

INEQUALITIES IN LITHUANIA

HIGH LEVELS OF INEQUALITY IN A CONTEXT OF RAPID ECONOMIC GROWTH

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Income and wealth

Lithuania is one of the fastest growing economies in Europe but, with a Gini coefficient of 37.6 (2017),¹ income inequality in the country is now the highest in the European Union. Inequality has increased rapidly: in 2012 the income of the richest 20% of the population was five times that of the poorest 20%, now it is seven times. This is a result of limited progressivity of the tax system, wide gaps between low-skilled and high-skilled workers and an inadequate benefit system.²

The proportion of the population at risk of poverty³ in 2016-17 was 29.6%.⁴ The rate has remained roughly stable over the past five years, with a significant difference between the urban (24.7%) and rural (39.5%) populations.⁵ Children (0-17 years old) were slightly more at risk of poverty than the general population (31.6%) and over-65s significantly so (40.3%).⁶

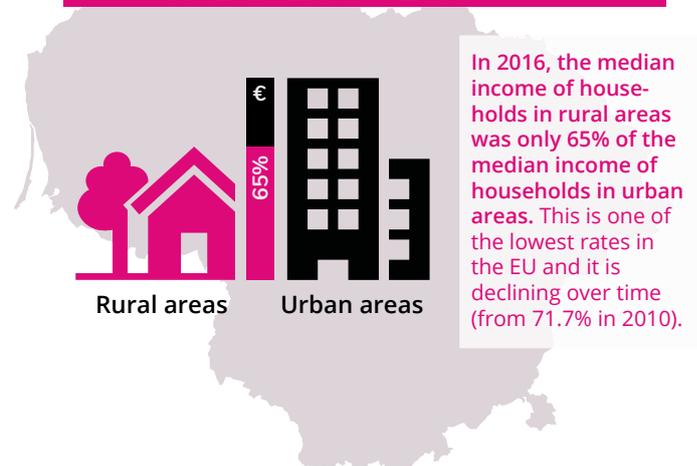
To address these issues, in 2017-2018, the government increased the minimum wage and raised the threshold for non-taxable income; increased social insurance pensions; introduced a universal child benefit; and ruled that the 'state supported income' cannot be less than 50% of minimum consumption needs. This means that from now on certain benefits will be indexed, updated annually and no longer determined by arbitrary political decisions.⁷ This also means, however, that the state supported income (€245 per month in 2018), which is used as a threshold for social assistance, is still very low.⁸

Gender

In 2016-2017 the gender wage gap increased from 14.4% to 15.2%.⁹ Women are also more exposed to poverty, poverty risk or material deprivation than men. Women's retirement pensions, are smaller than men's, partly because their salaries and wages are lower, and partly because caring responsibilities force many women to withdraw from remunerated work.¹⁰

Women spend more time on family care and housework – 41 % of women and 24% of men spend at least one hour per day on caring activities; 90% of women in a couple with children take care of their family on a daily basis, compared to 73% of men. There are larger differences for the time spent on housework: 79% of women compared to 29% of men do the cooking and housework every day for at least one hour.

INCOME GAP BETWEEN RURAL AND URBAN IN LITHUANIA



Source: http://www.stopskurdas.lt/wp-content/uploads/2018/10/SKURDAS-IR-SOCIALINE-ATSKIRTIS-2018.pdf?fbclid=I-wAR1dW-Zji8t_LJM4ZtYFchHG7USbwp0iv_usDIATMf7ylBg6UYOije_1_js

This gap has also increased and is greater in couples with children, where 97% of women do the cooking compared to 23% of men.¹¹ The burden of childcare and other dependent family members, as well as housekeeping, restricts women's access to economic welfare and independence.¹² Women are under-represented in political decision making: fewer than 40% of the Lithuania's Members of Parliament are women; 22% of heads of diplomatic missions are women (fewer than in 2017); and all government ministers are men.

Prejudice

In a 2019 survey on attitudes 63% of respondents said they would not like to live next to Roma people; the figures for ex-prisoners, homosexuals¹³ and people with mental disabilities were 44%, 37% and 48% respectively. The survey¹⁴ indicated that levels of prejudice have intensified in the last five years and seem unlikely to improve.

Migration¹⁵

Treatment of refugees is poor:¹⁶ financial support is not sufficient for basic needs; language courses are inadequate; and psychological assistance is mostly unavailable due to language restrictions. While on paper it would appear that national migration, asylum and integration policies satisfy the guidelines of the SDGs, in reality, implementation and a lack of consideration of migrants' rights mean that Lithuania is not meeting the standards of the 2030 Agenda.¹⁷ The great majority of Lithuanians are unlikely to have ever encountered a refugee: in 2018, just 385 refugee asylum seekers arrived in Lithuania; in 2017 there were 520.¹⁸ Nevertheless Lithuanians have a negative view of immigration from third countries and attitudes are especially hostile to migrants from North Africa and Middle East.

International cooperation

In 2018 Lithuania's ODA was 0.11% of GNI, a slight decline from 2017. The government has set a target of reaching 0.33% by 2030.¹⁹ In 2018 the Lithuanian parliament (Seimas) approved a resolution outlining the importance of international cooperation and development.²⁰ In July 2018, Lithuania officially became the 36th member of the OECD.²¹

Recommendations

Income and wealth:

- Develop a realistic poverty reduction strategy that includes an overview of poverty indicators and identifies key policies with ambitious goals.
- Increase the incomes of pensioners, single parents and large families, people with disabilities. Fix deduction from wages at no more than 20% of the minimum wage to stop people falling into debt.

Migration:

- Migration policy should be holistic, encompassing all aspects of immigration.²²
- Improve cooperation between governmental agencies and CSOs.

Gender:

- Recognise gender equality as a priority at national political level and implement gender mainstreaming at all levels. Eliminate gender stereotypes in education; take steps to overcome gender gaps; and develop gender-friendly public attitudes.

International cooperation:

- Develop realistic plans for ODA. Active participation in international committees and networks should be a cross-sectoral priority.

To read the full national report and the comprehensive Europe-wide report with all references, please visit: www.sdwatcheurope.org/SDG10



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- ¹ This figure is for disposable income. http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_di12&lang=en
- ² EAPN. (2018) Poverty and Social Exclusion in Lithuania 2018. Available at: <https://www.eapn.eu/wp-content/uploads/2018/10/EAPN-PW2018-Lithuania-EN-FINAL.pdf>
- ³ Eurostat at-risk-of-poverty and social exclusion rate is proportion of the population living below 60% of median income after transfers. See https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:At-risk-of-poverty_rate
- ⁴ https://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion
- ⁵ Statistics Lithuania – Official Statistics Portal. <https://osp.stat.gov.lt/en/web/guest/statistiniu-rodikliu-analize/#/>
- ⁶ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=People_at_risk_of_poverty_or_social_exclusion#Analysis_of_populations_at_risk
- ⁷ EAPN (2018) op.cit.
- ⁸ Ibid.
- ⁹ Women and Men in Lithuania 2017. Lithuanian Department of Statistics. <https://osp.stat.gov.lt/services-portlet/pubeditionfile?id=30580&fbclid=IwAR2FIVrIJE4tQAtIoSID5jBBZ5GYffT94gaNHMRreNVL6X5LWf2lekFpE>. (25.03.2019).
- ¹⁰ BNS. "Žemiau Skurdo Ribos – Daugiau Kaip Penktadalis Lietuvių." ("More Than One Fifth of Lithuanians Are Below the Poverty Line") Diena.lt. 2018. <http://www.diena.lt/naujienos/lietuva/salies-pulsas/zemiau-skurdo-ribos-daugiau-kaip-penktadalis-lietuviu-876317>. (25.03.2019).
- ¹¹ European Institute for Gender Equality – EIGE. Gender Equality Index 2017. Time Indicators in Lithuania. (2015 data). <https://eige.europa.eu/gender-equality-index/2015/domain/time/LT>. (Accessed 25.03.2019).
- ¹² Andrikienė, Laima, and Rūta Vaičiūnienė. "Lyčių Nelygybė Lietuvoje: Analizė Ir Vertinimas Remiantis Lyčių Lygybės Indeksu 2015 (EIGE)." ("Gender Inequality in Lithuania. Analysis and Evaluation Based on the Gender Equality Index 2015 (by EIGE).") http://culturesociety.vdu.lt/wp-content/uploads/2017/02/4_Andrikiene_Vaiciunienie_LyciuNelygybeLietuvoje.pdf. (25.03.2019).
- ¹³ Homosexuals were seen as unwelcome as both neighbours and colleagues. The survey concluded that Lithuanian are homophobic.
- ¹⁴ The survey measured the manifestations of discrimination among the Lithuanian population over the last 5 years (2007-2012).
- ¹⁵ Diversity Development Group, Lithuanian Report on Migration, Sustainability and Development Education, 2018, <https://www.developoptogether.eu/documents/outputs/national-audit-reports/Lithuania.pdf> (25.03.2019).
- ¹⁶ In 2014, under pressure from the EU, the government adopted new guidelines and an action plan for the integration of foreigners: Lithuanian Migration Policy Guidelines and Action Plan for Implementation of the Policy for the Integration of Foreigners
- ¹⁷ Diversity Development Group. op.cit.
- ¹⁸ UNHCR. Overview Northern Europe. Last updated 07/04/2019. https://data2.unhcr.org/en/documents/download/68318#_ga=2.10176501.192323765.1556968474-361991843.1556968474
- ¹⁹ The fall in ODA has been in relative, not real, terms owing to Lithuania's rapid economic growth.
- ²⁰ Seimas of the Republic of Lithuania - Resolution No XIII-2564 on the Implementation of the UN Sustainable Development Goals in Lithuania. https://www.lrs.lt/sip/portal.show?p_r=119&p_k=1&p_t=261138
- ²¹ The Organisation for Economic Co-operation and Development (OECD) <http://www.oecd.org/countries/lithuania/oecd-members-agree-to-formally-invite-lithuania-as-36th-member.html>
- ²² Asylum, (labour) immigration, integration/ inclusion, diaspora, anti-trafficking polices etc.