.3 percentage points). There was also a slight increase in the at-risk-of-poverty rate among the unemployed (0.6 percentage points) and children under 18 (0.6 percentage points). Still, child poverty remains significantly lower than the overall at-risk-of-poverty rate for the second year running. In the most vulnerable groups monitored by household structure, the poverty risk rate decreased among single persons (1.5 percentage points) and single parents with one or more children (3.5 percentage points).

The decrease in lone parent poverty was mainly due to increased child benefits and the supplementary allowance for families in need. In 2022, the child allowance grew by 12.5% compared to 2021. In 2022, the average old-age pension grew by 14.6%, around 85% of the projected poverty line. The minimum monthly wage (MMW) paid net grew by 14% in 2022 and was 94% of the projected poverty line.

**Figure 3: Most vulnerable groups**

(source: State Data Agency)

<sup>3</sup> 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.



### LEVEL OF RISK OF POVERTY AND SOCIAL EXCLUSION

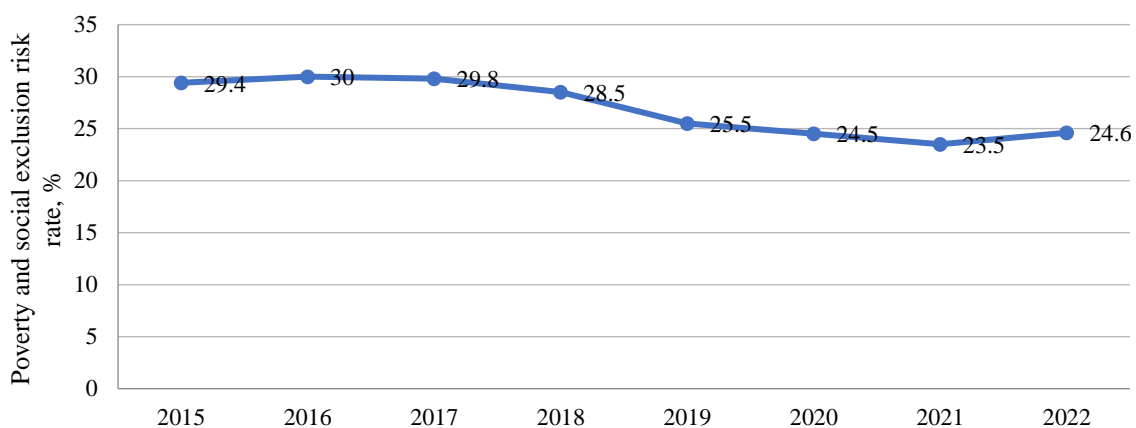
The at-risk-of-poverty and social exclusion rate refers to the proportion of the population that meets at least one of the following conditions: living at risk of poverty, experiencing severe material and social deprivation, or living in very low-labour-intensity households. Since 2016, there has been a steady decline in the at-risk-of-poverty and social exclusion rates. This has been influenced by a decline in one of the component indicators - severe material and social deprivation<sup>4</sup>. While severe material and social deprivation has declined by 0.4 percentage points in 2022, the level of the risk of poverty and social exclusion in Lithuania has increased by 1.1 percentage points. This is due to an increase in the country's poverty risk in 2022 and an increase in the number of people living in very low labour-intensity households<sup>5</sup>.

**Figure 4: Changes in the level of risk of poverty and social exclusion in Lithuania**

(source: Eurostat)

<sup>4</sup>[https://ec.europa.eu/eurostat/databrowser/view/ILC\\_MDSD11\\_\\_custom\\_7226657/default/table?lang=en&page=time:2021](https://ec.europa.eu/eurostat/databrowser/view/ILC_MDSD11__custom_7226657/default/table?lang=en&page=time:2021)

<sup>5</sup> [https://ec.europa.eu/eurostat/databrowser/view/ilc\\_lvgl13n/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ilc_lvgl13n/default/table?lang=en)



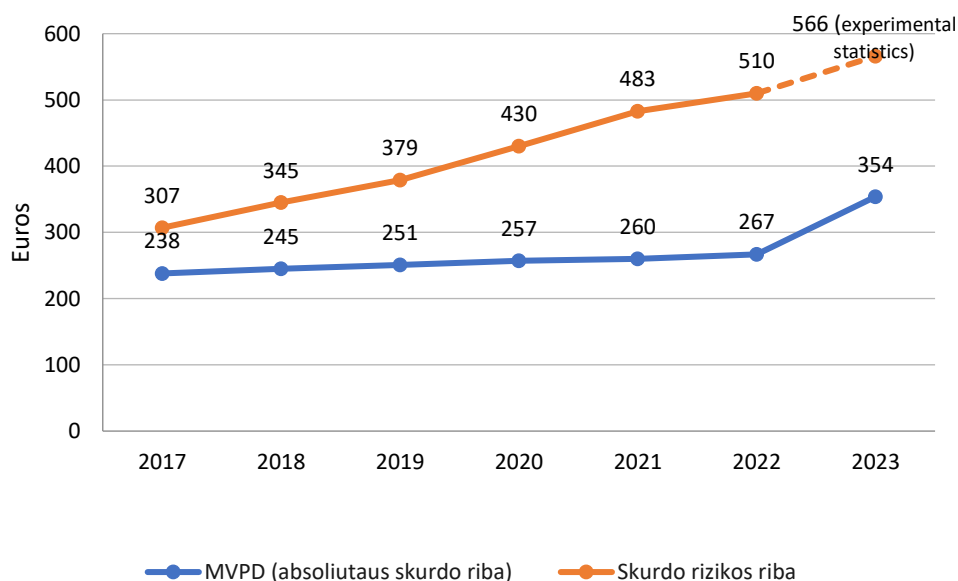
### ABSOLUTE POVERTY RATE

In 2022, the absolute poverty line was €267 per person per month and €561 for a family of two adults and two children under the age of 14. As of 2021, the absolute poverty line has increased by only €7 per person or 2.6%. Meanwhile, Minimal Consumption Needs Level has not risen as quickly. It has hit those living in absolute poverty particularly hard, as inflation has further reduced their purchasing power and restricted their consumption. In 2022, more than 106,000 permanent Lithuania residents lived in absolute poverty, i.e. 3.8% of the population. Compared to 2021, absolute poverty in the country has decreased by 0.1 percentage points.

In 2023, the minimal consumption needs level increased by 32.6%, raising the absolute poverty line. This year, it is €354 per month for a single person and €743 for a family of two adults and two children under 14 (Figure 5).

**Figure 5. Absolute poverty line and poverty risk line in Lithuania, EUR**

(Source: State Data Agency)

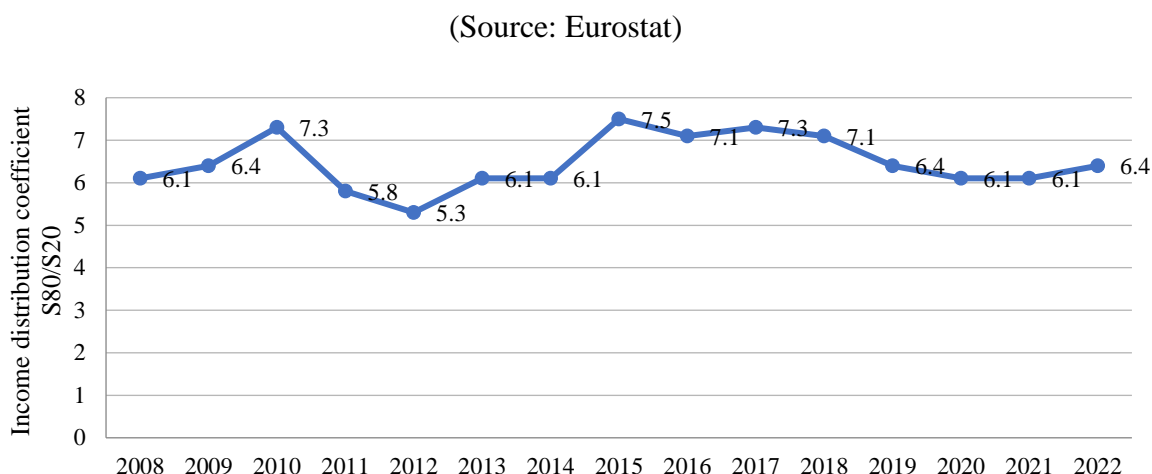




## INCOME INEQUALITY

Income inequality in Lithuania has long been one of the highest in the European Union and has become a distinctive feature of the country. While income inequality has been declining in recent years, income inequality in Lithuania has risen again since 2021. In 2022, the income level of the wealthiest 20% and the poorest 20% in Lithuania differed by a factor of 6.39 (Figure 6). And the latest available Eurostat data show that the European Union average is 4.74 times (2022). Only Latvia and Bulgaria are ahead of Lithuania in the S80/20 income distribution ratio.

**Figure 6: Changes in income inequality in Lithuania**



Persistent income inequality has negative consequences for the country's economic and social development: a widening gap between the highest earners and the poorest citizens, growing exclusion and growing negative social and psychological problems among the population, a growing need for social benefits, political instability, and stagnation in economic growth. Income inequality in Lithuania has long been one of the country's biggest challenges, but no significant solutions have been adopted to address the problem for a long time. However, we have committed to our national strategic objectives to reduce the income distribution ratio 5.7 times in 2025 and 5.0 times in 2030.

This year, the Ministry of Finance of the Republic of Lithuania took an important step by introducing a **tax reform** focused on a fairer tax system that reduces income inequality. Lithuania's current tax system is not sufficiently effective in reducing poverty, social exclusion and income inequality, a fact that has long been highlighted for Lithuania by international organisations (the European Commission (2020)<sup>6</sup>, the Organisation for Economic Cooperation and Development (2022)<sup>7</sup>, and the United Nations (2023)<sup>8</sup>). The European Commission has been emphasising Lithuania for years<sup>9</sup> the progressivity of income tax in Lithuania remains low, and the ratio of state taxes to gross domestic product (GDP) is one of the lowest in the EU. This results in a correspondingly low level of funding for social protection - social benefits and services - as well as a limited impact on

<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0514&from=EN>

<sup>7</sup> [https://www.oecd-ilibrary.org/docserver/53952224-](https://www.oecd-ilibrary.org/docserver/53952224-en.pdf?expires=1692945851&id=id&accname=guest&checksum=F61778A8C96DD7AA7CE93E45A17084A5)

[en.pdf?expires=1692945851&id=id&accname=guest&checksum=F61778A8C96DD7AA7CE93E45A17084A5](https://www.oecd-ilibrary.org/docserver/53952224-en.pdf?expires=1692945851&id=id&accname=guest&checksum=F61778A8C96DD7AA7CE93E45A17084A5)

<sup>8</sup> [https://tbinternet.ohchr.org/\\_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FCF.12%2FLTU%2FCO%2F3&Lang=en](https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FCF.12%2FLTU%2FCO%2F3&Lang=en)

<sup>9</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0514&from=EN>

reducing poverty, social exclusion and inequalities. We have a complicated, socially unjust, regressive system that promotes income inequality and is full of unjustified preferences and exemptions. The solutions proposed by the Ministry of Finance of the Republic of Lithuania and highlighted by international organisations since a long time ago are necessary to bring about changes in income inequality.

The tax reform package includes the following changes to the tax system:

1. In the employment-related proposals, the Ministry of Finance outlines its long-term commitment to consistently bring the non-taxable income threshold (NIT) closer to the minimum monthly wage (MMW). A 10% increase in the MMW to €924 in the coming years, with a corresponding increase of 20% in the NIT, is planned. The NIT will increase by 20 % to €751. Raising the NIT to the MMW would reduce the tax burden on low-income earners and increase their income in net. This would reduce income inequality and widen the gap between the MMW and cash social assistance, thereby strengthening the financial incentives to become more active in the labour market.
2. It is proposed to bring the taxation of individual activities closer to the taxation of income from employment, as the current system of taxing the same amount of income differently according to the form of activity is not in line with the principle of fairness. Uniformity of personal income tax (PIT) rates and bringing the taxation of individual activities closer to the taxation of employment income would increase the social fairness of the tax system, reduce tax arbitrage, and additionally increase social guarantees for the population.
3. It proposes pooling and taxing all types of income. Currently, employment income is taxed at 20%. All income, regardless of the form of activity, would be subject to an additional 5 % tax on 60 average earnings (AWE). A progressive tax rate of 32% is currently applied to income from 60 average earnings for those working under an employment contract. A recent World Bank report found that Lithuania's PIT system is less progressive compared to other EU countries analysed in the study.  
However, the draft tax reform foresees a reduction in the PIT rate from 32% to 25% for people with an income of more than 60 AWE and a reduction in the PIT rate to 27% for people with an income of more than 180 AWE. The EAPN Lithuania is concerned about the relevance of this proposal in the context of the comments of international organisations to Lithuania.
4. The reform aims to abolish a costly but not entirely equitable benefit: the PIT relief for those saving for retirement in Pillar III pensions and those with investment life insurance. However, the reform does not include a systemic review of all benefits and leaves other costly benefits for the State, such as those for the film industry. Abolishing existing exemptions would help raise more revenue for the state budget and provide more social and public services funding.
5. Changes to the effective rate of PIT and the limit up to which the full tax credit applies. It is proposed that the tax credit (equivalent to the tax-free rate in employment relationships) for 85% of self-employed persons be applied in full, with the taxable income/profit threshold to which the reduced effective rate of 3% of PIT would apply being reduced to €15,000. In this way, the package of tax proposals ensures that the impact of the tax burden on lower earners (up to 15,000 taxable income) due to the classification of National Social Insurance (NSI) and Compulsory Health Insurance (CHI) contributions as disallowable deductions and the introduction of an unemployment insurance contribution will be minimised: the impact on those declaring actual expenses is almost eliminated, while for those declaring presumptive expenses, part of the impact due to the principles of calculation of the bases of the NSI and the CHI remains.

## KEY CHANGES TO REDUCE POVERTY AND SOCIAL EXCLUSION

### Changes in benefits and allowances

The 2023 minimal consumption needs level has increased by more than 30% compared to 2022 to €354. This increase is due to the high inflation in the country in previous years. Despite the fact that minimal consumption needs level is linked to the state-supported income (SSI), methodological requirements have resulted in an increase of only €10 in the amount of state-supported income, which reaches €157 in 2023 (for more information on the links between the minimal consumption needs level and state-supported income, see the Poverty Watch 2022 at<sup>10</sup>). In this case, the average level of social benefits per person has also increased slightly, with a projected increase from €123.3 to €132 in 2023<sup>11</sup>. While these changes are crucial in the context of inflation, they are insufficient. Some benefits, such as cash assistance for people experiencing poverty or disability pensions, fall far short of minimum consumption needs and barely cover essential expenditures for a population still reeling from the effects of inflation.

In the context of dramatically rising heating prices, new measures were introduced in 2022 to apply for home heating compensation: applying for compensation once per heating season (previously once every 3 months), no asset assessment and a broader range of eligible beneficiaries up to middle-income earners. According to the Ministry of Social Security and Labour, these changes have increased the number of beneficiaries more than two and a half times in the 2022-2023 heating season (read more from page 14). It is important to highlight the active publicity campaign carried out by Ministry of Social Security and Labour during the last heating season. EAPN Lithuania is convinced that these changes mitigated the energy crisis of the last season and prevented an increase in energy poverty.

In 2023, the MMW rose from €730 (€533.65 net) to €840, including tax (€633 net). From 2022, the MMW has increased by 15%, in addition to a 15.7% increase in the NIT<sup>12</sup>. It is important to note that this is one of the most significant increases in the MMW in Lithuania. There was also a significant increase in old-age pensions in 2023, with the average old-age pension rising from EUR 482 to EUR 542.

The minimum maternity, paternity and parental benefits increase from June 2023 is welcome. As of 1 July, the minimum childcare, maternity and paternity benefits increased from 6 basic social benefits to 8 basic social benefits, or from €276.36 to €368.48 net. It should be noted that the minimum benefit is now higher than the minimal consumption needs level.

### Services

From 2023, the Employment Promotion and Motivation Services for the Unemployed and Beneficiaries of Social Assistance model (known as case management) has been implemented in all municipalities. The long-term unemployed can receive comprehensive services and personalised assistance to help them return to the labour market. According to the EAPN Lithuania, the model raises some questions about the way it is run, with people being referred first to social services and then to the labour market. In practice, there may be challenges that, if not addressed, prevent the person from participating in the labour market (e.g. addictions). However, a large part of the challenges can be addressed together with the job search, such as employment of children and debts. NGOs also note that there are cases where people are referred to this model when they actually need other services, such as home help or more intensive health care. Nevertheless, it is welcome that

<sup>10</sup> <https://www.smtinklas.lt/wp-content/uploads/simple-file-list/Metin%C4%97-skurdo-ir-socialin%C4%97s-atiskirties-ap%C5%BEvalga/Skurdas-ir-socialin%C4%97-atiskirtis-Lietuvoje-2022.pdf>

<sup>11</sup> <https://socmin.lrv.lt/lt/naujienos/2023-metais-dides-dirbanciuju-pajamos-seniorai-sulauks-didesniu-pensiju-ugtels-ir-kitos-ismokos>

<sup>12</sup> <https://socmin.lrv.lt/lt/naujienos/socialines-apsaugos-ir-darbo-srities-naujoves-2023-metais-augs-gyventoju-pajamos-prasideda-svarbios-reformas>

services are starting to be provided to people who have not received them for many years and whose employment challenges have only increased. The overall employment rate is not high (8.7 % of those who participated in the programme were employed or self-employed between 1 July 2022 and 31 May 2023, according to the Employment Service). Still, it should be noted that this is a challenging target group, and the services help get a job and improve the overall quality of life.

Last year, legislative changes were introduced to implement the definition of incapacity for work and disability. The amendments aim to provide more targeted support services for people with disabilities. The changes to the law will enter into force in 2024, so it is difficult to assess at this stage whether the changes will increase accessibility to services or whether personalised services will be provided promptly. On the other hand, the need for services identified after the reform is unlikely to be met as there is no increase in funding for services. Moreover, the definition and financing of services remain under the authority of the Ministry of Social Security and Labour. The lack of timely monitoring of the quality and appropriateness of services in municipalities raises doubts as to whether the aim of the reform - to provide more targeted support to people with disabilities and to increase the accessibility of services and assistance - will be achieved. Moreover, the reform does not reflect international human rights standards, which understand disability as a human condition in a situation of disability, which should include the following groups of service recipients: family members, siblings and parents. Children with severe disabilities, children with complex disabilities and people with mental disabilities are currently the most marginalised. Still, it will take several years to assess whether the reform will have an impact on these particular groups.

### **Developments in social housing**

The 2022 amendments allowing single parents to apply for social housing on a non-sequential basis are welcome. It also introduces an obligation for municipalities to plan assistance to persons on the waiting list for social housing who are renting social housing in order to promote their socio-economic activity and self-sufficiency. Poverty among lone parents is one of the most severe, and comprehensive solutions are needed to reduce it. The amendments adopted do not address housing affordability issues. Waiting times for social housing are still very long, and the number of people on the priority list is increasing. The priority queue includes people with severe disabilities, bereaved parents, large families and now single parents. It is important to allocate more funding to this area and to find ways of expanding social housing, locating it where there are more jobs so that people can live as independently as possible.

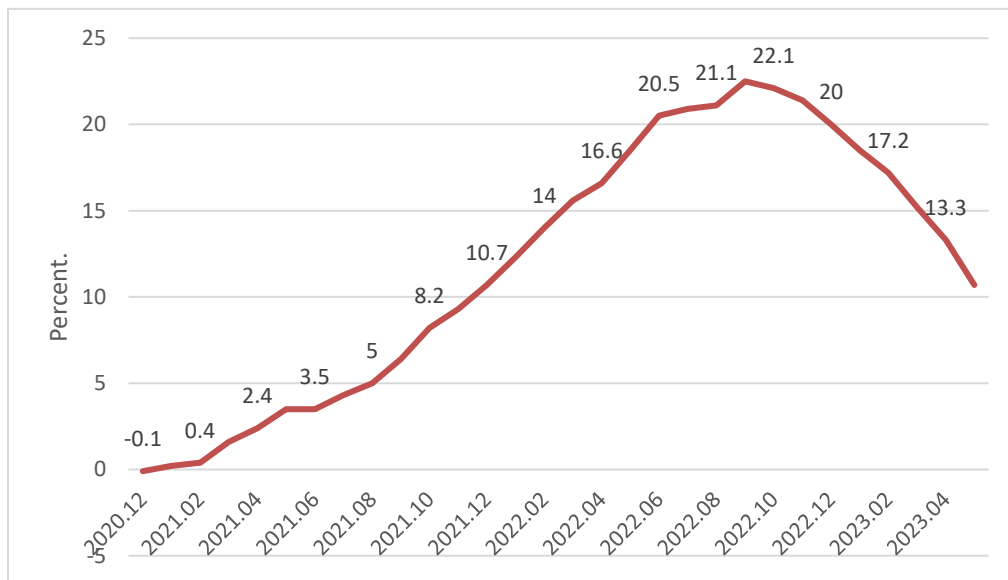
# THE CHALLENGES OF PEOPLE LIVING IN POVERTY

## IMPACT OF PRICE RISES ON THE LOWEST INCOME GROUPS

As the economy fails to recover from the pandemic, another challenge for Lithuanians is record inflation. This was caused by an energy shock triggered by Russia's war in Ukraine. Food, heat and energy prices, fuel and other services became record high. In 2022, annual inflation was exceptionally high, reaching more than 20% at the end of the year (Figure 7). Although inflation has been declining since the beginning of 2023, the effects of price increases are still being felt today, especially by people experiencing poverty.

**Figure 7. Annual inflation**

Source: Bank of Lithuania.



### Food prices

In recent years, people in Lithuania have been struck by record food price rises. According to the Bank of Lithuania, food prices in December 2022 were one-third higher than at the end of 2021<sup>13</sup>. Although headline inflation has so far shown a decline (Figure 7), food prices remain the main driver of inflation in 2023<sup>14</sup>.

According to the State Data Agency, in 2021, the average monthly household consumption expenditure in 2021 was €438 per person, with food and non-alcoholic beverages accounting for the largest share of household consumption expenditure (as much as 30%)<sup>15</sup>. Rising food prices hit the lowest income groups the hardest, as food expenditure accounts for a large share of their expenditure

<sup>13</sup> <https://www.lb.lt/lt/naujienos/analize-maisto-produktu-brangima-labiausiai-leme-energijos-ir-zaliavu-kainu-sokas-osa-naudu-spaudimas-kainoms-slops>

<sup>14</sup> <https://www.lb.lt/lt/naujienos/infliacija-sparciu-tempu-arteja-link-vienazenkles-duomenu-komentarai>

<sup>15</sup> <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?indicator=S3R0435#/>

- 34.3% in 2021, compared to an average consumption expenditure of €275 per person per month<sup>16</sup>. According to a survey carried out by Spinter Research for the EAPN Lithuania in February this year<sup>17</sup>, 12% of the Lithuanian population lacked money for food. 23.5% of people with incomes below €500 said they lacked money for food, up from 17.1% in 2022. This year, more than 7% of people with incomes between €501 and €700 per month said they lacked money for food, compared to around 4% in January last year. For those with an income of €701 and above, 3.8% said they did not have enough money for food, up from 3% in 2022 (Table 1).

**Table 1. Persons who lacked money for food**

Lack of money for food	Revenue (EUR)		
	Up to 500	501-700	From 701
January 2022	17.1%	4%	3%
February 2023	23.5%	7%	3.8%

### Energy poverty

The first thing Russia did when it went to war in Ukraine was to increase its energy resources drastically. The analysis of energy poverty in Lithuania focuses on the proportion of families that are unable to heat their homes adequately. Energy poverty in Lithuania has been one of the highest in the EU for many years, with an average of 17.5% of the population unable to heat their homes sufficiently in 2022, compared to 9.3% in the EU<sup>18</sup>. However, it is essential to note that energy poverty in Lithuania has decreased by 5 percentage points in 2022, despite inflation (Figure 8). The number of families in Lithuania receiving compensation for heating has also more than doubled (Figure 8). Thus, the expanded measures taken by the state to fight inflation in the energy sector have been effective: energy poverty in Lithuania has even decreased, and a significantly higher share of people unable to heat their homes adequately have received compensation.

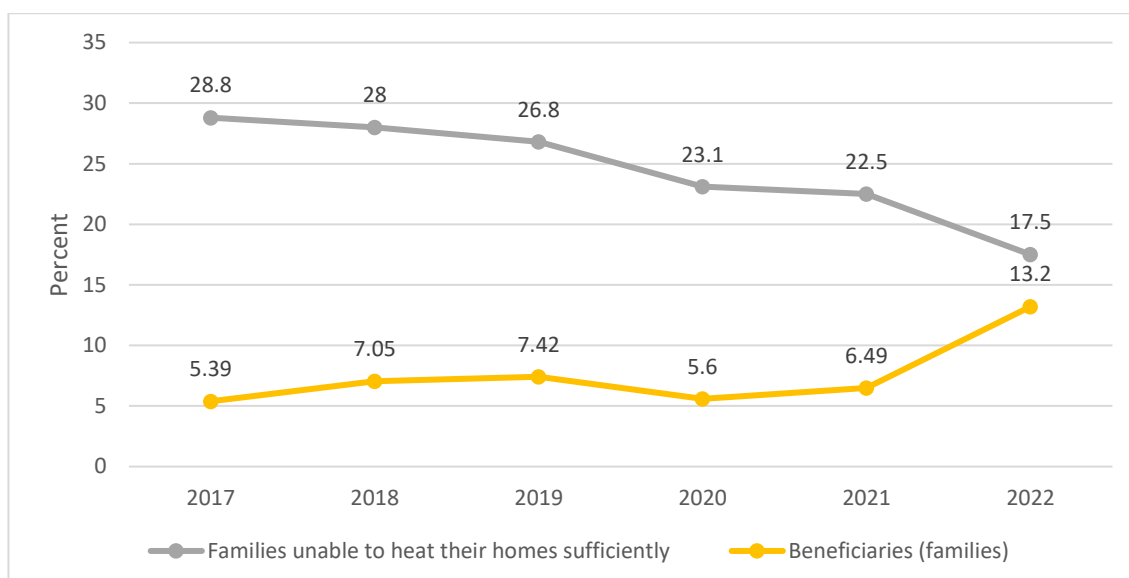
**Figure 8: Percentage of families unable to heat their homes sufficiently in Lithuania.**

Source: MINISTRY OF SOCIAL SECURITY AND LABOUR, Eurostat

<sup>16</sup> <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?indicator=S3R0435#/>

<sup>17</sup> The market research company “Spinter tyrimai” carried out the representative survey from 18-27 February 2023. The survey was carried out on behalf of NSMOT.

<sup>18</sup> [https://ec.europa.eu/eurostat/databrowser/view/ILC\\_MDES01\\_\\_custom\\_1485289/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ILC_MDES01__custom_1485289/default/table?lang=en)



Despite the progress in reducing energy poverty, the situation for low-income earners remained difficult. Recent significant increases in food prices have also made it harder for poor people to pay their housing costs. The EAPN Lithuania survey asked whether people lacked money for rent and utility bills. In February 2023, the number of people in the lowest income bracket (below €500 per person) who said they lacked money for housing increased by as much as 13.1 percentage points (Table 2). A negative trend is also observed in other income groups regarding housing maintenance.

**Table 2. Persons who lacked money for rent and utilities**

Lack of money for rent and utilities	Revenue (EUR)		
	Up to 500	501-700	From 701
January 2022	26.2%.	9.9%.	3.7%.
February 2023	39.3%.	17.3%.	10.2%.

Although the range of compensation has been significantly widened and has positively impacted the reduction of energy poverty, EAPN Lithuania members note that some people have been unable to benefit from compensation despite their difficult financial situation. A common reason for this was illegal renting - landlords did not register the rental contract with the Registry Centre to avoid paying taxes. Illegal renting often led to another situation where more people are declared in the dwelling than actually live there, which created situations where the income of all the declared residents exceeded the threshold for claiming compensation. It is also important to note that in large cities, the processing of applications took a very long time, meaning that people had to cover the significantly increased costs themselves or go into debt and live uncertain about whether they would receive compensation.

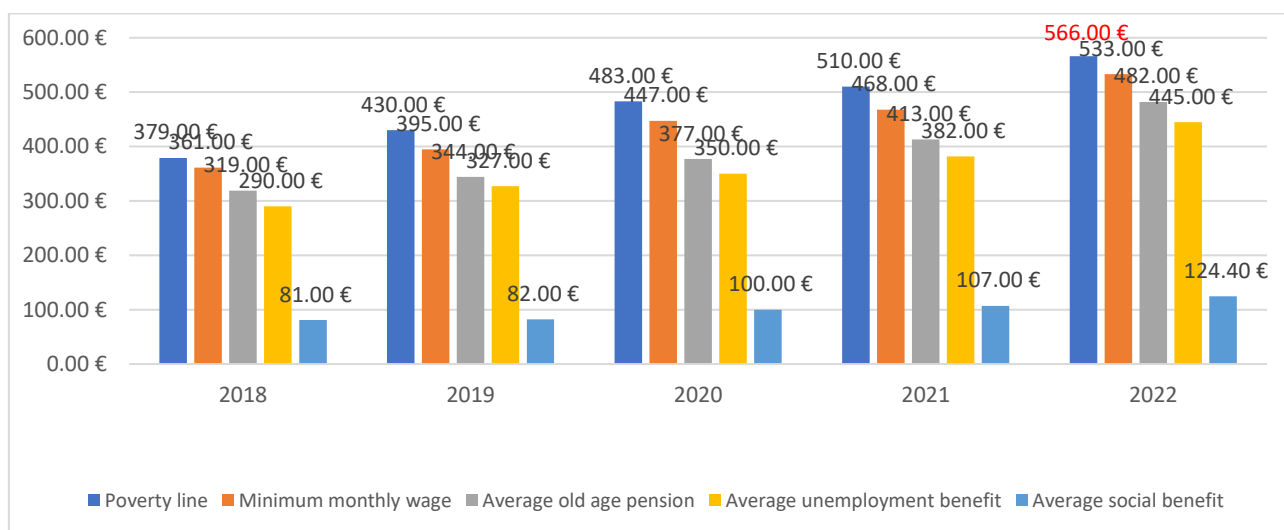
### **Income growth in the face of rising inflation**

In 2022, the MMW grew by 14% and the average wage by 13%, but according to the State Data Agency, wage growth in 2022 was not enough to outpace inflation, with real wages falling by 7%.<sup>19</sup>

Although the MMW is still rising by almost 15% in 2023, it is barely keeping pace with inflation as food, goods and services prices continue to rise. It is important to note that 2022 was the first time that the minimum wage was higher than the poverty line for that year. However, it is important to bear in mind that the poverty line is based on the previous year's income. Comparing the 2022 MMW with the projected poverty line for 2023 (which reflects income in 2022), the MMW is still below it and represents 94% of the poverty line (Figure 9).

Accordingly, social benefits have not protected against poverty for many years, especially in the face of inflation: in 2022, the average old-age pension was 85% of the poverty line, the average unemployment benefit was 78%, and the average social benefit was only 22% (Figure 9).

**Figure 9. MMW, benefits and poverty line**



## Summary

The government's decisions to raise people's incomes to ensure that they are able to cope with the burden of rising prices are welcome. Measures to ease the rise in energy prices have also partly alleviated and stabilised the energy crisis. In crisis situations, the solutions implemented by the State are short-term and do not have a significant long-term impact on social policy issues. The experience of recent years has shown the importance of finding long-term solutions to strengthen and increase the size of the public budget, to ensure sustainable financing of public services and to protect the lowest incomes.

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

*“Feeling dignified means taking care of your food, clothing and taxes. There is €120 per person, which doesn't buy you anything. For that amount, you only get worn clothes and some food. There is not enough food aid. The money also has to be used to pay for taxes and the internet, which is essential for education.”*

People living in poverty

<sup>19</sup> <https://www.lrt.lt/naujienos/verslas/4/1878575/valstybes-duomenu-agentura-2022-m-infliacija-suvalge-pajamu-augima>



## **THE ROLE OF THE NVO IN THE FACE OF WAR IN UKRAINE**

The war in Ukraine, which started in 2014, has become one of the biggest challenges facing Europe and the world in 2022. After 24 February 2022, the Russian military invasion of Ukraine forced millions of people to flee their homes and seek refuge. Around 40,000 war refugees arrived in Lithuania in the first month of the war. The importance of the NGO sector in helping the state to manage this crisis has been highlighted, as has its power to respond quickly and smoothly to both crisis situations and people's personal situations. Major Lithuanian NGOs helped set up registration centres and coordinated humanitarian assistance to the refugees who arrived there, and, in cooperation with other NGOs, they regulated the flow of people, provided humanitarian assistance, helped them find accommodation, provided information services, and provided psychological and social support.

### **Migration policy in Lithuania in the context of the war in Ukraine**

The war against Ukraine has led to significant developments in Lithuania's migration situation. An effective system for registering, resettling and responding to critical humanitarian needs of Ukrainian refugees has been established. War refugees from Ukraine accounted for more than half of all foreigners arriving in Lithuania in 2022, and the total number of foreigners in Lithuania almost doubled the previous year's record. According to the State Data Agency, more than 80,000 people from Ukraine were registered in Lithuania during the whole period<sup>20</sup>.

Since the Russian invasion, immigration rules have been constantly revised, and procedures have been eased to facilitate the settlement and adaptation of refugees in Lithuania. Within a week of the outbreak of war, Ukrainian refugees were granted access to essential health services. 10 days after the war, a Council of the European Union decision was adopted granting temporary protection to war refugees from Ukraine. Since 16 March, the Government of the Republic of Lithuania, implementing the Council Decision, adopted a decision to grant temporary protection in Lithuania to persons who fled Ukraine due to Russian military aggression. Since the second half of March, refugees started to be accommodated free of charge in accommodation facilities provided by state and municipal authorities, and natural and legal persons started to be compensated for the provision of housing to war refugees. On 15 July, amendments to the Law of the Republic of Lithuania on the Legal Status of Aliens came into force, stipulating that a temporary residence permit for an alien granted temporary protection is issued for a period determined by the Government of the Republic of Lithuania, which may not exceed 2 years<sup>21</sup>. Since December, permits have been issued in digital form. Almost immediately, war refugees from Ukraine were given access to employment, housing, health and social security, and education for their children.

### **An urgent NGO response in the wake of war**

The outbreak of the war particularly highlighted the role and importance of NGOs in the state. The flexibility of NGOs allowed them to react immediately to the outbreak of the war in Ukraine and to provide assistance to the first war refugees arriving in Lithuania. The very next day after the outbreak of the war, the first registration centre was established in Alytus to register war refugees from Ukraine. By 28 March, 20 registration centres had been established in Lithuania. In these centres, 5 large NGOs (Lithuanian Red Cross, Lithuanian Caritas, Food Bank, NGO "Save the Children", Order of Malta Relief Organisation) coordinated the arrival of the refugees and mobilised

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<sup>20</sup> <https://osp.stat.gov.lt/ukraine-dashboards>

<sup>21</sup> [https://migracija.lrv.lt/uploads/migracija/documents/files/2022\\_Migracijos\\_metrastis.pdf](https://migracija.lrv.lt/uploads/migracija/documents/files/2022_Migracijos_metrastis.pdf)

smaller NGOs and volunteers to provide humanitarian assistance to the war refugees from Ukraine. It is important to note that Ukrainian people were arriving in Lithuania before even having time to take their essentials from home. Thanks to the NGOs, the needs of the refugees were immediately met, and society was empowered through humanitarian aid.

In the early days of the war, the National Coalition of NGOs, in partnership with the EAPN Lithuania, surveyed NGOs on how they could contribute to helping war refugees. The survey sought to find out how NGOs could provide social and psychological support, education, translation and other services to Ukrainians fleeing the war. 344 NGOs across Lithuania responded to the survey on their capacity to provide assistance to Ukrainian war refugees.

### **Providing assistance to both regular clients and refugees**

In order to analyse the role of NGOs in assisting war refugees from Ukraine, an NGO survey was carried out in June 2023 involving 120 NGOs that have assisted war refugees from Ukraine from the beginning of the war until June 2023. NGOs from all Lithuanian municipalities participated in the survey. It is important to note that 85.8% of the respondents (103 organisations) had not worked with refugees before the war in Ukraine. Despite all the organisational challenges, NGOs responded quickly to the new needs, mobilised and provided assistance where it was most needed. 79.2% of the responding organisations provided material assistance to war refugees from Ukraine, including 61.5% in the form of food, 73.1% in the form of clothing and footwear, 61.5% in the form of household items, 43.3% in the form of educational materials, 12.5% in the form of technical assistance for people with disabilities, and 26.9% in the form of other items and materials. 73 NGOs provided psychological assistance, social and labour market integration services to war refugees. 43 organisations provided education and educational assistance services. 31.4% of respondents also provided translation services to war refugees from Ukraine. 23.1% of the respondents provided services to refugees from refugee camps. NGOs provided assistance to war refugees in other areas.

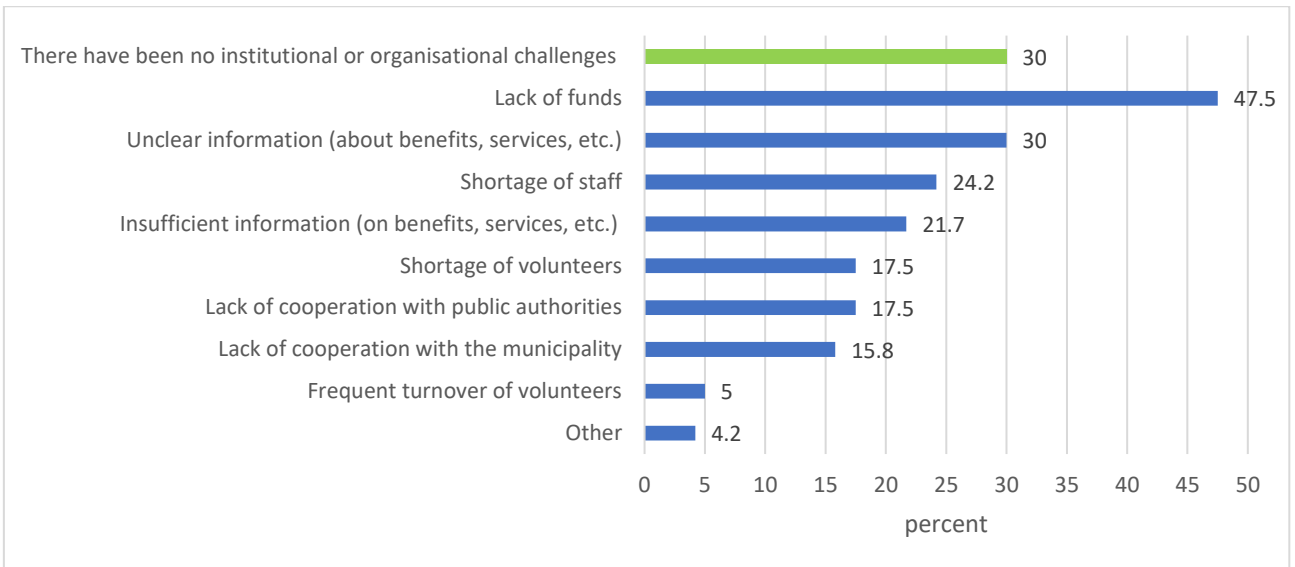
The questionnaire asked whether the reception of refugees had led NGOs to cut back on assistance (social services, psychological and other counselling, material assistance, etc.) to previous beneficiaries. It is important to note that 88.3% of the responding NGOs did not reduce assistance to the Lithuanian population. Only a tenth (11.7%) of the organisations had to save resources. Respondents highlighted the reasons why they had to reduce assistance to previous beneficiaries:

- Lack of resources;
- Too much pressure;
- Lack of time to provide emergency assistance to refugees;
- The organisation's premises were used to accommodate refugees, so no services could be provided there at the time.

### **Challenges for war refugees and NGOs**

While Lithuanian NGOs have played an important role in providing assistance to war refugees from Ukraine, there have been challenges for the organisations. The analysis of organisational and institutional challenges (Figure 10) showed that almost half of the organisations faced a lack of funds to provide assistance to war refugees. Organisations also highlighted that information to refugees on benefits, services and other issues was unclear (30%) and insufficient (21.7%). Almost a quarter of the organisations had experienced staff shortages, and almost a fifth had a shortage of volunteers. 30% of NGOs reported a lack of cooperation with public authorities, and 15.8% reported a lack of cooperation with municipalities. NGOs providing assistance to war refugees from Ukraine did not face any institutional and organisational challenges.

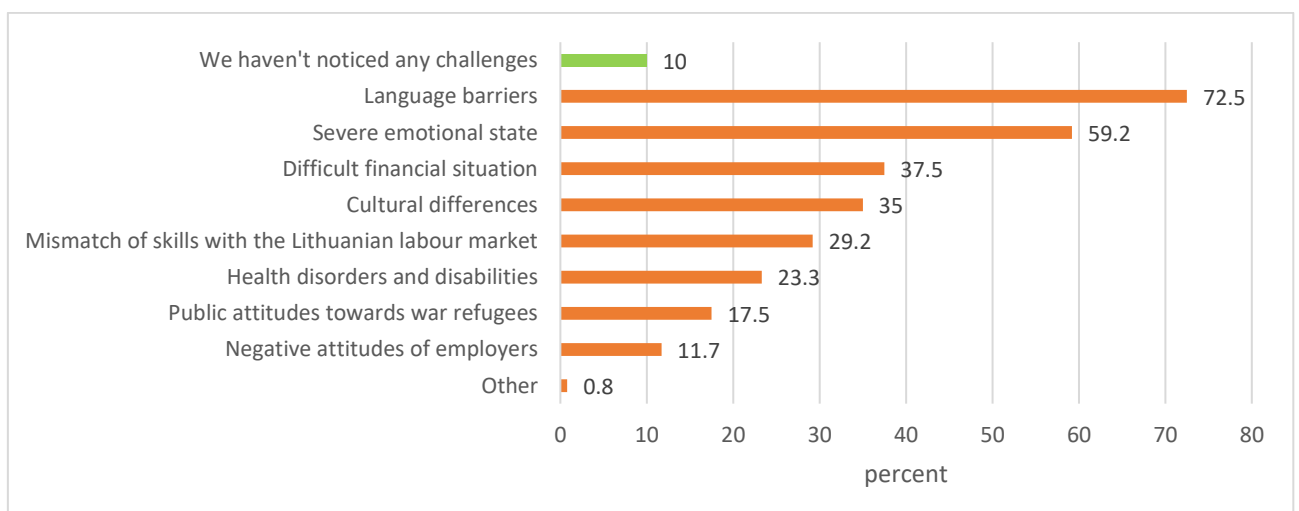
### **Figure 10. Organisational and institutional challenges**



Despite institutional and organisational challenges, NGOs have come together to provide essential assistance and integration services to war refugees. However, a number of factors have hindered and continue to hinder the successful integration of refugees (Figure 11). The majority, 72.5%, of the responding NGOs noted that the language barrier was the biggest challenge to refugee integration. 59.2% also highlighted the difficult emotional state of refugees. Respondents also mentioned the problematic material situation of refugees (37.5%), cultural differences (35%), the mismatch of refugees' qualifications with the Lithuanian labour market (29.2%), health problems and disabilities (23.3%). Refugees also faced negative attitudes from society and employers towards war refugees. A tenth of the respondents were not bothered by any integration challenges of refugees.

Similar challenges for refugee integration were also highlighted in the State Audit Office report. In 2022, 56.9% of Ukrainians registered with the Employment Service were employed. The report identified factors that reduce refugees' integration opportunities: lack of Lithuanian language skills and qualifications, negative social attitudes, and being employed in jobs below their qualifications<sup>22</sup>.

**Figure 11: Integration of Refugees Challenges**



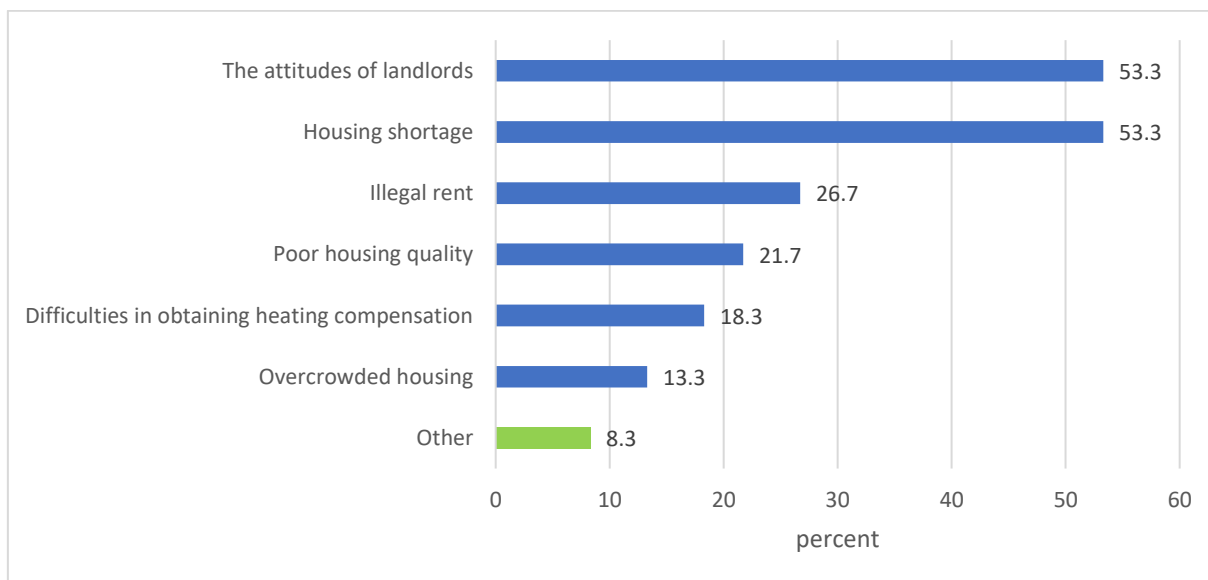
<sup>22</sup> <https://www.valstybeskontrolė.lt/LT/Product/24169>

One of the biggest challenges in the first months after the Russian invasion, as the number of war refugees increased, was to accommodate them. At that time, both state institutions and the public were mobilised to accommodate Ukrainian citizens, with some people willing to house them free of charge in their own homes and municipalities and various organisations willing to house them in their own premises. Thanks to the “Strong Together” initiative, implemented by the Lithuanian Rifle Association's Owl Troop, together with other public organisations and partners, the people of Lithuania offered 10,119 places to house war refugees. According to the EAPN Lithuania’s survey, 12.4% of the responding NGOs accommodated Ukrainian citizens in their premises.

However, over time, people's ability to accommodate war refugees in their own homes has become less and less affordable, and it has become increasingly difficult to accommodate them. IOM Lithuania conducted a survey of Ukrainian war refugees about their experiences of finding housing in Lithuania. The survey revealed that as many as 73% of respondents had difficulties finding rental accommodation when they arrived in Lithuania<sup>23</sup>. The most significant barriers for people were high housing prices (65%), landlords' attitudes towards families with children (53%), inability to pay one or more months' deposit (43%), landlords' refusal to declare their place of residence (36%), high utility costs (20%), landlords' unwillingness to rent to people with pets (17%) and other reasons<sup>24</sup>.

The EAPN Lithuania's survey of NGOs on assistance to war refugees from Ukraine also revealed the difficulties NGOs faced when looking for rental accommodation for war refugees (Figure 12). Respondents identified the lack of housing (53.3%) and the attitudes of landlords (53.3%) as the most significant challenges. NGOs also encountered other challenges when looking for rental accommodation for war refugees: illegal renting (26.7%), poor quality of housing (21.7%), difficulties in obtaining heating compensation (18.3%), overcrowding (13.3%), and lack of access to housing (13.3%). 8.3% of respondents identified other challenges they faced when looking for rental accommodation for war refugees: drastically rising rental prices due to increased demand, inadequate facilities for people with disabilities.

**Figure 12: Difficulties in finding rental accommodation for war refugees**



### Experience in cooperation with municipalities

<sup>23</sup> <https://lithuania.iom.int/sites/g/files/tmzbd11336/files/galutine-ukrainieciu-ataskaita.pdf>

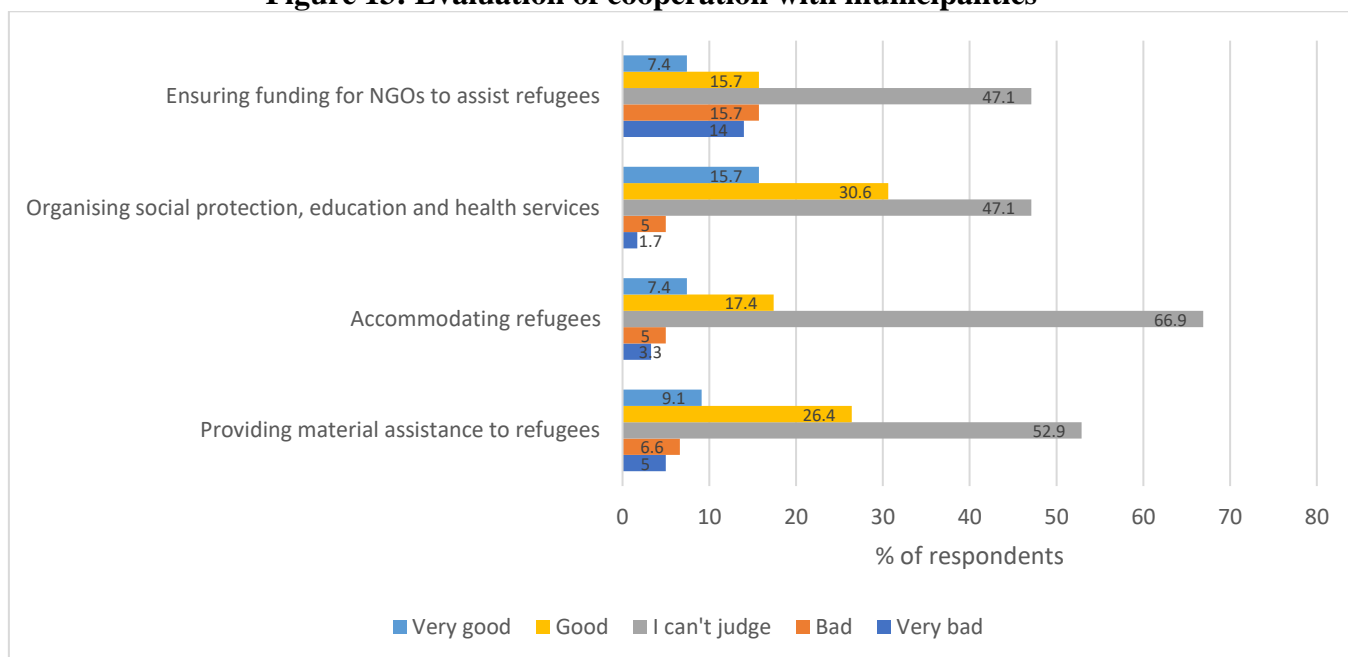
<sup>24</sup> <https://lithuania.iom.int/sites/g/files/tmzbd11336/files/galutine-ukrainieciu-ataskaita.pdf>

Close cooperation between the state, municipalities and NGOs is crucial for the successful integration of refugees. The lack of inter-institutional cooperation and coordination, especially with municipalities, was also highlighted by the National Audit Office. The Preliminary Investigation Report notes that in Lithuania, there is no coordination between regional and local authorities and social security institutions on the social protection of asylum seekers, cooperation with municipalities is difficult, as they are passively involved in the integration process of refugees, and the municipalities' involvement in the integration process is only related to the provision of social support and social services<sup>25</sup>.

The EAPN Lithuania survey asked NGOs how they perceive their cooperation with municipalities in organising social, educational and health services for war refugees, housing them, providing material support, and securing funding for NGOs for the assistance provided (Figure 13). NGOs gave the worst rating to the provision of funding to NGOs for assistance to war refugees from Ukraine: 14% of respondents rated the cooperation as very bad and 15.7% as bad. However, 15.7% of organisations rated cooperation with their municipalities as good and 7.4% as very good.

Cooperation with municipalities was more favoured in the organisation of social protection, education and health services, with 15.7% rating it as very good, 30.6% good, 5% bad and only 1.7% very bad. Cooperation in the accommodation of refugees (17.4% rated it good, 7.4% very good, 5% bad, and 3.3% very bad) and in the provision of material assistance (9.1% rated it very good, 26.4% good, 6.6% bad, and 5% very bad) were also rated.

**Figure 13: Evaluation of cooperation with municipalities**



### **What are the shortcomings of Lithuania's social policy system as a result of the war in Ukraine?**

The war in Ukraine has touched and highlighted problems in almost all sectors of Lithuania. Much attention has been paid to strengthening national defence, public preparedness for defence and civil resistance. The crisis has highlighted the lack of inter-institutional cooperation in Lithuania, which has led to a lack of success in the integration of refugees to date. The greatest shortcomings have been in the accessibility and quality of public services (education, health and social services).

<sup>25</sup> <https://www.valstybeskontrolė.lt/LT/Product/24169>

In February 2023, the Lithuanian Red Cross carried out a needs assessment of refugees living in Lithuania<sup>26</sup>. The survey showed that the needs of war refugees were not fully met. War refugees without access to employment faced inadequate living standards, especially the most vulnerable, single mothers, persons with disabilities or chronic illnesses, etc. The survey also showed that, especially in the health sector, Ukrainian citizens faced challenges: as many as one-third of respondents had unmet needs and lacked information on services and reimbursable medicines. Some Ukrainians, especially those living in smaller or more remote settlements, had difficulties accessing medical facilities due to a lack of public transport and long distances. Almost 60% of those who used psychological services reported that their needs were not met or partially met. Finally, the results of the survey highlighted a problem that has been prevalent in Lithuania for many years - the lack of accessibility and clarity of information about the services provided.

### **Involving organisations in crisis management**

The mobilisation and cooperation of the public, NGOs and the authorities has enabled the rapid and safe reception and management of the huge influx of war refugees from Ukraine. Despite all the difficulties faced by the organisations, the support and assistance provided has helped Ukrainian citizens to meet their basic needs, settle down and build a safe life in Lithuania. In the current context of war, the role of the NGO sector as a rapid and effective response and mobilisation tool has become particularly prominent. Large organisations such as the Food Bank, Lithuanian Caritas, Lithuanian Red Cross, the Order of Malta Relief Organisation, and the public organisation “Save the Children” have mobilised the public, united and strengthened smaller NGOs, and have been a major pillar for the state authorities in the provision of humanitarian assistance to the war refugees from Ukraine. Many smaller NGOs have become valuable partners for municipalities in providing assistance in smaller areas. Without NGOs, the needs of war refugees and society could not be met on such a large scale. With the growing importance of NGOs in society, the uncertainties of the future, and the growing needs of the people, it is essential to support the sector and involve NGOs in crisis management.

It is important to note that NGOs have been mobilising and funding humanitarian aid since the beginning of the invasion, as none had the resources to provide aid on this scale. The organisations mentioned above alone raised €3,562,000 for humanitarian aid through aukok.lt. Therefore, special thanks go to all donors who understood the importance of humanitarian aid.

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<sup>26</sup> <https://redcross.lt/veiklos/prieglobscio-ir-migracijos-programa/advokacija/>

# **WHO DELIVERS SOCIAL SERVICES IN LITHUANIA: THE MOTIVATED AND CREATIVE OR THE OVERWORKED AND FRUSTRATED?**

Prepared by Dr. Ieva Adomaitytė-Subačienė

Social workers and other professionals providing social services (employment specialists, case managers, service coordinators, personal care workers, etc.) are among the first in the fight against poverty and exclusion. Much of the help for people experiencing poverty and other social problems is provided through the service system. Services are thus expanded, new services are created, and new quality requirements are introduced. On the one hand, this increases confidence in the sector and funding, but at the same time, it increases the workload of staff, the risk of overwork, the competencies required for the job are becoming more demanding and complex, and there are fewer and fewer people available for study. In 2021, there were over 14,000 workers in social services in Lithuania. It is estimated that there are around 4,960 professional social workers in the various sectors (social services, education, justice, health)<sup>27</sup>.

A 2022 exploratory study commissioned by the Lithuanian Association of Social Workers revealed that social workers may be experiencing burnout at work. The survey asked what competencies social workers lack in their practice. Four out of five (83%) social workers surveyed would like to build emotional resilience, three out of four (77%) would like to manage and prevent client aggression, and the same number (76%) would like to recognise professional burnout ([www.lsda.lt](http://www.lsda.lt)). International research also shows that social workers are often confronted with uncomfortable or distressing situations and constantly have to negotiate personal or professional boundaries. A 2023 Master's thesis by Sigita Banevičiūtė-Čirgeliienė, a student at the Department of Social Work and Social Welfare at Vilnius University, revealed that workers have particular difficulty in dealing with situations related to client aggression and health risks. Social workers also often have to mediate between the law, the organisation and the client. Fear of facing these challenges leads them to avoid uncomfortable situations, which affects both the quality of social work and their own emotional resilience.

For these reasons, staff turnover is high in some areas of social services, especially among young people, and finding new staff is a real challenge for organisations in both the public and non-governmental sectors. Research shows that a significant number of social workers leave the profession within a few years of graduation. It is, therefore, essential to focus on the integration and mentoring of young workers, as well as on the development of the competencies of all workers and the prevention of psychosocial risks.

## **What is the cause of the high burnout of social work professionals and the growing shortage of staff?**

In 2022, researchers from the Institute of Sociology and Social Work at Vilnius University conducted a comprehensive and representative survey of social workers. The survey involved 407 respondents, which represents almost 10% of all social workers in Lithuania. The majority of respondents work in municipal institutions (46.7%), state institutions (26.5%) and non-governmental

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<sup>27</sup> <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-integracija/socialines-paslaugos-ir-socialinisdarbas/kas-yra-socialinis-darbas?lang=lt>

institutions (19.4%), while 4.6% reported working in social business organisations. The distribution of respondents by type of organisation was similar to the general situation in Lithuania.

The survey found that one in three workers are considering leaving social services. Workers living in big cities and with a higher level of education feel more comfortable working in social work, but the situation is worse in rural areas. The situation is slightly better when comparing different organisations: on average, 41% of those working in NGOs and social businesses would never consider leaving social work, compared to 35% of those working in municipal and public institutions.

This is how it feels, and thus, burnout is mainly due to the attitudes of society and other professions and institutions. Those workers who indicated that they feel important and valued in their work also feel that social work is more appreciated by society. Those who are thinking of leaving social work are more likely to feel that their work is less valued by society. The more often workers think about leaving social work, the less they see positive changes in the field. Respondents see the least positive change in the importance of social workers' opinions nationally. These results show that raising the profile of the profession and publicising the work of social workers could not only increase public awareness of the profession but could also be an effective way of reducing staff turnover and disillusionment.

*“In terms of prestige, in terms of municipal interest, there is no such growth. Municipalities want good quality services and projects, but they are not willing to pay more for social workers. Social work has no professional prestige, and some social workers, for example, those working with the elderly, are ashamed to talk about it because of the negative public perception. The prestige of social work is in the hands of organisations. As much as organisations speak and agitate for social work, its prestige should rise.”*  
 NGO representative

Respondents were asked what would encourage them to stay in the field. The most crucial factor is the leadership and professionalism of managers and teamwork (Figure 14). Recognition of the profession, focus on quality of service and training opportunities are also important.

**Figure 14: Distribution of respondents' answers to the question, “If you were thinking of leaving social work, what would encourage you to stay?”.**





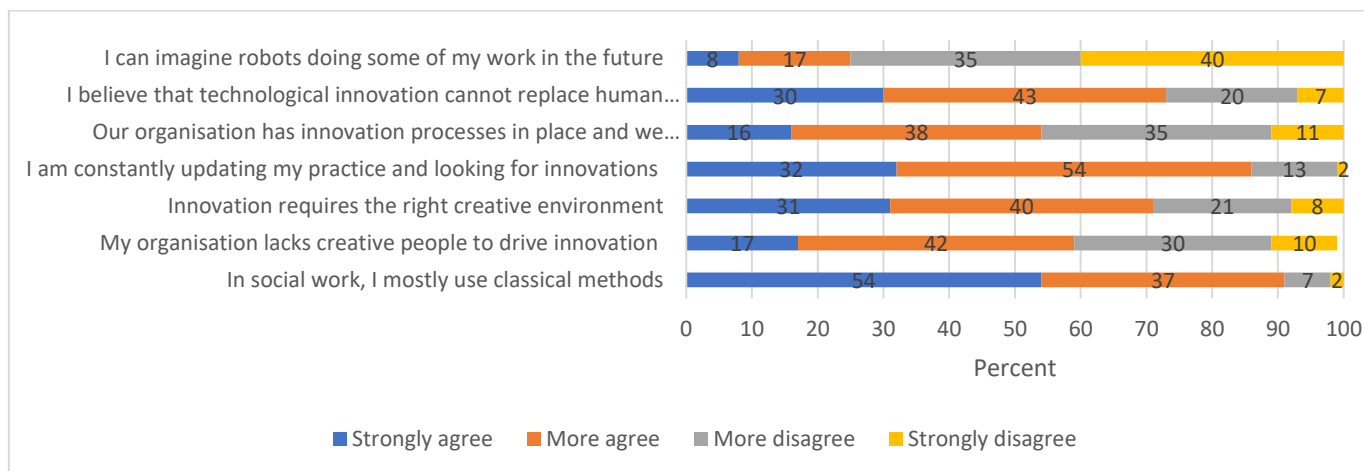
Another possible cause of burnout is increasing workload. This study reveals a worrying trend: 70% of respondents reported spending more time on reports and paperwork in the last five years, while only 30% spent more time on the client's social environment and community mobilisation. Community empowerment and mobilisation is a new preventive social service that should help to ensure social inclusion. Still, the processes of administering social services and the prevailing system of control are very demanding in terms of human resources and take away from the time that could be spent by staff on poverty issues, mobilising the community, etc.

*“We have too little autonomy and responsibility, social workers have little decision-making power, and it is a highly regulated profession.”*

Head of NGO

Although respondents acknowledged the importance of innovation in social work practice, 50% of respondents reported that they use both classical and conventional methods in their work (Figure 15). Only 13% of workers in rural areas agree or strongly agree that their organisations use innovation processes and continuously update their practices, compared to 30% in large cities. This shows that social work organisations in Lithuania are very diverse, with a different culture of quality, indicating that the sector is in a state of stagnation, with neither the time nor resources to improve its practice.

**Figure 15: Distribution of respondents' answers to the question on future prospects for social work**



It is essential to mention that many years later, in 2022, the Professional Competence Development Centre, funded by the Ministry of Social Security and Labour and administered by the Lithuanian Association of Social Workers, started operating in Lithuania. The Centre not only offers free training but also provides methodological support, guidance, and conferences. This is probably the first project of its kind to finance the professional development of social services workers systematically. However, the Centre's activities will only be funded until the end of 2024, and due to the high targets set for this project, most of the training is organised remotely. This reduces the possibility of organising quality reflection, discussion and self-help.

To summarise the challenges related to the well-being of social workers, we see that they are primarily confronted with unexpected, uncontrollable situations, unmotivated clients, limited

resources, increasing administrative burdens and still unmotivated attitudes from the public and other institutions. The above-mentioned Vilnius University study showed that workers do not believe that their opinions will matter in the near future and that they will be involved in social policy decisions. This gives workers feelings of hopelessness and frustration and makes them doubt the effectiveness and meaning of their work.

*“I feel powerless in my work. I have to deal with aggressive people. I end up having to go to that person as a social worker, risking my own safety.”*

*“Even my job is discriminated against: 'How can you work with such people, with the smell and so on'. It's painful when you love your job.”*

Social workers

## **CHILDREN'S DAY-CARE CENTRES - A PLACE FOR CHILDREN TO GROW THEIR SOCIAL SKILLS AND COMPETENCIES**

Children's Day-care Centres (hereinafter referred to as ChDC) are a social day-care service for children, which is regulated by the Catalogue of Social Services approved by the Minister of Social Security and Labour (hereinafter referred to as the “Catalogue”). It aims to develop the social and life skills of the child and his/her family members. Children aged between 6 and 18 years can benefit from this service. The service is currently provided in 58 municipalities, with a total of 482 ChDCs, most of which are non-governmental. In 2022, almost 13,000 Lithuanian children received ChDC services.

ChDCs are like a second home for children. After school, in a safe environment, children learn to communicate, acquire new skills, and receive specialist support and education. The aim is to meet the individual needs of each child. For some children - from families facing severe difficulties - it is a safe haven where they can get away from the hard everyday life. For this reason, qualified support for children is of particular importance.

### **Challenges - the Children Day-care Centre's daily routine**

Since accreditation began in 2020, this service for children has been strengthened: ChDCs must have at least one social worker. The number of ChDCs themselves has increased, and so have the opportunities for children to access this service. However, ChDCs face many challenges in their daily work.

### **Scarce funding**

The EAPN Lithuania survey of ChDC managers conducted in May 2023<sup>28</sup> revealed that the average annual budget for a non-governmental ChDC in 2022 was €31,631, compared to €33,524 for municipally established ChDCs<sup>29</sup>. With this money, ChDCs have to hire social workers and other professionals such as employment specialists, special educators, psychologists or other staff. The money is also used for feeding children, employment and educational activities. It is important to note that non-governmental ChDCs have to use the same funds to pay for rent, heating and other utility costs. In contrast, municipal ChDCs are covered by the municipalities. For this reason, the actual budget of municipally established ChDCs is higher than reported.

The biggest challenge for ChDCs is to ensure decent wages for their staff. An analysis of a survey of ChDC managers revealed that the average salary of a social worker working in a non-governmental ChDC was EUR 1,160 (including all taxes) for 152 to 189 hours per month and EUR 615 for 64 to 96 hours per month. In the ChDC set up by the municipality, the average salary for a social worker working between 152 and 176 hours was EUR 1,700, and for a social worker working between 70 and 108 hours, it was around EUR 725. There is a significant wage gap when working in a municipal or non-governmental ChDC, especially when working full-time. It is important to note

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<sup>28</sup> A total of 191 ChDC managers took part in the survey, which represents 36.63% of all ChDCs operating in Lithuania. A total of 141 heads of non-governmental ChDCs responded, and 50 heads of municipally established ChDCs. The survey sought information on the financing of the ChDC service (budgets for 2022 and 2023) and on the salaries of social workers and other staff working with children: [www.smtinklas.lt/wp-content/uploads/simple-file-list/NSMOT-ra%C5%A1tai-ir-si%C5%ABlymai/2023-metai/D%C4%97l-vaik%C5%B3-dienos-centr%C5%B3-finansavimo.pdf](http://www.smtinklas.lt/wp-content/uploads/simple-file-list/NSMOT-ra%C5%A1tai-ir-si%C5%ABlymai/2023-metai/D%C4%97l-vaik%C5%B3-dienos-centr%C5%B3-finansavimo.pdf)

<sup>29</sup> It is important to note that Klaipėda ChDCs were not included in the overall average. Their funding is more than 4 times higher than that of other ChDCs, so this would significantly inflate the average and would not reflect the reality of most ChDCs.

that the average salary of a social worker working in a non-governmental ChDC is one-third below the average salary in Lithuania and only 73% of the average salary of a social worker working in budget institutions or municipalities. The unmotivating salary of a job in a non-governmental ChDC makes it uncompetitive on the market. As a result, those with a social work background tend to opt for jobs in other areas of social work. It should also be noted that the rising monthly minimum wage puts pressure on the labour market for higher qualified professionals.

### **Staff retention**

Due to low funding and, consequently, low wages, ChDCs are often unable to employ a full-time social worker or other suitably qualified staff. On average, a social worker in a ChDC works 0.5 of time, and ChDCs lack the funds for more. This undermines the quality of services, as staff have to work multiple jobs, arrive at the ChDC already tired, and do not have the time and opportunity to think through the children's individual plans, to plan appropriate activities, to prepare for the next day's activities or to interact with their parents. Due to a lack of funding, ChDCs are not able to provide supervision or other encouragement systems. The lack of a full-time workload and low salaries leads to increased staff turnover, which can be disruptive for children and can make their education more difficult.

### **Working with children with difficulties**

An analysis of ChDCs in 2022<sup>30</sup> shows that 48% of children served by ChDCs are from the community and do not have significant social challenges. The rest of the children have some difficulties. Some children have special educational needs or disabilities. Often, these children have communication and behavioural difficulties, poor social and hygiene skills, unemployment in their families, and addictions in their adult families. Children are prone to self-harm.

It is noticeable that staff do not always have enough knowledge about how to deal with children with behavioural difficulties. In order to provide the best possible help to children, it is vital for ChDCs to have competent staff and to strengthen their professional knowledge continuously. Unfortunately, due to a lack of funding, they are not in a position to hire or retain them.

### **Duration of services for children**

At the time of the Review, the Catalogue defines that a child must receive at least 12 hours of ChDC service per week. It is noted that this regulation does not always reflect the actual needs of the child: some children receive a shorter service while they are getting used to the ChDC environment, while children who have received ChDC services for a more extended period have acquired some skills and are no longer using the ChDC service as often, find it necessary to be separated gradually and to be supported as they become more independent. Some children, mostly adolescents, also have a need for shorter ChDC services, e.g. 2-3 hours a week, or they attend clubs to learn other skills, but in this case, the ChDC suffers financially as they do not receive full funding from the municipality. There are also cases where ChDCs report possible child abuse to child protection specialists, but the parents are not satisfied, and the children are no longer allowed to attend the ChDCs, which results in a loss of part of the ChDC funding.

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<sup>30</sup> 116 respondents from 40 municipalities took part in the remote survey, and two focus groups were organised with 7 ChDC representatives. <https://www.smtinklas.lt/wp-content/uploads/simple-file-list/Studijos/NSMOT-vaik%C5%B3-dienos-centr%C5%B3-apklausa.pdf>

Children's involvement in services is also influenced to the extent foreseen by school holidays when children are away with their families or spend a large part of their holidays with grandparents. Unfortunately, there are cases where parents use the exclusion of children from ChDCs as a disciplinary measure. ChDCs are not in a position to offer additional employment, such as going to the cinema or excursions. For children in rural areas, where there is hardly any other employment, the ChDC service lasts longer.

In cases where children are served for a shorter period than the Catalogue, ChDCs suffer financially, as they lose or have their municipal funding reduced, while their actual costs remain almost the same: the salary of the worker, the rent or the heating fee remains unchanged. In addition, when a child does not come to the social worker, the social worker focuses more on the child outside of the contact hours with the children (because he/she works with the children who come), explaining the reasons for the absence and making efforts to attract the child to the services.

### **Wide age limits for children**

ChDC experience shows that it is easier to attract and retain children in ChDCs when they are limited to a certain age group and specialise, for example, in adolescent services. This not only facilitates the work of the staff themselves but also helps to target the needs of children better. Older children often leave the centres and take to the streets because there are so many young children in the Centre, and then the services have to be used to pull them off the streets again. Volunteers can help with a mixed group, but it is also essential to consider that volunteers also need to be trained, prepared, and their strengths identified in order to be able to activate them in the most targeted way.

### **Needs assessment and personalised plans**

Social services are based on a needs assessment, which identifies the child's abilities, difficulties, strengths and environment, and an individual plan based on the assessed needs. In a survey carried out in 2022, 69.7% of respondents stated that they follow the Ministry of Social Security and Labour's form of needs assessment for social services, 30% have their own forms, and 10% do not carry out a needs assessment, which is carried out by the municipality. Unfortunately, there are cases when the municipality representatives do not pass on the needs assessment to the ChDC, and the organisations do not know why the child has been assigned this service. The ChDC observes that these official forms do not reflect the actual need. The child's level of independence, social and domestic skills, social relationships, and cognitive development are not defined. This form should be seen as a form of access to services but not as an objective assessment of need, which social workers should carry out during the first months of the child's visit to the ChDC. It is also noticeable that not all ChDCs draw up individual plans: 85.3% of ChDCs report that they do, and 14.7% do not. The differences between metropolitan urban and rural ChDCs are apparent here: 74% of respondents from rural ChDCs say they have individual plans, 95.2% from urban ChDCs and 93.3% from metropolitan ChDCs.

### **Maintenance of premises**

Maintaining the premises is a significant cost. Suppose a ChDC uses the premises of a municipality under a lease agreement with the municipality. In that case, it is up to the municipality to renovate the premises and install fire safety equipment. This requires a large amount of money, which the ChDC cannot provide from its traditional funding sources. Once the premises have been refurbished, there is no guarantee that the municipality will renew the lease at the end of the term.

### **Bureaucratic burden**

ChDCs are funded by the state and municipalities, and the ChDCs regularly account for the funds they receive. All ChDCs operating in Lithuania account for the state and Ministry of Social Security and Labour funds in the same way, on a quarterly basis, while municipalities have very different practices. Some municipalities ask for very detailed reports, which are project-based rather than service purchase reports, and require details of what the funds were used for, accounting documents justifying the use of the funds, copies of transfers, and summaries. In some municipalities, it is sufficient to provide a summary of children's attendance and to submit invoices against this.

The frequent changes in the estimates create an additional burden if the specific needs of the ChDC change. For example, if the internet is introduced and a new line in the estimate needs to be created, a child leaves and is replaced by a child with disabilities. In particular, frequent changes create an additional administrative burden, which is not adequately resourced.

### **Lack of transport**

In rural areas, child attendance is highly correlated with transport services. Some children do not attend ChDCs or attend for very short periods of time due to the absence or insufficient availability of transport services.

### **The importance of Children Day-care centres for society**

Despite the challenges that accompany ChDC's daily life, ChDC strives to meet the needs of children through its services. This is important not only for the child, who acquires social skills and competencies, but also for the school, for which the ChDC can become a strong pillar in the child's holistic education, and in the long term for society, where children are more independent, better able to identify themselves in society and communicate safely. It is, therefore, essential to strengthen the competencies of ChDCs, to find sustainable funding mechanisms and to strengthen the dialogue between ChDCs and institutions.

*“Very low wages. Only by giving people the opportunity to do extra work is it possible to keep  
ChDC staff.”*

*“Low wages make it difficult to keep professionals. There is not enough money to feed children.”  
ChDC Managers*

# **ACCESS TO HEALTH SERVICES FOR PEOPLE WITH LOW INCOME**

Prepared by Dr. Jurgita Mataitytė-Diržienė

Anyone would probably agree that health is our greatest asset. Good health is the foundation for the quality of life of both the individual and society as a whole. Being healthy enables people to actively contribute to their own and their family's well-being, as well as to the well-being of society as a whole. Illness or impairment not only disrupts a person's daily life, preventing them from participating fully in social or work activities but can also threaten the health of others if it spreads through the workplace or community. An effective health system and access to health care is therefore a key pillar of the welfare state, alongside education, social security and other systems. Without access to quality health care in the event of illness, individuals risk becoming partially or totally incapacitated, dropping out of the labour market and falling into poverty. Effective and timely health care can prevent the onset of complex health and social problems.

## **The state of public health**

According to Eurostat, the health status of the Lithuanian population in general is worse than the EU average: in Lithuania, 39.37% of the population in 2022<sup>31</sup> had a chronic disease or a long-term health condition, compared to an average of 36.8% in the EU-27. The average healthy life expectancy differs from the EU average by quite a lot: the overall average in 2021 was 63.6 years in EU countries and 57.6 years in Lithuania. Healthy life expectancy for men in Lithuania (55.4 years) is 7.7 years shorter than the average for the EU countries (63.1 years), while for women, it is also different, albeit to a lesser extent, by 4.4 years (64.2 years in the EU, 59.8 in Lithuania). Average life expectancy has unfortunately decreased in recent years, from 75.69 years in Lithuania and 80.9 years in the EU countries in 2017 to 74.28 years in Lithuania and 80.1 years in the EU countries in 2021<sup>32</sup>. This is undoubtedly due to the global COVID-19 pandemic, among other possible factors.

## **Organisation of the Lithuanian Health System**

The organisation of the health system is an important factor in ensuring access to health services for the whole population. In Lithuania, the system is organised on the basis of a compulsory health insurance model. All residents of Lithuania are obliged to participate in the health insurance system: employed residents either pay their own health insurance payments or have their employer pay for them. Economically inactive residents are insured at public expense, and the state pays their payments. The State covers at its own expense more than twenty different groups of people<sup>33</sup>, including persons receiving any kind of pension or social assistance compensation, the unemployed registered with the Employment Service, persons under 18 and over 18, students in higher education, the disadvantaged receiving social benefits, persons with disabilities, persons not in employment, persons of working age, pensioners in old age and others.

According to the data of the State Patients' Fund, 98.9% of the Lithuanian population was covered by compulsory health insurance in 2022, which means that 1.1% of the population was still

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<sup>31</sup> [https://ec.europa.eu/eurostat/databrowser/view/HLTH\\_SILC\\_04/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/HLTH_SILC_04/default/table?lang=en)

<sup>32</sup> [https://ec.europa.eu/eurostat/databrowser/view/DEMO\\_MLEXPEC/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/DEMO_MLEXPEC/default/table?lang=en)

<sup>33</sup> Article 6(4) of the Law on Health Insurance of the Republic of Lithuania.

uninsured and could not benefit from the services of the Lithuanian national health system free of charge (98.8% in 2021).

### **Payment for healthcare services and supplies**

People covered by health insurance in Lithuania are guaranteed free services (which include dentistry and optical goods to a limited extent) in the national healthcare system. Partial or full reimbursement of medicines, various medical supplies and a range of devices and prostheses is also guaranteed, depending on the illness and/or the category of persons concerned. Non-poor people who meet any of the conditions set out in the Health Insurance Law are covered by public funds, i.e. they can receive health services free of charge in the Lithuanian national health system.

There are a number of circumstances that may lead to full or partial payment for health services, even for people with health insurance<sup>34</sup>. A person has to pay for health services when he/she applies for a service without a referral from his/her family doctor when he/she wants to have additional tests, services, or medicines beyond those prescribed by the attending doctor, when he/she wants to receive services without waiting in a queue when he/she opts for services, materials, tests, medicines, medical aids, more costly procedures. Dental services require payment for materials, medicines, disposables, etc. There is also an approved list of services for which you always have to pay, even if you have health insurance: abortion, acupuncture, preventive health checks to get a gun licence, driving licence, anonymous psychotherapeutic addiction treatment, cosmetic surgery, etc.

Doctors can prescribe medicines and medical devices reimbursed by the state for outpatients. To do so, the medicine or disease must be included in the relevant lists approved by the Minister of Health<sup>35</sup>. Medicines included in the list of reimbursable medicines are prescribed for certain social groups (e.g. children, pensioners, people with disabilities, etc.) who are financially less able to afford one or other medicines. Different medicines and devices have different reimbursement rates for their basic price, ranging from 100% to 50%. Also, only the basic price of a medicine or device is reimbursed, so if a pharmacy sells it at a higher price, the patient has to pay the difference out of his/her own pocket. From 2020, premiums for people aged 75 and over, and for people of retirement pension age and people with disabilities whose pensions, social assistance pensions, compensation payments, annuities are less than 100% of the current year's minimum consumption needs (currently €354 a month) may be covered by the state.

For medicines and supplies not on the lists, people pay the total cost at their own expense.

### **Out-of-pocket spending on healthcare in Lithuania**

Spending on healthcare in Lithuania is increasing every year. According to the Institute of Hygiene, in 2021, the country's total expenditure on health care was €4 385.6 million, representing 7.81% of the country's gross domestic product. Of this amount, €1,321.7 million (almost 30%) was spent directly by households, i.e. this is the amount of money spent by the Lithuanian population on healthcare out of their own pockets<sup>36</sup>.

At the time of writing, the European Statistics portal (Eurostat) has not yet provided data on household payments for healthcare in 2021, but it is possible to see data for previous years and

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<sup>34</sup> Order of the Minister of Health of the Republic of Lithuania of 30 July 1999 No.357 “On the List of Paid Personal Health Care Services, the Procedure for Determining and Indexing Prices, and the Procedure for Provision and Payment of these Services”.

<sup>35</sup> State Patient Insurance Fund, <https://ligoniukasa.lrv.lt/lt/veiklos-sritys/gydymo-istaigoms-ir-partneriams/kompensuojamieji-vaistai-ir-medicinos-pagalbos-priemones-2>

<sup>36</sup> Institute of Hygiene, [https://hi.lt/php/spf3.php?dat\\_file=spf3.txt](https://hi.lt/php/spf3.php?dat_file=spf3.txt)



compare Lithuania's data with the European Union. Thus, according to Eurostat data, the amount paid out of pocket for healthcare by Lithuanians in 2020 represented 28.69% of the country's total healthcare expenditure, while the European Union (N27) figure was half as high, at 14.39% of total healthcare expenditure. As can be seen in the table below, this is a consistent trend, with people in Lithuania paying significantly more out-of-pocket for healthcare than the average European Union population.

**Table 3. Household payments for health care (as a percentage of total health care expenditure)**

Source: Eurostat

Year	2017	2018	2019	2020	2021
Lithuania	32,64	31,52	32,27	28,69	at
European Union (27)	15,81	15,70	15,67	14,39	at

There is no ceiling on household payments for healthcare in Lithuania, as in some other countries, such as Sweden. According to the Household Survey (2021), the average monthly health expenditure per household member is 6.3% (or €25.8) of total expenditure in 2021, which is an average of €310 per family member per year. When breaking down the specific costs paid by the population, the average distribution of costs is as follows:

- 37.3% of the total amount was paid for medicines;
- 9.5% for other healthcare products;
- 48.7% for outpatient (home-based) healthcare services (as much as 90.7% of this amount was for dental services);
- 3.4% for inpatient (hospitalised) healthcare services;
- 1.1% for other healthcare services.<sup>37</sup>

### Access to healthcare

Simply having health insurance may not be enough to benefit from a national health system. The distance a person lives from the provider, the presence or absence of specialists available at the nearest health facility, the waiting time before the service is provided, the cost of medicines prescribed to treat the condition and other aspects may also determine whether or not services are used.

According to a survey conducted by the State Data Agency (2022, p. 40)<sup>38</sup>, in 2021, 4% of all people aged 16 and over surveyed reported that they did not visit a doctor (other than a dentist) at least once a year when they needed to. While more than half of the population (53%) indicated that they did not visit because of long waiting lists for services, 4% indicated that they did not visit because the service was charged and too expensive. At least once a year, 7% of people living at risk of poverty

<sup>37</sup> <https://osp.stat.gov.lt/statistiniu-rodikliu-analize#/> Income, Consumption Expenditure.../Intermediate Consumption Expenditure...

<sup>38</sup> <https://osp.stat.gov.lt/documents/10180/10786513/Lietuvos+gyventoju+pajamos+ir+gyvenimo+salygos+%282022+m.+leidimas%29.pdf/d55a12bd-f435-4828-9fa0-660693d9da9a>

did not visit a doctor (except dentists) when they really needed to, and 6% of them cited the main reason as not being able to pay because the service was too expensive.

As mentioned above, dental services are covered by health insurance to a minimal extent: children and the elderly are covered by public funds. At the same time, all other population groups have to pay for the materials used in treatment at their own expense. According to the survey mentioned above, 3% of the population did not go to the dentist in 2021 when they thought they really needed to. The main reason given was the cost of the services, as they were too expensive (44% of the survey participants gave this reason). 6% of people living at risk of poverty did not go to the dentist when they really needed to, of whom 61% cited expensive services and lack of funds as the main reason.

Data from the European Statistics Portal (Eurostat) show a slightly lower percentage of Lithuanians aged 16 and over who said they did not use healthcare services even though they needed them (because it was too expensive, too far to travel, or the queues were too long) - 2.4% in 2021, which is a slight difference of 0.4% compared to the European Union (N27) average. Trends in non-use of services in Lithuania and the EU over the last five years can be seen in the table below:

**Table 4. Percentage of the population who said they did not use health services when they needed them**

Source: Eurostat

Year	2017	2018	2019	2020	2021
Lithuania	1,5	2,2	1,4	1,7	2,4
European Union (27)	1,6	1,8	1,7	1,9	2,0

Another aspect that is important for analysing access to health services is the geographical accessibility of healthcare facilities. If facilities are located far away from the population, without easy access to them, uptake of services may be lower. In 2019, the Hygiene Institute carried out an analysis of the geographical accessibility of healthcare facilities at<sup>39</sup> - how far Lithuanian residents live from health care facilities and how long it would take to reach them by car. The analysis shows that 99.97% of the population can reach the nearest facility within 30 minutes for *internal medicine*, 98.44% for *surgery*, 98.59% for *paediatrics* and 90.97% for *obstetrics*. Although these figures seem high, not every household has a car or access to a car in case of emergency, so these figures are unlikely to reflect the actual accessibility of services within 30 minutes.

According to the same analysis, 12.7% of the population lived in areas between 12 and 20 km away from *internal medicine* and *surgery* facilities. Nearly 8% of the population lived more than 20 km from facilities providing *internal medicine* and 14.8% from those providing *surgery*. 14.4% of children lived between 12 and 20 km from facilities providing *child health services*, and nearly 15% more than 20 km. 27.2% of women lived more than 20 km from an *obstetric* facility, and 12.6% more than 30 km.

<sup>39</sup> Institute of Hygiene, 2019, “Public Health Inequalities” No. 5(38).

Thus, access to health services may also be hindered by the long distance to the facility, especially for women, who have the worst access to obstetric services (almost 40% - 12 km or more), and for children, for whom access to specialised services is also limited (over 29% - 12 km or more).

### **Summary**

Lithuania's health system is organised on the basis of compulsory health insurance, with the state paying for a large part of the population out of its own funds. This creates the preconditions for maximum population coverage and access to services for the entire population. Only partial payment of medicines and medical supplies by the state and poor reimbursement of dental services are the main contributors to the fact that the Lithuanian population pays twice as much out of its own pocket for healthcare as the average European Union population, with the direct costs of the population accounting for almost a third of the country's total healthcare expenditure. High costs and long waiting lists mean that, on average, 6.5% of people at risk of poverty do not use healthcare services even if they need them.

*“Without money, you can't get anywhere, especially to the dentist.”*

*“Whoever wants to take care of their health goes private.”*

Experiences of people living in poverty

## **EAPN LITHUANIA'S PROPOSALS AND RECOMMENDATIONS TO REDUCE POVERTY AND SOCIAL EXCLUSION**

According to Eurostat, Lithuania's spending on social security is one-third less than the EU average - 19.5% of GDP in 2020 compared to the EU average of 31.7%. Underfunding and the resulting underdevelopment of social protection have been most accentuated during the crises of recent years. Inflation has exacerbated the already difficult situation of low-income earners, and state decisions to raise people's incomes, while welcome, have been insufficient and, in the long run, have failed to address the deep roots of poverty, social exclusion and income inequality.

In this section, we present the recommendations developed by the EAPN Lithuania together with its members, partners and other experts. The recommendations cover the social policy issues and challenges faced by people living in poverty that are the subject of this review.

### **Recommendations in response to the tax reform presented by the Ministry of Finance of the Republic of Lithuania:**

1. Given the high level of income inequality and in the interest of fairness in the tax system, we support the harmonisation of personal income tax rates and the alignment of the taxation of personal income with the taxation of income from employment. The current regime encourages tax arbitrage and does not address income inequality. It is essential to pay attention to the protection of the lowest incomes.

2. The increase in social guarantees for those working under an individual activity certificate is positive.

3. The latest World Bank report concludes that Lithuania's VAT system is less progressive compared to other EU countries analysed in the study. Still, the tax reform project envisages a reduction of the VAT rate from 32% to 25% for those earning more than 60 average salaries and a reduction of the VAT rate to 27% for those earning more than 180 average salaries. EAPN Lithuania is concerned about the appropriateness of this proposal in the context of the comments of international organisations to Lithuania. We urge not to reduce the current progressive rate but to apply it to all types of income.

4. It is essential to bring the non-taxable income in line with the MMW in the long term. The European Commission has consistently stressed the need for Lithuania to reduce the tax burden on low-income earners. If the tax burden is reduced, it must be taken into account that the state will lose part of the revenue that is important for financing public services, especially health, education and social services for the lowest-income groups. It is, therefore, essential to look for other sources of funding for these services.

### **Recommendations for smooth cooperation in crises:**

1. Given the rapid response and involvement of NGOs in the wake of the war in Ukraine, it is necessary to assess the need for NGO assistance and the possibilities for NGOs to act in a specific field and to involve NGOs in decision-making in the relevant areas. Involve NGOs in new emergency response tools.

2. It is essential for NGOs and municipalities to get to know each other and to cooperate in the pre-crisis period. This can be done through municipal NGO councils, regular meetings with area NGOs providing social, educational and other services.

3. Municipalities need to organise more frequent meetings and problem-solving sessions with NGOs and institutions that provide and/or organise assistance to Ukrainian war refugees.

4. It is vital to ensure sustainable and uninterrupted funding for NGOs, which helps to mitigate the effects of crises by providing services to different groups in society. The funding of NGOs during emergencies needs to be reviewed to ensure a smoother delivery of emergency management measures.

5. In order to meet the basic needs of war refugees, social and health service institutions need to take steps to refer non-Lithuanian speakers to specialists who can provide services in other languages.

6. Current accommodation procedures need to be improved, and a mechanism for accommodation during emergencies and crises needs to be established.

### **Recommendations to improve the motivation and competencies of social workers:**

1. It is vital to ensure the continuous development of competencies of social workers in both public sector and NGO organisations. Often, low funding for services, especially in the case of NGOs, leads to situations where staff are unable to attend training or workshops, let alone access necessary but expensive supervision services. It is therefore necessary to increase funding in the area of social protection, as Lithuania currently spends one-third less as a percentage of GDP than the average of other European Union countries.

2. Helping organisations to set up mentoring schemes, and providing free advice to internal mentors, would be a significant incentive to prevent the loss of young professionals. Mentoring as a form of competency development is included in the Professional Competence Development Framework for Social Services, but organisations often lack the experience, knowledge and resources to organise it professionally and effectively.

3. Establish a professional self-help system. Grant and Kinman (2012) recommend *mindfulness* practices, reflection skills training, the use of supervision to reflect on practice, peer mentoring and self-help to develop resilience in social workers.

4. Separate the roles of staff who work directly with clients and communities and those who administer services. On the one hand, the complexity of the work requires highly sophisticated competencies that are difficult to secure with the current funding for services. On the other hand, the specific nature of the work undermines staff motivation and perception of the meaning of their work. There is a need to digitise the provision of social services. Modern technologies make it possible to optimise and manage big data quickly and very efficiently. High-quality digital systems would make it possible to reduce the bureaucratic burden substantially, and many reports would be generated automatically on the basis of the data provided.

5. There is a need to increase the attractiveness of the social services sector, to promote social work in a modern way and to make it more popular among young people. It would be essential to develop, in cooperation with universities, a concept for publicising the profession of social work that would do away with the stereotypical portrayal of the profession. Emphasis should be placed on advocacy for human rights, the development and implementation of social innovations, community empowerment and participation in social policy, as provided for in the international definition of social work ([www.ifsw.org](http://www.ifsw.org)).

### **Recommendations for improving the quality of children's social day-care services:**

1. CHDC services must be seen as complete social services that also need to be planned and organised, so staff posts must be increased so that staff have time not only to work directly with children but also to draw up individual and action plans, reassess needs, communicate with parents/carers, undertake supervision, refresher training etc. As CHDCs have for a long time been financed through project activities and have been employment-oriented, it is essential to pay attention to the fact that CHDCs are not only employment organisers but also social service providers.

2. In the longer term, we propose to find ways to ensure that CHDCs are funded in such a way that they can provide quality services and that organisations can provide decent working conditions for their staff. When state and municipal budgets are drawn up for the coming years, the funding of CHDCs must be correlated with national inflation, the MMW or the rise in the average wage.

3. It is crucial to design the funding model for CHDCs in such a way that they can employ at least one full-time social worker or other staff member with relevant expertise and at least one other half-time specialist.

4. Link municipal funding per child to the basic social allowance. For each child with a disability, a child with special educational needs or a child whose family is subject to case management, day-care services should be financed by at least 3 basic social allowances per month, and for other children, by at least 2 basic social allowances per month. The link to the basic social allowance would allow the amount of funding to be indexed and increase annually.

5. In order to provide services that better reflect children's needs, it is recommended that CHDCs should be more specialised into CHDCs for children and adolescents attending primary school. Good practice in CHDCs shows that splitting the staff into groups helps to organise activities that meet children's needs and that adolescents also prefer to go to CHDCs where they can develop their skills among their peers.

6. CHDCs should be a safe environment for children to develop as individuals and provide services that meet their needs. Attention must be paid to children's individual and group needs, but children at social risk must not be separated from those who are not at risk. CHDCs need to prioritise the admission of children at social risk rather than segregating them into separate groups.

7. It is vital for CHDC managers and staff to improve their competencies. This can be done through the Professional Competence Development Centre, training and experience-sharing sessions organised by umbrella organisations. In order to meet the need for supervision, it is essential to ensure adequate funding for CHDCs to enable them to have regular supervision sessions. Working with children poses challenges that CHDC staff may be inexperienced in, or may not have the experience to deal with and thus may require psychological support. A hotline along the lines of the Parents' Line would be helpful. Often, CHDCs are staffed by educators with a wealth of experience, so it would be essential to provide opportunities for retraining.

8. In order to meet both the general educational needs of the municipality's children and their individual needs, it is crucial to strengthen the cooperation between the CHDC and the municipality, and it is recommended to organise regular meetings between the municipality's and the CHDC's representatives, where challenges are discussed and joint solutions are sought.

9. The non-governmental CHDCs in a particular municipality must seek cooperation among themselves, share best practices and experiences in working with children, and make joint proposals for improving the service in their municipality.

10. To improve the quality of services, it is crucial to maintain contact with the case management team and schools. It is recommended that schools, especially student support teams, should strengthen their links with CHDCs in order for both institutions to work in a more targeted way with children and to find solutions to crisis situations.

11. The billing procedures should be harmonised across municipalities, using best practices where municipal funds are settled by submitting an invoice and attendance schedule. In order to ensure more accurate budget planning, it is strongly recommended that CHDCs provide as accurate data as possible based on the surveys requested by MINISTRY OF SOCIAL SECURITY AND LABOUR.

## **Recommendations to increase access to health services and reduce out-of-pocket costs:**

1. Expanding telemedicine services, where patients do not have to travel far to a significant health facility for some conditions, and where access to the service is ensured by using smart technology, with the patient being closer to the health facility where he or she lives, and a qualified doctor examining and advising him or her from a distance.

2. Increase the number of contracts signed by regional health insurance funds with private health care institutions according to approved tariffs but without the possibility of charging additional fees for services already paid for by the health insurance funds.

3. Empower local municipalities to decide on the provision of midwifery services in their district, taking into account the specificities of the district.

4. Increase the number of contracts signed by regional health insurance funds with private dental institutions.

5. Expanding the nature and scope of publicly funded dental services, taking into account the complexity of a person's health, given that poor dental health can lead to other health problems as well as to social consequences (where an unaesthetic appearance makes it difficult for a person to find a job, etc.).

6. Include reimbursement of dental services in the municipalities' descriptions of lump-sum, targeted and periodic allowances.

7. Shorten the period for introducing new medicines already approved in the EU into the Lithuanian market.

8. Expand the list of reimbursable medicines and medical devices in line with the rapid development of medical sciences (e.g. by ensuring the availability of contraceptives, and hygiene products, expanding the list of reimbursable optical goods, etc.).