INEQUALITIES IN LITHUANIA
HIGH LEVELS OF INEQUALITY IN A CONTEXT OF RAPID ECONOMIC GROWTH

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EXECUTIVE SUMMARY

Income and wealth

Lithuania is one of the fastest growing economies in Europe but, with a Gini coefficient of 37.6 (2017), 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.

The proportion of the population at risk of poverty in 2016-17 was 29.6%. 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. 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%).

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. 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.

Gender

In 2016-2017 the gender wage gap increased from 14.4% to 15.2%. 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.

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.

Source: http://www.stopskurdas.lt/wp-content/uploads/2018/10/SKURDAS-IR-SOCIALINE-ATSIRKTIS-2018.pdf?bclid=kwAr1dW-3jbi_LjUm4ZyFchG7U5xwqDyv_u1cWATMY7yBgsZYo1je_1_is

INCOME GAP BETWEEN RURAL AND URBAN IN LITHUANIA

In 2016, the median income of households in rural areas was only 65% of the median income of households in urban areas. This is one of the lowest rates in the EU and it is declining over time (from 71.7% in 2010).
This gap has also increased and is greater in couples with children, where 97% of women do the cooking compared to 23% of men.\textsuperscript{11} The burden of childcare and other dependent family members, as well as housekeeping, restricts women’s access to economic welfare and independence.\textsuperscript{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, homosexuals\textsuperscript{13} and people with mental disabilities were 44%, 37% and 48% respectively. The survey\textsuperscript{14} indicated that levels of prejudice have intensified in the last five years and seem unlikely to improve.

**Migration**\textsuperscript{15}

Treatment of refugees is poor;\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{19} In 2018 the Lithuanian parliament (Seimas) approved a resolution outlining the importance of international cooperation and development.\textsuperscript{20} In July 2018, Lithuania officially became the 36th member of the OECD.\textsuperscript{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.\textsuperscript{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.
In Lithuania, income inequality is rising as a result of rising earnings on the top of the wage distribution scale, and incomes of non-wage-earning households do not increase at the same rate. Although it has declined slightly, it is still one of the highest in the EU. In 2015, the fastest growing earnings were 10% of the richest population in the EU, although in 2016 growth has become more moderate. On the other hand, with the rapid growth of wages and rising inflation, the poorest (mostly those who do not receive wages) did not grow so rapidly. The ratio of 10% of the poorest households to the median of income has steadily increased: from 10.23 from around the EU average in 2013, to 12.45, one of the highest in the EU in 2016. This increase in market revenues is also due to the inability of the relatively flat-rate income tax system to limit the increase in the distribution of income at the top of the scale.\textsuperscript{23}

The risk of poverty (the proportion of the population living below the 50% median of income) is also increasing in Lithuania (see table). The most vulnerable groups are young people, families with young children and people over 65 years.

\textbf{Source: Eurostat – indicators of income inequality in 2015 – 2017.}
Inequalities in Lithuania

Lithuanian residents living below 50 percent income medians, %

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<tr>
<td>At-risk-of-poverty rate</td>
<td>14.6</td>
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<td>0–17</td>
<td>18.9</td>
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<td>18–24</td>
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<td>25–49</td>
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<td>50–64</td>
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<td>65 and older</td>
<td>3.7</td>
<td>4.6</td>
<td>5.1</td>
<td>8.4</td>
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Source: Lithuanian Department of Statistics

High levels of income inequalities and poor access to basic public services reduce opportunities for lower advantage citizens and rural population. A large proportion (69.2%) of low-skilled children are at risk of poverty (compared to the EU average of 52.4%).

Although this disadvantage is not reflected in learning outcomes to an extent in other EU countries, high levels of poverty and social exclusion make it more difficult to obtain good quality healthcare, childcare and education. Inequality also has a spatial dimension. This means, that in 2016 the median income of households in rural areas was only 65% of the median income of households in urban areas. This is one of the lowest rates in the EU and it is declining over time (from 71.7% in 2010).

The European Commission identifies the high employment inequalities between low and high skilled workers, the limited progressiveness of the tax system and the weakness of social protection as the main reasons for the increase in income inequality in Lithuania. Moreover, the reduction of inequality in the efficiency of the Lithuanian tax relief system than in other European Union countries. The analysis of the 2018-2020 Strategic Plan of the Equal Opportunities Ombudsperson of the Republic of Lithuania, approved in 2017, leads to the conclusion that various state projects have been started or continued in recent years with the aim of promoting equality between women and men at the level of local self-government; raising general public, business and public sector awareness of the benefits of equal opportunities for women and men in the labour market; reducing discrimination.

In 2017-2018, in order to reduce poverty and income inequality, the minimum wage was increased, the amount of non-taxable income and social insurance pensions was increased, the state-supported income was increased, which is particularly relevant for people at risk of poverty receiving social assistance. Moreover, particular measures to support children and young families in housing were applied.

Gender Equality

In recent years, the Lithuanian state has continued to integrate the issue of gender equality into the country’s strategic plans, drawing attention to the importance of equal opportunities for men and women in the economic area for the country’s development. In 2018, the Ministry of Social Security and Labour of the Republic of Lithuania approved the 2015–2021 Action Plan for the Implementation of the National Programme for Equal Opportunities for Women and Men for the period 2018-2021, which envisages continuing the implementation of equal opportunities, reduction of segregation and differences between the sexes, promoting inter-institutional cooperation and involving other ministries and non-governmental organizations.
In the labour market; fighting against stereotypes. The 2017 quantitative survey performed by the Lithuanian Department of Statistics (LDS) presents the essential facts about the situation of gender equality in Lithuania. Concerning gender pay gap data by sector (industry, construction and service companies), the general economic indicator for 2016-2017 shows an increase in the wage gap (from 14.4% to 15.2%). Indicators of people at risk of poverty or social exclusion, showing that their income is lower than the estimated poverty risk threshold, also reveal a statistical tendency for women to be more exposed to poverty, poverty risk or material deprivation than men. Single women of retirement age are at greatest risk of poverty. Smaller retirement pensions for women are caused by the pay gap between men and women, which stood at 14.2% in 2017. Another cause is family responsibilities undertaken when women decide to be home-makers.

Time allocation indicators are crucial for the country’s economy. According to the data of the European Institute for Gender Equality for 2016, Lithuania’s rating concerning time spent on childcare, housework and social activities has declined. Women spend more time on family care and housework, and the difference between time spent by men and women on housework is almost three times higher than the time spent on taking care of other family members. The above aspects of time, where the gender gap is significant, are closely linked to women’s economic dependence and unpaid work within the family, which is still regarded as the primary duty and obligation of women. The index shows that men are poorly involved in family work, so women have the greatest responsibility for the care of children and households, which they devote much of their time to. The burden of care for children and other dependent family members as well as housekeeping limits women’s access to economic welfare and independence. This inequality limits women’s access to paid employment, exploiting their potential, which reduces productivity and affects the future performance of the country’s economy.

The survey of the Lithuanian Department of Statistics also shows that much larger proportion of men than women were involved in making important state decisions in 2018. Women represent less than 40 per cent of the countries Members of Parliament, 22 per cent of heads of diplomatic missions (which is less than in 2017), and in the government, ministers are all men. Gender equality in terms of participation in decision-making is particularly important for the economic performance of the country. The same source suggests that, in terms of higher education, women in Lithuania are more educated than men. This means that under-representation is caused not by a lack of competence or qualifications, but possibly by the existence of statistical discrimination, i.e. individuals are assessed on the basis of the group’s average characteristics rather than individual features. Therefore, although qualified women are available, they are often not taken into account in the promotion or evaluation process. Discrimination not only results in unequal results but also reduces productivity, wastes talent and causes a lack of incentives to invest in human capital at a discriminated group, which results in inefficient allocation of state resources.

These aspects of structural inequality between men and women lead to the conclusion that this is still a particularly sensitive issue in Lithuania. Trends based on indicators and statistics may stem from the persisting and prevailing stereotypes of women and men in society, their role in the general household and the labour market. The mistrust of women involved in important decision-making or the inherent discourse of a traditional family model are among the obstacles to women’s empowerment and advanced equality in society. The legal framework of the state creates a theoretical climate for improving the position of gender equality and equal opportunities, but it is not effective in practice. Therefore, the authoritative institutions of the Republic of Lithuania are encouraged to become more involved in the search for innovative solutions and the practical implementation thereof, starting with the involvement of municipalities in the process of planning and implementing equal opportunities policy.
Public Attitudes Towards Different Social Groups

Lithuanian society is very uniform, so the reception of different social groups is still a big challenge. During the survey aimed at investigating the social distance of certain groups, the interviewees had to indicate groups of people with whom they would not want to share a neighbourhood or workplace, as well as change in their attitudes towards those groups. The results showed that the country’s inhabitants would not like to live near Romani people or former prisoners (59% and 57% accordingly). In second place, the least desirable neighbours were homosexuals (47%) and people with mental disabilities (44%). In third place were Jehovah’s Witnesses (39%).

Source: Office of the Equal Opportunities Ombudsperson
The survey reveals that the country's population is homophobic and that the situation is getting worse: homosexuals are not only some of the most unwelcome neighbours, but also colleagues. Public attitudes towards them over the last 5 years (according to respondents) have worsened among the majority of social groups surveyed. Similarly, the situation of Romani people and former prisoners is poor and looks unlikely to improve. People with mental disabilities are isolated and particularly undesirable at work, while there are three other groups that respondents did not want living near them. Citizens' opinions about members of society with mental disabilities, unlike those with physical disabilities, have remained almost the same over the past 5 years. The situation of people with physical disabilities is much better, with only 7% of the population not wanting to live near them and 8% not wanting to share a workplace with them. Public attitudes towards this group are improving, likely due to social initiatives and public awareness.

Source: Office of the Equal Opportunities Ombudsperson
Unfortunately, the most recent survey of this kind was conducted in 2012, so it is not possible to predict more recent public attitudes towards individual social groups or how they might be changing.

According to the results of the study conducted in 2012, 12 per cent of the Lithuanian population have been victims of discrimination themselves, while 24 per cent have not experienced discrimination; others have become aware of discrimination only through the media.

However, in recent years, the rapidly growing number of inquiries submitted to the Office of the Equal Opportunities Ombudsperson (see diagram below) shows that the public is increasingly experiencing at least some form of discrimination and is better informed about their options to defend their rights.

According to the survey, it can be said that the understanding of the population about equal rights and discrimination against people due to their origin, gender, age, etc. is rather low, and little has changed in the last few years. Strengthening awareness of human rights and equal opportunities awareness still remains a challenge for society as a whole.

Summarising the survey results, it can be stated that the attitudes of the Lithuanian population in respect of certain groups has not changed much.
Target 10, goal 10.7, which encourages the facilitation of “orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies” (UN, 2015). While the migration policy framework at the national level is far from effective, the government has arguably made significant improvements in migration management in 2014, when it adopted the “Lithuanian Migration Policy Guidelines” and the “Action Plan for Implementation of the Policy for the Integration of Foreigners”. Even if triggered by the so-called ‘refugee crisis’ and political pressure from the EU, this was the first time that a more explicit migration strategy containing long-term goals and priorities was implemented (Žibas, 2015). Its main objectives include the continuous improvement of the integration system for foreigners, periodical release of strategic planning documents, promotion of public tolerance towards immigrants and ethnic minorities, and compliance with asylum procedures and reception conditions in relation to EU standards (the Government of the Republic of Lithuania, 2014).

However, a lot still has to be done in order to achieve mobility-related SDGs. Other targets of the Agenda 2030 include the creation of “secure working environments for all workers, including migrant workers”, protection of migrant rights and ending all forms of exploitation (UN, 2015). The major issue that hinders the achievement of these goals is the ineffectiveness of the integration mechanism. According to the Migrant Integration Policy Index (MIPEX 2017) indicators, there has been no significant improvement regarding integration of foreigners since 2007. Migrants face difficulties in accessing information about relevant integration and public services, the education system is not prepared to accept foreigners’ children, and migrant workers are not eligible to receive any assistance in finding employment or improving their qualifications (HRMI, 2018).

Flawed implementation of the legislation, alongside gaps within the strategies, is the reason why asylum, migration and integration policies do not fully fulfil the second aspect of migration policy guidelines of SDGs. The lack of a decent integration system determines that immigrants in Lithuania, especially refugees, are highly vulnerable social groups. The situation is even worse in relation to refugees only. The financial support that should help refugees to integrate is not enough for basic needs, language courses are not sufficient, and psychological consultations are mostly unavailable due to language restrictions (HRMII 2018). Alongside high prevalence of anti-immigration attitudes among Lithuanians that do not seem to be systematically tackled, the current circumstances hardly create a safe and sustainable environment for migrants. Rather than being successfully integrated, migrants, and especially refugees, are forced towards social isolation and economic deficiencies.

While national migration, asylum and integration policies have a substantial legal basis in order to meet migration guidelines of SDGs, implementation and a lack of consideration of migrants’ rights do not allow the standards of the Agenda 2030 to be met. Despite legal commitments to raise public tolerance towards immigrant and ethnic minorities, the government bodies remain largely inactive. When the lack of political communication is combined with ineffective integration policies, the majority of refugees leave the country for other EU Member States, and public attitudes towards the minorities arguably worsen even further.

As a member of the EU, Lithuania has participated in the EU resettlement programme. The country has committed to accept 1 105 refugees and in that way show solidarity with the EU as well as asylum seekers. However, the Ministry of Social Security and Labour has reduced integration allowances by 50%, thus shortening the length of integration programmes soon after the commitment was made. According to the UNHCR ambassadors in Lithuania, current conditions for refugees in the country are not substantial for effective integration.
Inequalities in Lithuania

Such conditions prompt refugees to leave for more prosperous Nordic and Western Member States that offer better living standards for individuals granted asylum (European Website on Integration, 2016). Therefore, Lithuania’s response to the so-called “refugee crisis” is controversial. While the country has agreed to the quota system, the actions of the government arguably indicate an unwillingness to integrate refugees.

If interpreted in the general context, it could be said that changes in asylum policies after agreeing to the quota illustrate that the political will to address global issues beyond national interests is still low, and the current engagement is rather imposed “from above”; there is a lack of awareness regarding the need for a more global approach not only at the public, but also at the policy level. The most important issue related to migration and sustainable development, as touched upon in both focus groups, is the lack of awareness about global issues among the general public. Lithuanians focus on local matters and do not see the links between national interests and global processes. The society seems to lack understanding about global interdependency; the public does not see themselves as global citizens.

Development cooperation

The main area in which Lithuania contributes to reducing inequality internationally is development cooperation. Official Development Assistance of Lithuania has risen from USD 36.7 million in 2010 to USD 59.3 million in 2017.

In 2015-2017, Lithuania implemented 265 development cooperation projects in the areas of administrative and institutional capacity building, law, energy, health and education, as well as projects aimed at strengthening civil society, implementing equal opportunities and women’s rights, supporting freedom of the press and pluralism, and the geography of Lithuanian bilateral development cooperation activities expanded to 24 countries. Lithuanian non-governmental organisations are being increasingly involved in the implementation of development cooperation policy: in 2017, only 22 per cent of all projects were implemented by the public sector, while the rest of the projects were implemented by NGOs and businesses.

![Development aid](chart.png)

Source: Office of the Equal Opportunities Ombudsperson


7 EAPN (2018) op.cit.

8 Ibid.


13 Homosexuals were seen as unwelcome as both neighbours and colleagues. The survey concluded that Lithuanian are homophilic.

14 The survey measured the manifestations of discrimination among the Lithuanian population over the last 5 years (2007-2012).


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.


19 The fall in ODA has been in relative, not real, terms owing to Lithuania's rapid economic growth.


22 Asylum, (labour) immigration, integration/ inclusion, diaspora, anti-trafficking polices etc.


Inequalities in Lithuania


Inequalities in Lithuania
The European-wide project **Make Europe Sustainable for All (MESA)** is coordinated by the European Environmental Bureau (EEB) and implemented in 15 European countries by 25 partners. It aims to raise citizens’, CSOs’, and policy-makers’ awareness on the Agenda 2030 and the Sustainable Development Goals (SDGs), adopted by the 193 Member states of the United Nations in 2015. At the core of the project are campaigns and advocacy on inequalities, sustainable agriculture, gender equality, climate change, migration and sustainable consumption and production. This report was produced as part of the **Fighting Inequalities** campaign of the project, and contributes as well as the global **Faces of Inequality** campaign, which gives social exclusion, poverty and discrimination a face.

#SDGS4All  
https://makeeuropesustainableforall.org  
https://makeeuropesustainableforall.org/fight-inequalities  
https://gcap.global/faces-of-inequality

«National Non-Governmental Development Cooperation Organisations’ Platform (Lithuanian NGDO Platform) brings together 20 Lithuanian non-governmental organisations working in the field of development cooperation (DC) and development/global education. NGDO Platform was established on March 29, 2007.

Main areas of activities:
- Public awareness raising and civic education on sustainable development issues;
- Increasing opportunities for Lithuanian NGOs to participate in international development cooperation;
- Representation of the NGDO Platform and its members at national and international organisations and networks;
- Active participation in shaping and implementing Lithuanian, EU and UN development cooperation policies;
- Developing and strengthening the capacities of the NGDO Platform and its member organisations.»