



EMIN Context Report LITHUANIA

Developments in relation to Minimum Income Schemes

Author: Prof. Boguslavas Gruževskis,
Vilnius University

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What is EMIN?

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at www.emin-eu.net

What is the Context Report?

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realisation of adequate Minimum Income Schemes in that country. These Country Reports can be found on www.emin-net.eu (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in Lithuania since the publication of the Country Report.

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Author of Report: Prof. Boguslavas Gruževskis, Vilnius University

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The information contained in this report does not necessarily reflect the official position of the European Commission.

Definitions used in the EMIN Project

Minimum Income Schemes are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

EMIN aims at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

Adequacy is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

Accessible is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries
- personal barriers such as lack of information, shame or loss of privacy.

Enabling is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

Contents

Section 1: Evolution in laws and regulations regarding minimum income schemes 5

Section 2: Use of reference budgets in relation to Minimum Income 10

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process 11

Section 4: Political Developments impacting on the reference budgets in relation to Minimum Income..... 13

Section 5: Developments in relation to the Lithuanian EMIN Network 14

Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

Changes in the legislation and regulations governing minimum income schemes in your country with regard to

- *Eligibility conditions (lack of sufficient resources, age requirements, residence...)*
- *Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)*
- *Levels of payment, uprating*
- *Links with other benefits*
- *Governance of the schemes?*

The provision of cash social assistance for poor residents is regulated by the Republic of Lithuania Law on Cash Social Assistance for Poor Residents¹. Pursuant to this legal act, poor residents shall be paid social benefits and compensations for heating, hot and drinking water expenses (hereinafter referred to as the “compensations”). The right to cash social assistance is granted to families and single residents who cannot earn a living due to objective reasons and have used all other possibilities of receiving income. Cash social assistance is provided taking into consideration not only the received income, but also owned property. Social benefits and compensations are granted to poor residents, if the value of their property does not exceed the average property value set for their residential area². Cash social assistance is applied to persons whose information about the place of residence in the Republic of Lithuania (in the case of persons without the place of residence – the information about the municipality in which they are resident) are entered in the Residents' Register of the Republic of Lithuania.

Taking into consideration the best practice of reorganisation of the cash social assistance system and its results in five pilot municipalities of Akmenė, Panevėžys, Radviliškis, Raseiniai and Šilalė districts, the amendments to the Republic of Lithuania Law on Cash Social Assistance for Poor Residents³ adopted on 26 November 2013, the provision of social benefits has been assigned as an independent municipal function to other 55 municipalities as of 1 January 2014.

After the mentioned amendments to the Law came into force, in five pilot municipalities the provision of cash social assistance (social benefits and compensations) has remained unchanged, i.e. from 1 January 2012 until 31 December 2014 a pilot project was

¹ Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675.

² The value of a person's owned property should not exceed the average property value set for their residential area. The standard value of an area unit of real property of every type is established by the State Enterprise Centre of Registers and posted on its website according to the average values of real property as of 1 January every year in Lithuanian cities, municipality centres and other municipal territories.

³ Law Amending and Supplementing Articles 4 and 23 of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. XII-621.

implemented (assistance was provided when implementing the independent municipal function financed from municipal budget funds), the rest 55 municipalities have been providing social benefits as of 1 January 2014 when fulfilling the independent municipal function financed from municipal budget funds, and compensations – when fulfilling the state function (assigned by the state to municipalities) financed with the special target grants allocated from the state budget to municipal budgets.

On 2 December 2014, continuing the reorganisation of the cash social assistance system commenced in 2012, the Law Amending the Republic of Lithuania Law on Cash Social Assistance for Poor Residents was adopted⁴. Pursuant to the Law, **all municipalities provide cash social assistance for poor residents (social benefit and compensations) as of 1 January 2015 by fulfilling their independent municipal function financed from the municipal budget funds.**

Starting with 2015, after the amendments of the abovementioned Law became effective, all municipalities provide cash social assistance for poor residents under equal conditions, renouncing the grounds to grant, not to grant, reduce, etc. social benefits and compensations in accordance with the procedure established by municipal councils. This discretion has been allowed for municipalities only in those situations when social assistance is granted in other non-established cases (a lump-sum benefit is granted, the housing debt is paid, etc.). It also establishes that municipal budget funds allocated for calculating and paying cash social assistance which are not used shall, where necessary, be primarily used to finance other social assistance in accordance with the procedure established by the municipal council. It also established, that according to the changes, which affects the state budget and (or) local budget commitments for cash social assistance, as well as the economic recession in the country or regional socio-economic development changes in municipalities and (or) an increase of the market price of energy and fuel, that are used for house heating or hot water, the municipalities must to adjust funds need for cash social benefits. In the case when funds are not sufficient to provide cash social benefits, additional amount of finance is assigned from the state budget.

Seeking to create the conditions for receiving assistance when a person is in great need and to reduce social exclusion, municipal administrations have been granted even more rights in the process of providing social assistance for poor residents. Having evaluated living conditions, a municipal administration shall have the right to: compensate for a larger share of heating expenses than established in the law, but not exceeding 10 per cent of the difference between the income of cohabitants or a single resident and state supported income for cohabitants or a single resident; grant cash social assistance to a child (adopted child) of full age under 24 as a single resident, who is a student according to the general education programme (including the period from completion of the general education programme until 1 September of the same year) or according to the formal vocational training programme, or is a student at a higher school (including the period of academic leave due to sickness or pregnancy), when one of his/her parents (adoptive parents) dies. In order to encourage the financial concern of recipients of social benefits with finding employment and remaining in the labour market, the limit of personal income has been increased as of 1 January 2015 from 20 to 50 per cent of the amount of state supported income (up to EUR 51), when, after evaluation of living conditions (e.g. the increase in income having become employed, thus losing the right to receive social benefits in accordance with the general statutory procedure, etc.), a municipal administration shall be

⁴ Law Amending Articles 4, 8, 10, 12, 17, 21 and 23 of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675.

entitled to grant social benefits by way of exception.

In order to secure the rights of poor residents, the legal act establishes that apartment owners of a multi-apartment building who have not participated in the meeting, in which the implementation of the project of renovation (modernisation) of a multi-apartment building was discussed and the respective decision was adopted and who refused to take part in the project shall suffer from negative consequences (reduction of the compensated part of heating expenses and subsequent termination of granting compensation) only in cases where the project of renovation (modernisation) of a multi-apartment building has not been launched due to the acts (inaction) of these persons. The law also stipulates a provision that cohabitants with children (adopted children) shall have the right to receive cash social assistance also during the period of suspension of paternity suit when the court assigns expert examination on consanguinity determination; the conditions to receive cash social assistance for self-employed persons and persons who nurse or take care of another person and/or have been appointed as guardians (foster parents) of another person, etc. have been simplified.

Interinstitutional cooperation has improved. Seeking to integrate beneficiaries of social benefits in the labour market, the possibilities of information systems have been expanded in order to ensure cooperation between territorial labour exchange offices and municipalities. Municipalities have been actively cooperating with the territorial offices of the State Tax Inspectorate and the State Labour Inspectorate as well as other institutions in order to prevent abuse of assistance by those who have illegal income, illegal employment, sell smuggled goods, etc.

The tables below summarize the data provided by The Ministry of Social Security and Labour. Table 1 shows that there was a turnover of assistance beneficiaries as it was noted in the report. The decrease of the number of beneficiaries shows that the reform of minimum income scheme reform helped to reduce misuse of social assistance by dishonest receivers and to target those who are mostly in need. It is also worth to mention that reform started in the period economic growth. Therefore, the reform of social support system and economic situation in Lithuania both led to the decrease of the coverage of social assistance. Table 2 shows that this situation saved a lot of money since expenditure on social assistance also decreases every year.

Table 1

Number of recipients of social assistance benefit				
2012	2013	2014	2015	2016
221 922	190 009	140 114	110 701	87 898

Table 2

Expenditure on social assistance benefit thousand EUR				
2012	2013	2014	2015	2016
173 622,4	147 174,1	103 786,5	77 323,2	60 709,8

However, it is still not clear how the situation of standard of living has changed since there are no comprehensive studies on this subject. Despite the decrease of recipients of social

assistance benefits, at risk of poverty or social exclusion rate has increased and is one of the highest among the EU.

EAPN Lithuania supports the decision to give over organizational functions of social assistance to municipality. However, organization highlights the lack of evaluation of qualitative measures of the reform effects rather than quantitative. EAPN Lithuania expresses concern about possible negative consequences of the reform since it is still not clear what happened with those who no longer receive the support.

Therefore, EAPN Lithuania is carrying out a pilot study on evaluation of the social assistance reform in Lithuania. Interim findings showed that the reform may have negative effects because of strict conditionality which may lead to increasing non-take-up rates. Furthermore, municipalities interest at saving money is carried out at beneficiaries' expense is a negative aspect of the reform. Thus, study revealed that social assistance system in Lithuania may not reach its main goal and do not reduce poverty effectively.

Seeking to improve the implementation of cash social assistance, including **assurance of coverage and adequacy** of cash social assistance, i.e. to make less strict sanctions to whose recipients of social benefit who participate in active labour market policy measures or in social useful activities organized by the municipal administration and to make more favourable conditions to receive additional social benefit, amendments of the Law on Cash Social Assistance for Poor Residents have been prepared and Law Amending Articles 1, 2, 8, 10, 12, 17, 20, 23, 25 and the Annex of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675 was adopted on 20 September 2016⁵.

The amendments of the Law came into force in 30 September 2016:

1. Expanded the list of circumstances under which cash social assistance cannot be reduced.

The scheme of proportionate reduction of social benefit is not applied if:

- 1) Labour Exchange did not offer a job or to participate in active labour market policy measures;
- 2) Employable unemployed, not studying working age persons receiving social benefit participate in social useful activity organized by the municipal administration.

2. Rejected the provision which precludes granting social benefit for persons who had been granting social benefit for more than 60 months.

If social benefit is paid more than 60 month, reduced social benefit shall be paid in non-monetary form. This provision will be applied until 12 months during last 24 months social benefit recipient will be unemployed or will not take part in social useful activity.

3. Created more favorable conditions to receive additional social benefit after employment.

If social benefit recipient before employment was registered with local labour exchange of Lithuania or national employment service of another state **not less than 6 months** and did not work during this period or worked less than it is set in the Law, or worked in public works, after employment shall be additionally paid social benefit the amount of which is equal 50 per cent of the average amount of the social benefit paid during the last 6 months prior to employment for each month related to labour or service relationships but not longer than for 6 months.

⁵ Law Amending Articles 1, 2, 8, 10, 12, 17, 20, 23, 25 and the Annex of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675.

4. Seeking to boost motivation of persons of working age, who are capable of work, to integrate in the labour market, **the training grant for unemployed, who are involved in the workers training, is excluded from the calculation of income to establish assistance level.**

In June 2017 the VAT heating compensation has been cancelled – it has been moved from the presently valid 9% to 21%. On the first June 2017 came into force the Law Amending Articles 7 and 11 of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675⁶. According to the amendments of the Law the formula of calculation of house heating compensation was changed: a family (persons living together) or a single resident shall pay for the heating of the accommodation not more than 10 per cent (before the amendments was 20 per cent) of the difference between the received income and the SSI provided to a family (persons living together) or a single person. The cancellation of the VAT compensation was followed by conflicting discussions in the society. It has been called into question if the cancellation of the compensation will be economically effective and if there will be an increase in number of those impelled to ask for social financial assistance.

*Evolution with regard to **adequacy** of minimum income?*

According to the amendments of the Law on Cash Social Assistance for Poor Residents⁶ since 30 September 2016 expanded the list of circumstances under which cash social assistance cannot be reduced; the training grant for unemployed, who are involved in the workers training, is excluded from the calculation of income to establish cash social assistance level. **See information above.**

*Evolution in terms of **coverage** or **take-up** of benefits?*

Law Amending the Republic of Lithuania Law on Cash Social Assistance for Poor Residents⁵: municipalities have been conferred the right to grant social benefits also in cases when a person's (family's) income exceeds the amount of state supported income (the limit of earned income has been increased from 20 per cent to 50 per cent of state supported income (EUR 51) as of 2015.

According to the amendments of the Law on Cash Social Assistance for Poor Residents⁶ since 30 September 2016 created more favorable conditions to receive additional social benefit after employment; rejected the provision which precludes granting social benefit for persons who had been granting social benefit for more than 60 months; the training grant for unemployed, who are involved in the workers training, is excluded from the calculation of income to establish rights to cash social assistance. **See information above.**

In order to increase the coverage of cash social assistance and its adequacy, possibilities to change the amount of the State Supported Income with regard to the amount of minimum needs of an individual (a family) are being considered.

*Evolution with regards to the **linkage** between minimum income schemes, (inclusive) **labour markets** and (quality) **services**?*

⁶Law Amending Articles 7 and 11 of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675.

It should be noted, that there is inter-institutional cooperation between municipalities and Labour Exchange. Seeking to integrate social benefit recipients into labour market, possibilities of Labour exchange and Social support information (SSIS) systems were expanded to ensure exchange of data and strengthen cooperation between territorial Labour Exchanges and municipalities: Labour Exchange receives data about social benefit recipients registered in territorial Labour Exchanges. Labour Exchange gives preference to integration of social benefit recipients into labour market (in 2016 28.2 thous. social benefit recipients (in 2015 33.2 thous.) were employed or sent to participate into active labour market policy measures).

Social support information system (SSIS) – system which operating under the provisions of the Agreement on strategic cooperation between the Ministry of Social Security and Labour and municipalities. SSIS objective – to collect, provide and sum up information on social assistance provided to the population, to supply ministry with statistical information on provision of social assistance on municipal level, to deepen cooperation of the state authorities and municipalities in providing social assistance.

In 2016 according to the data of municipalities 28.8 percent of all social benefit recipients participated in socially useful activities (in 2015 – 28.6 percent). The amount of beneficiaries participated in socially useful activities depend on the employment and participation in the active labour market policy measures.

It is planned to improve reconciliation of cash social assistance, social services and active labour market policy measures further in order to pass from passive to active forms of social assistance.

Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in Lithuania. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

Recent initiatives to develop reference budgets or to adapt existing reference budgets?

- *For what purposes are they developed or used? By whom?*

Until the year 2017 Lithuania did not have the statutory amount, defining the minimum basket of goods and services necessary for living. By the order of the Minister of Social Security and Labour No. A1-236 of May, 10, 2017 the methodology (hereinafter referred to as the Methodology) for the calculation of the minimum amount of consumption needs for an individual (family) (hereinafter referred to as MCN) was approved. The methodology was developed by Dr. Jekaterina Navickè. Following this methodology since the year 2018 the amount of funds required for meeting the minimum personal food and non-food (products and services) needs will be calculated and identified every year. In 2017 the calculated MCN is EUR 238, 35. MCN can be used for the following purposes: to assess the social assistance system; to identify the basic parts of insurance benefits; to determine tax benefits and entitlements; to perform poverty monitoring; to determine the level of absolute poverty, etc.

Currently the linking of state supported income to MCN is planned, which, among other things, would affect the calculation of the rates of cash social assistance to poor residents as well as the determination of the right to the above mentioned assistance.

- *What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?*

The preparation of the methodology and looking for solutions on better calculation of MCN involved the cooperation with scientists, Ministry of Health and Lithuanian Department of Statistics, the ongoing discussions in the Ministry of Social Security and Labour. The MCN and its calculation were presented to the LR Seimas as well as the general public. It was decided that the introduction of this value is necessary in Lithuania and the methodology was approved by the order of the Minister of Social Security and Labour No. A1-236, of May 10, 2017.

- *How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness raising?*

The linking of cash social assistance to poor residents to MCN will affect the changes in cash social assistance adequacy and scope, because, for example, with the growth in food and commodity prices the rates of the above mentioned assistance would increase respectively. In our opinion, it is a very effective tool to increase relevance of the state social assistance policy to the real needs of the population. This tool (this mechanism) is also useful because it reduces the dependency of social assistance on the political conjuncture (the influence of political decisions) and increases the compliance with the real needs of the population.

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum **Income**. Evidence can also be found in EAPN's assessment of **National Reform Programmes 2016**. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.

In implementing the recommendation of the Council of the European Union for Lithuania for 2015 and for 2016, seeking to improve the implementation of cash social assistance, including assurance of coverage and adequacy of cash social assistance, i.e. to make less strict sanctions to whose recipients of social benefit who participate in active labour market policy measures or in social useful activities organized by the municipal administration and to make more favourable conditions to receive additional social benefit, the Law Amending Articles 1, 2, 8, 10, 12, 17, 20, 23, 25 and the Annex of the Republic of Lithuania Law on Cash Social Assistance for Poor Residents No. IX-1675 was adopted on 20 September 2016⁶. **See information in section 1.**

Cash social assistance rates depend on one of the social security benefits indicators, i.e. State Supported Income. Since 2015 Government of the Republic of Lithuania approved State Supported Income – Eur 102. In order to increase the adequacy of cash social assistance, the size of State Supported Income, which as well establishes the person's right to assistance, should be increased. But it should be noted that the state guaranteed social assistance benefit is provided according to the social and economical conditions as well as state financial capabilities. Social assistance benefit also has to be coordinated with other social security benefits as to avoid the demotivation of the unemployed persons in joining the labour market and the minimal monthly wage, average wage, and applied tax exceptions are taken into consideration.

In order to increase the coverage of cash social assistance and its adequacy, possibilities to change the amount of the State Supported Income with regard to the amount of minimum needs of an individual (a family) are being considered.

Has EU funds being used to support developments in relation to Minimum Income Schemes

Neither currently nor in the future in Lithuania EU funds were used in relation to Minimum Income Schemes. However, in providing complex assistance to low-income people, EU funds are used for the development of social services, in particular for strengthening the active instruments of labor market policy, employment initiatives of disabled people as well as various social integration services provided by NGOs. *However, calls for NGOs funding make a small share of investments designated for the reduction of*

poverty and social exclusion. Furthermore, there is a big time gap between these calls so NGOs maintenance is not ensured. Unfortunately, the vast majority of investments aimed at reducing poverty and social exclusion is allocated to public institutions (e.g. labour exchange market).

While using the FEAD in 2017-2018 it is planned to purchase food supplies and essential hygiene products for 32 834 000,00 Eur.

The target group of the project - persons whose average monthly income does not exceed 1.5 the state-supported income approved by the Government of the Republic of Lithuania (153 Eur in total), with possible exceptions. This measure is surely a significant help for the most deprived people. At the same time, we would like to note that the program is poorly focused on the enabling measures. Therefore, we congratulate the initiative that 5% of the amount allocated to the distribution of food, will be designated to the provision of services. Also, in this programme we encourage to focus on the provision of social services.

Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes

In this section there is a brief sketch of the 'mood', the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travellers, growing nationalist sentiments etc.

What kind of social and political environment exists within which the EMIN project will operate?

Our current government indicates poverty reduction is one of its underlying goals, but the number of poor in Lithuania is still high (around 30% until receiving assistance). Not only beneficiaries are in necessity in Lithuania, but also low-income people earning the minimum wage (380 EUR). In 2014 Caritas Lithuania has carried out a comprehensive study on poverty issue. The respondents were asked, among other, to indicate the reasons for household poverty and 50% of those working indicated low wage as one of the reasons. Therefore, it is necessary to focus not only of the beneficiaries, but equally on those experiencing poverty while working. It is important to find additional measures to strengthen those who work for low wages not sufficient to cover family needs (at the moment the government is planning to increase the tax-free income to the size of a minimum monthly wage; to increase the Child Benefit; the increase of funding for afterschool education is being considered; the term of payments of unemployment benefits will be increased.)

During the implementation of the EMIN2 project the cooperation with the politicians will take place in order to create measures for poverty reduction (expert participation) – it is planned to join the MCN work group of Ministry of Social Security and Labour.

Another important task to accomplish during the EMIN2 project will be the raising of public awareness of the need of minimum income in Lithuania, since the poor and the beneficiaries are being stigmatized (although only 3% of the population receive financial assistance).

The task of EMIN2 project will also be the strengthening of the dialogue among the NGOs, the Lithuanian job market and the municipalities seeking that as many services as possible would be provided by the NGOs and communities. EAPN Lithuania and the

Lithuanian job market intend to sign a cooperation agreement concerning the strengthening of integration of long-term unemployed into the labour market.

Lithuania also has to deal with the problem of indebtedness. The current system in certain cases allows deducting up to 50% of a person's minimum wage, which is a strong disincentive for indebted people experiencing poverty to seek legal employment. Therefore, in the framework of EMIN2 project, the attempts will be made to change the practice of deduction for indebtedness from the minimum wage and from an income of a certain amount, if it is the individual's only income.

After the social financial assistance reform, the municipalities saved significant funds, part of which is being used not for social needs but e.g., for infrastructure or maintenance of schools. EAPN Lithuania is certain that an effective combat against social exclusion requires more financial resources for social needs. Municipalities could/shoud invest more into provision of social and integration services. As to indebtedness prevention, we suggest creating a credit system that would help a person who is unable to otherwise deal with his financial difficulties. A person who is in a difficult financial situation (e.g., seriously ill, threatened with eviction, after a disaster, victimized by theft, etc.) could borrow from the municipality on preferential terms, which might include an interest-free loan, a longer repayment term, or adjustable repayment plan.

As already mentioned in Section 2, the methodology for the calculation of the minimum amount of consumption needs for an individual (family) (hereinafter referred to as MCN) was approved by the order of the Minister of Social Security and Labour No. A1-236, of May 10, 2017. Currently, for the implementation of the methodology in Lithuania it is necessary to slightly improve the legal regulation of social assistance as well as financing, however, it is not a big problem. The main problem is a lack of financial resources. The application of MCN would require increasing the expenditure of the state budget on social assistance by over 30 percent, what is impossible at the current state budget of Lithuania. On the other hand, the current Lithuanian Government is not in conflict with the principles of the methodology and is planning to improve social assistance in that direction that in the future it would be possible to move on to the practical application of the MCN.

Section 5: Developments in relation to the Lithuanian EMIN Network

In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.

Is there a formal or informal steering group for your National EMIN Network (who is involved)?

In Section 2 it was already mentioned that the preparation of methodology and the search for solutions on better calculation of MCN involved the cooperation with scientists, Ministry of Health and Lithuanian Department of Statistics, the ongoing discussions in the Ministry of Social Security and Labour. Since March 2017 the Ministry Working Group "On linking social benefits to the MCN" was set up by the order of the Minister of Social Security and Labour. The head of the group is the counselor of the Minister prof. Romas Lazutka. Currently, the group is made up only of the Ministry staff. By the middle of the summer 2017 the group plans to complete its work and to begin the broad consultations with public as well as the representatives of other interest groups in autumn.

Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?

The representatives of the Ministry of Social Security and Labour working group "On linking social benefits to the MCN" have established contacts with the specialists from the Ministry of Finance as well as Lithuanian Association of Municipalities, whose assistance will be required for the implementation of the MCN in practice. In May, 2017 the group representatives together with the leaders of the Ministry of Social Security and Labour had a meeting with Lithuanian Prime Minister and presented him the possibilities for MCN application in Lithuania. The Prime Minister's approval was received however, it was noted, that the application of the methodology should be in line with the state budget opportunities to avoid increasing conflict with other costs, especially the financing of social policy.

Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?

Since the end of the EMIN1 project EAPN Lithuania has been in contact with the prof. Lazutka and carried out a study on poverty "The problem of indebtedness among people experiencing poverty in Lithuania". The study showed that a significant part of the poor are highly indebted to bailiffs. The debt collection practice currently in effect do not secure the minimum income since the bailiff can deduct up to 50% of the monthly minimum wage. Members of the Network and other NGOs described the self-defeating inefficiency of debt collection practices that deepen the "poverty trap", because indebted persons are discouraged from working when they are unable to retain a sufficient amount of income to live on. The debt collection practice currently in effect demotivates the poor as they do not manage to pay out their debts independently. They need to be accompanied and taught finance management skills. While publicising research outcomes EAPN Lithuania emphasised the importance of a minimum income which would need to be „secured“ and from which debts would not be deducted.

The representatives of the above mentioned Ministry of Social Security and Labour working group "On linking social benefits to the MCN" are actively involved in different national conferences, seminars, they have meetings with the representatives of municipalities, and they also inform the public about the content and application possibilities of the developed methodology. Moreover, the Ministry of Social Security and Labour and EAPN Lithuania have had some initial consultations related to this issue.