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Leveraging the forthcoming EU Anti-Poverty Strategy to enhance Lithuania's National Progress Plan

On July 18, 2024, European Commission President Ursula von der Leyen announced the launch of the first-ever EU Anti-Poverty Strategy¹. This marks a significant political step forward, reaffirming the European Union's commitment to tackle poverty and social exclusion through coordinated and ambitious action. It also creates new momentum for national efforts, especially in countries where poverty remains widespread.

In the case of Lithuania, there is currently no dedicated national anti-poverty strategy. However, the goals related to poverty reduction are embedded in the National Progress Plan² (NPP) 2021-2030 - the country's main strategic planning document, which outlines key development priorities. The NPP includes commitments to reduce social exclusion, promote accessible wellbeing for all, and build a more resilient society.

Against this backdrop, it is essential to assess how effectively the NPP responds to the scale and complexity of poverty in Lithuania. Are the measures it outlines sufficiently ambitious? Do they adequately target the most vulnerable groups? Is there a clear framework of responsibility and implementation? Finally, how could the development of the European Anti-Poverty Strategy help to strengthen the National Progress Plan?

This section aims to examine how the NPP³ addresses the key dimensions of poverty in Lithuania, identify its strengths and limitations, and offer concrete recommendations on how the existing strategic foundation could be strengthened to ensure a more effective, coordinated, and inclusive response to poverty and social exclusion.

Poverty and inequality in Lithuania: A persistent structural challenge

Over more than three decades of independence, Lithuania has made significant progress in developing its social protection system and aligning it with European standards⁴. Despite economic growth in recent years, poverty and social exclusion indicators in Lithuania have improved only slowly - and in some areas, have even worsened.

¹ EAPN, [EAPN Vision and Recommendations for the EU Anti-Poverty Strategy](#)

² Government of the Republic of Lithuania, [On the approval of the National Progress Plan for 2021–2030](#)

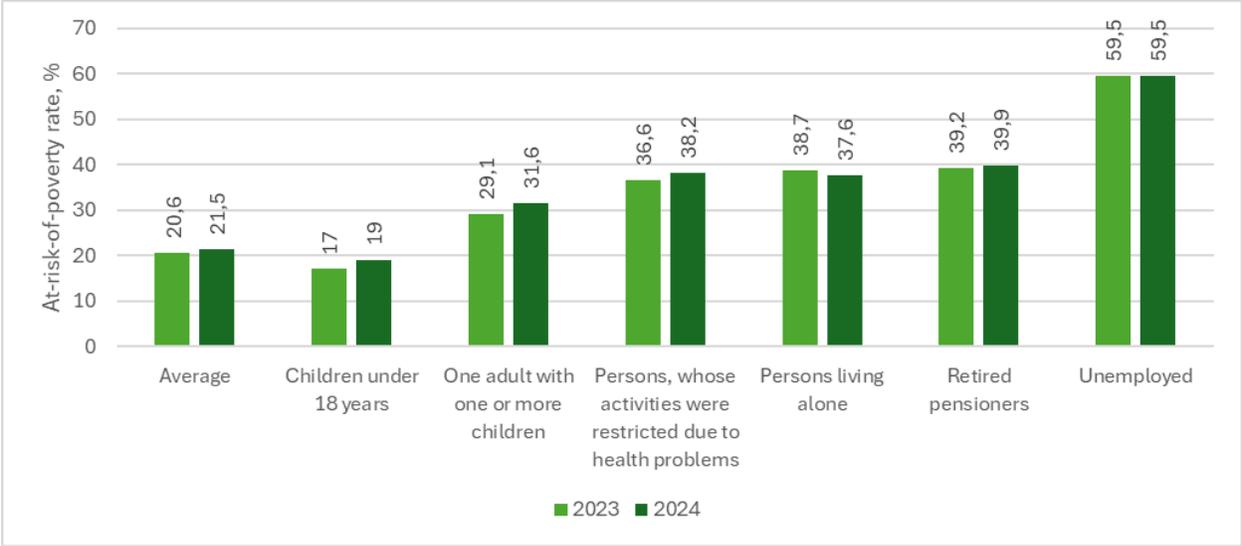
³ Government of the Republic of Lithuania, [On the approval of the National Progress Plan for 2021–2030](#)

⁴ J. Aidukaitė et al., „Gerovės valstybės kūrimas Lietuvoje: mitas ar realybė?“, 2012.

According to the State Data Agency, in 2024 the poverty risk threshold in Lithuania was €616 per month for a single person and €1,294 for a family of two adults with two children under the age of 14. Around 620,000 people - more than every fifth resident - lived below this threshold⁵. The at-risk-of-poverty rate reached 21.5%, marking an increase of 0.9 percentage points compared to 2023⁶. This upward trend stands in stark contrast to the EU average, which in 2024 was 16.2%, highlighting Lithuania’s persistent struggle with poverty despite overall economic growth.

As the national at-risk-of-poverty rate increased in 2024, the situation of most vulnerable population groups also deteriorated. After several years of decline, child poverty rose again, reaching 19% - a 2 percentage point increase. The poverty risk rate among single parents raising children climbed to 31.6% (up by 2.5 percentage points). Among people whose activities are limited by health problems, the rate stood at 38.1% (a 1.6 percentage point increase), and among old-age pensioners it rose to 39.9% (a 0.7 percentage point increase). Although the poverty risk among people living alone slightly decreased (by 1.1 percentage points), it remains one of the highest across household types - 37.6%. The most severe figures remain among the unemployed: their poverty risk rate remained unchanged at a staggering 59.5%, meaning that nearly 6 in 10 unemployed persons live below the poverty threshold. These clearly demonstrate that, despite overall income growth in the country, the incomes of many vulnerable groups remain insufficient to ensure a dignified standard of living or to keep pace with the rising cost of living.

Figure 1: Most vulnerable groups



⁵ State Data Agency, [Poverty indicators for 2024 have been presented](#). 25-04-2025

⁶ State Data Agency, [At-risk-of-poverty rate](#).

Source: State Data Agency⁷, Eurostat⁸

In addition to the high poverty risk rate, income inequality in Lithuania has also remained persistently high. In 2024, the income ratio between the richest 20% and the poorest 20% of the population stood at 6.58, compared to the EU average of 4.66⁹. This substantial gap - present since Lithuania's accession to the EU - represents not only a potential source of social and political tension, but also a structural barrier to sustainable economic growth.

And other social indicators, such as poverty and social exclusion, as well as material deprivation, also remain high. These outcomes are not coincidental - they are the result of a complex web of systemic and structural issues, including an underfunded social protection system, persistent labour market inequalities, insufficient support for vulnerable groups, and weak coordination across policy areas. Tackling poverty in Lithuania thus requires not only isolated improvements, but a more integrated and long-term objectives.

Fiscal challenges

For many years, the root causes of Lithuania's social protection challenges have been closely linked to structurally insufficient public investment in the social sphere. In 2022, Lithuania allocated just 16.59% of its GDP to social protection, while the EU average stood at 27.85%¹⁰. This substantial gap reflects persistent underfunding of critical services aimed at reducing poverty and inequality.

Moreover, Lithuania has one of the lowest levels of income redistribution in the EU. According to 2023 data, public expenditure in Lithuania amounted to only 32.4% of GDP, compared to the EU average of around 40%¹¹. This highlights the limited fiscal capacity of the state to finance essential public goods such as education, healthcare, social protection, or defence at levels comparable to the European norm.

In 2025, changes were introduced to Lithuania's tax system aimed at creating a fairer distribution of the tax burden and reducing income inequality. A more progressive taxation model was adopted for higher incomes, and a uniform personal income tax (PIT) rate was applied across different types of income - with exceptions. Dividends, certain capital gains (e.g. from the sale of shares),

⁷ State Data Agency, [At-risk-of-poverty rate of persons aged 18 and older](#)

⁸ Eurostat, [Persons at risk of poverty by level of disability \(activity limitation\)](#)

⁹ Read more about various forms of inequality in Lithuania in [Poverty Watch 2024](#).

¹⁰

<https://ec.europa.eu/eurostat/databrowser/view/tps00098/default/table?lang=en&fbclid=IwAR0UM935akcwLNe4ftdkihucZSO6tYGXidjz3VvyEY0v8Bu4x1HxPv8p14g>

¹¹ Eurostat, [Main national accounts tax aggregates](#)

income from agricultural activities, and several other categories remained subject to separate, preferential treatment¹². A new 25% PIT rate was introduced for annual income exceeding 36 times the average gross wage (AGW), while income above 60 AGW continues to be taxed at 32%, as was previously the case. Income from self-employment was included in the general PIT progressivity framework; however, low and middle - income earners (with annual taxable income up to €35,000) are unaffected thanks to a tax credit mechanism. The corporate income tax was also slightly increased - from 16% to 17%¹³. Nevertheless, in the view of the Lithuanian Anti-Poverty Network (EAPN Lithuania), these reforms were insufficient. Initially, there had been a proposal to raise the highest PIT rate from 32% to 36%, but it was later abandoned. A key concern is that dividends remain excluded from the progressive taxation framework. Similarly, preferential tax treatment for income from agricultural activities - taxed at just 15–20% - was retained. The real estate tax reform was minimal and largely cosmetic¹⁴.

Although the reform initially appeared ambitious, it faced significant resistance from both the public and business sectors. As a result, the government scaled back its original fiscal goals, and many gaps and regressivity issues in the Lithuanian tax system remain unresolved.

National Progress Plan

In Lithuania, the National Progress Plan¹⁵ (NPP) 2021–2030 serves as the country's main strategic planning document. It outlines long-term national priorities across various policy areas - ranging from innovation and education to social protection, healthcare, and environmental sustainability. The NPP also includes commitments to reduce social exclusion, enhance resilience, and promote well-being for all. NPP - an umbrella document that allows to manage the achievement of strategic goals and optimize the number of other strategic planning documents.

Given the current institutional framework in Lithuania, the development of new standalone strategies is not anticipated. Instead, all strategic goals - including those related to poverty reduction - are expected to be embedded within existing national planning instruments such as the NPP. Therefore, the priority should be to strengthen the NPP, particularly in the areas of poverty reduction, income inequality, and social exclusion. Doing so would help ensure that these issues are addressed in a coherent and cross-sectoral manner, supported by clear objectives, targeted measures, and strong institutional accountability.

¹² Ministry of Finance of the Republic of Lithuania, [Amendments to tax laws adopted by the Lithuanian Parliament](#)

¹³ Ministry of Finance of the Republic of Lithuania, [Amendments to tax laws adopted by the Lithuanian Parliament](#)

¹⁴ More about EAPN Lithuania's position on tax reform: [REGARDING THE PACKAGE OF LEGISLATIVE ACTS ON TAX CHANGES](#)

¹⁵ Government of the Republic of Lithuania, [On the approval of the National Progress Plan for 2021–2030](#)

The forthcoming EU Anti-Poverty Strategy is expected to serve as a valuable reference point for reinforcing national-level policy. It could help raise the importance of poverty reduction across different policy areas, improve policy coordination, and encourage the use of EU guidance and financial instruments to support targeted change. Therefore, Lithuania's task is not only to contribute to shaping the EU agenda, but also to align and enhance its own commitments, ensuring that the NPP becomes a truly effective tool for driving progress in tackling poverty and inequality.

Involvement of EAPN Lithuania in the preparation of the NPP

During the preparation of the initial version of the National Progress Plan 2021-2030, which began in 2019, the process involved extensive consultations with social partners, civil society organizations, and experts. From the early conceptual phase to the final alignment of indicators, the development of the NPP was marked by a high degree of stakeholder involvement. EAPN Lithuania actively participated in the process, submitting proposals and contributing to the formulation of targets and measures. While not all suggestions were adopted, a compromise version was reached - one that set out a number of ambitious social objectives aligned with national priorities and financial capacity. However, people experiencing poverty were not yet included in the planning, as at that time EAPN Lithuania had only just begun organizing PEP meetings with decision-makers, and their involvement in policy processes was not yet common practice. The consultation with partners lasted over a year. While not all EAPN Lithuania proposals were reflected, part of them were taken into account, and a compromise version of the plan was reached that was relatively ambitious and balanced with other national targets. For example, under Strategic Objective 2, "To increase people's social well-being and inclusion, strengthen health and improve the demographic situation in Lithuania", the NPP included ambitious targets such as reducing the at-risk-of-poverty rate to 14% by 2030 (from 20.9% in 2020), reducing the share of people at risk of poverty or social exclusion to 19% (from 24.8%), lowering the poverty risk rate among people aged 65+ to 25% (from 36%), and reducing the Gini coefficient to 31% (from 35.1%). However, this initial level of ambition and inclusivity was not sustained.

Figure 2: Part of the NPP indicators

NPP Objective 2: To increase social well-being and inclusion of the population, strengthen health, and improve the demographic situation in Lithuania					
Indicator	Unit of measurement	2022	Target value for 2025	Target value for 2030	Expected direction of change
At-risk-of-poverty rate	%	20,9	19,6	16	
At-risk-of-poverty rate among people aged 65 and over	%	39,5	35	29	
At-risk-of-poverty rate among people whose activities are limited by health problems	%	37,7	35	29	
Employment rate of the population aged 20–64	%	79	78,7	80,7	
Income distribution ratio S80/S20	Ratio (times)	6,4	(-)	(-)	Decrease
Civic empowerment index	index	35,9	(-)	(-)	Increase
Persons at risk of poverty or social exclusion	%	24,6	(-)	(-)	Decrease
Absolute poverty rate	%	3,6	(-)	(-)	Decrease
At-risk-of-poverty rate for a single person	%	43	(-)	(-)	Decrease
At-risk-of-poverty rate for a single adult with one or more children	%	35,6	(-)	(-)	Decrease
Share of participants in active labour market measures who are employed six months after completion	%	73,5	(-)	(-)	Increase

Source: State Data Agency¹⁶

Figure 2 presents only a subset of the indicators under NPP Objective 2, which aims to increase social well-being and inclusion of the population, strengthen health, and improve the demographic situation in Lithuania. In total, the NPP includes a wider range of indicators across various themes, such as employment, education, health, and civic participation - in part reflecting the multidimensional and cross-sectoral nature of poverty.

Challenges in implementing the NPP – declining ambition

In 2024, the NPP was reviewed following a mid-term evaluation. From EAPN Lithuania’s perspective, the 2024 revision of the National Progress Plan (NPP) marked a clear shift toward lower ambition. While the intention to align the NPP with the “Lithuania 2050”¹⁷ strategy and to streamline monitoring is understandable, the result was a significant reduction in key poverty and inequality indicators. Some important long-term targets were either removed or replaced with more technical, short-term metrics¹⁸. Although this may ease administrative reporting, it weakens the strategic focus on poverty reduction and risks sidelining the structural changes needed to address social exclusion. EAPN Lithuania is concerned that these changes undermine the transformative potential of the original NPP and reduce accountability for progress in tackling poverty.

¹⁶ State Data Agency, [Monitoring of National Progress Plan indicators](#)

¹⁷ [National Progress Strategy, “Lithuania’s future vision ‘Lithuania 2050’”](#)

¹⁸ Chancellery of the Government of the Republic of Lithuania, [Draft Resolution of the Government of the Republic of Lithuania “Amendment to the Government of the Republic of Lithuania Resolution No. 998 of 9 September 2020 ‘On the Approval of the National Progress Plan for 2021–2030’”](#)

EAPN Lithuania is concerned about the significant structural changes in the updated version of the NPP. The removal of all horizontal principle indicators - including key metrics such as the Gender Equality Index - has weakened the multidimensional monitoring of social progress. Unlike the previous version, where each objective was supported by measurable targets, the revised structure assigns indicators only to broad goals, leaving some important objectives - such as income inequality or energy poverty - without any specific or measurable indicators. A large share of the remaining indicators are merely directional (e.g., “increase” or “decrease”), without clear numerical targets. This dilutes accountability and creates the risk that even marginal statistical fluctuations could be reported as “progress.”

Of particular concern is the upward revision of the at-risk-of-poverty target - from 14% to 16% - during the plan’s implementation period, instead of acknowledging the shortfall and analyzing underlying causes. Similarly, income inequality (S80/20 ratio) has no target value, and the Ministry of Finance is no longer listed as a responsible institution, despite taxation being key to reducing inequality. Energy poverty has been effectively removed from the indicator set, with only irrelevant or directionless indicators left. Some critical metrics, such as the share of social housing needs met, have also been replaced by less meaningful alternatives.

The revision process itself lacked transparency. While the original NPP was developed in close consultation with civil society over more than a year, these latest updates were not subject to meaningful public consultation. Meetings with NGOs occurred only upon request and with limited time to review and respond. Although some EAPN proposals - like including the S80/20 ratio and defining specific poverty risk targets for older people and people with disabilities - were partially accepted, the overall trend indicates a move toward technical simplification at the expense of ambition, inclusivity, and meaningful monitoring.

In terms of alignment with EU goals, several indicators reflect the headline targets of the European Pillar of Social Rights Action Plan, such as reducing the share of people at risk of poverty or social exclusion. Still, Lithuania’s targets, particularly the revised at-risk-of-poverty rate goal of 16% by 2030, remain less ambitious than the initial national commitment (14%) and only modestly aligned with the EU ambition to lift at least 15 million people out of poverty across the EU by 2030.

Institutional responsibility for implementing the National Progress Plan

The implementation of Lithuania’s NPP is based on cross-sectoral cooperation and clearly defined institutional responsibilities. Overall coordination is provided by the Government of the Republic

of Lithuania, which approves the strategic objectives and ensures their alignment with long-term national visions, such as “Lithuania 2050.”

The Government Chancellery oversees the monitoring processes, facilitates inter-institutional coordination, and ensures the preparation of progress reports. The Ministry of Finance manages the budgeting of NPP measures and the allocation of public funds in line with the Plan’s objectives. The Government Strategic Analysis Center (STRATA) supports implementation with analytical and methodological expertise and contributes to the development and refinement of indicator frameworks.

The State Progress Council serves as an expert advisory body, providing recommendations on strategic improvements, while the State Data Agency ensures transparent data monitoring and publishes results through the publicly accessible NPP “dashboard.”¹⁹ Notably, the director of EAPN Lithuania is a member of the State Progress Council, representing the interests of vulnerable groups and the wider EAPN network in Lithuania²⁰.

Beyond these coordinating bodies, each ministry is responsible for implementing targets and measures within its remit. The Ministry of Social Security and Labour leads on social inclusion, poverty reduction, income inequality, social services, and housing policy. Each ministry has its own plans for the implementation and development of the NPP.

While the NPP is implemented through this broad institutional network, challenges remain in ensuring effective inter-ministerial coordination, timely data availability, and meaningful engagement of civil society actors. EAPN Lithuania emphasizes the importance of shared accountability among ministries - particularly in social inclusion domains - to promote a long-term, systemic approach to poverty reduction.

Conclusion

In conclusion, the forthcoming EU Anti-Poverty Strategy presents a critical opportunity not only to reinforce the European commitment to social justice, but also to encourage Member States, including Lithuania, to strengthen their national responses to poverty.

Considering that Lithuania does not plan to develop a National Anti-Poverty Strategy, it is crucial that the EU framework supports and encourages the enhancement of existing instruments such as

¹⁹ State Data Agency, [Monitoring of National Progress Plan indicators](#)

²⁰ Government of the Republic of Lithuania, [Renewed composition of the State Progress Council](#)

the National Progress Plan. Lithuania should focus on increasing the ambition, coherence, and effectiveness of its current plan - ensuring it is adequately resourced, aligned with EU goals, and capable of addressing the multidimensional nature of poverty. The EU Strategy can play a key role in this process by providing clear benchmarks, political momentum, and a shared vision for inclusive and accountable national action.

EAPN Lithuania's recommendations

1. To ensure a meaningful and results-driven approach to poverty reduction, Lithuania should reinforce the ambition of its National Progress Plan. This means restoring concrete and measurable targets for key social indicators.
2. Equally important is the systematic inclusion of people experiencing poverty in decision-making processes. Although civil society is increasingly involved in strategic planning, individuals with lived experience of poverty remain largely excluded. Their meaningful participation must be institutionalized through permanent mechanisms, such as advisory councils or interinstitutional bodies, which would embed their voices in policy formulation and monitoring.
3. Lithuania should expand the NPP's monitoring framework by including more qualitative and service-based indicators. Poverty is a multidimensional issue, and progress cannot be measured solely through income metrics. The plan should reflect this by incorporating data on access to affordable housing, the availability of social services, and multidimensional indexes such as the Gender Equality Index or the Severe Material and Social Deprivation Rate. Strengthening the evidence base and measurement tools is essential for ensuring transparency, accountability, and real improvements in the lives of those most affected.
4. A more ambitious and effective anti-poverty policy also requires strong cross-sectoral cooperation. Poverty and social exclusion are not the responsibility of a single ministry: the Ministry of Finance, the Ministry of Education, Science and Sport, the Ministry of the Environment, the Ministry of Energy, and the Ministry of Transport and Communications all play a key role in addressing structural determinants. Strengthening interinstitutional coordination is crucial for delivering integrated solutions that reflect the complexity of poverty.
5. Moreover, national-level commitments must be operationalized at the local level. Municipalities are responsible for identifying people in need, delivering key services, and administering certain benefits. National strategies should be accompanied by clear guidance, resources, and capacity-building for local governments to implement anti-poverty policies effectively and equitably across all regions.
6. Finally, Lithuania should make better use of EU-level guidance and peer learning to strengthen its policies. The forthcoming EU Anti-Poverty Strategy offers an opportunity to align national efforts with European objectives, reinforce monitoring, and benefit from

shared knowledge and practices. Active engagement in EU-level processes and initiatives can help drive domestic reforms and maintain poverty reduction high on the political agenda.