

Active inclusion and other policies to combat poverty and social exclusion from Lithuanian perspective¹

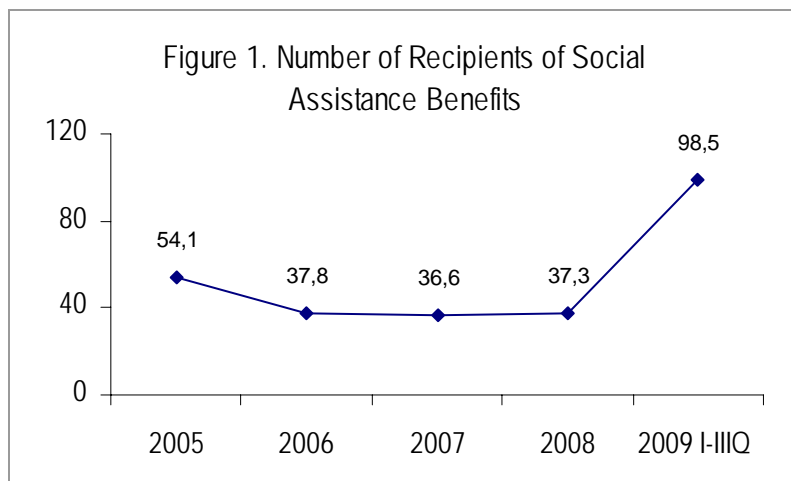
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A brief assessment of the possible relevance of the host country policy to Lithuania

The host country policy is very much relevant to Lithuania first of all in the sense of addressing goal of reduction poverty and social exclusion at the highest political level. The Government of Lithuania has not explicit strategy concerning poverty and social exclusion alleviation.

During the last decade Lithuania has experienced improvement of several social indicators. However, the improvement of the social situation was caused not by well designed and implemented social inclusion policy, but by excessive and imbalanced economic growth. The slowdown of economy has worsened the situation in labour market, raised the unemployment, and increased poverty. Since during the period of economic growth public policy did not deal with the poverty and social exclusion issues properly, the slowdown of the economy first of all has complicated situation of the poorest groups of population.

However, the Government do not pay enough attention on poverty and social exclusion issues when planning public finance measures. The Government does not announce any anti-poverty plan for time of crisis. Main issue related to social protection is plan of reduction of social expenditures and reallocation of some social benefits.



¹ This paper is based on three Reports that were written by Romas Lazutka together with co-author Arunas Poviliunas: LITHUANIA: Impact of the Economic and Financial Crisis on Poverty and Social Exclusion. A Study of National Policies. October 2009. LITHUANIA. Minimum Income Schemes. A Study of National Policies April 2009. LITHUANIA: Assessment of the social inclusion strand of the 2008-2010 National Strategy Reports for Social Protection and Social Inclusion (NSRSPSIs), September 2008.

The Government is not making any efforts to increase social support for poor and unemployed. Number of beneficiaries of social assistance is growing because of growing of poverty. However rules of entitlement are without changes and coverage of poor by social assistance remains low.

During the economic crisis Lithuanian Government has taken strategic decision to control public deficit, i.e. to increase the public revenues and reduce public expenditure, including expenditures on social benefits and salaries of public employees. At the same time the Government is promoting the ideas of improvement of business environment, stimulation of investments thanks to less public deficit and creation of jobs. It is wide spread opinion in the country about crucial role of creation of jobs as a main measures against poverty and social exclusion. In this context it is very much relevant conclusion of the 2006 ONPES report:

"In the ONPES report indicated the complex relationship between employment status and poverty in which unemployment increased the risk of poverty but employment provided only an imperfect defence against it. On the basis of this analysis, the report pointed to the need to integrate policy responses recognising, for example, that facilitating a person returning to work might be best achieved through a combination of education, training, health, housing and transport programmes."

A brief assessment of the similarities/differences of the host country policy with the experience of Lithuania

Lithuania has been engaged in the processes of poverty reduction and the promotion of social inclusion since 1997 when the initial poverty studies were carried out and especially since the preparation of the National Poverty Reduction Strategy in 2000.

The Strategy announced several quantified targets for poverty reduction.

First, the goal of eradication deep absolute poverty (income below State supported income; about 1 percent of population had income below this threshold) within three years (period 2001-2003).

Second, it was said in the Strategy "Poverty rate according to relative poverty line will be reduced from 16 to 13 percent until year 2005. Poverty rate of most vulnerable groups of population (single parents' families, families with three and more children, unemployed, and farmers) will be reduced to 20 percent."

Third, material deprivation and access to social services was foreseen: "everybody who feels lack of food, accommodation or clothes will be provided with minimal resources <...>. Everybody will have access to urgent health care and every child up to 16 years old will have an opportunity for education."

The President of Lithuania has appointed Commission for implementation of the National Poverty Reduction Strategy. However, the Commission didn't his job. The Strategy was not implemented and was simply forgotten in several years. There were no evaluation and monitoring of its implementation in quantified targets. The indicators of poverty went to the direction opposite from the targets of the Strategy.

The establishment of a unit (ONPES, The National Observatory on Poverty and Social Exclusion) to collect information and promote knowledge about poverty and social exclusion in France in 1998 is very good example for Lithuania.

A brief assessment of the potential transferability of the policy to Lithuania and of the likely conditions for its application

The potential transferability of the French policy of active social inclusion to Lithuania depends on political will. For the meantime political environment is not friendly for active inclusion policy and antipoverty measures. However, it is crucial to spread information about good practice. It may help to create basis for public discussions and future decisions in the area of social policy.

A brief assessment of the system of chosen poverty indicators in Lithuania and how successful is the use of these indicators

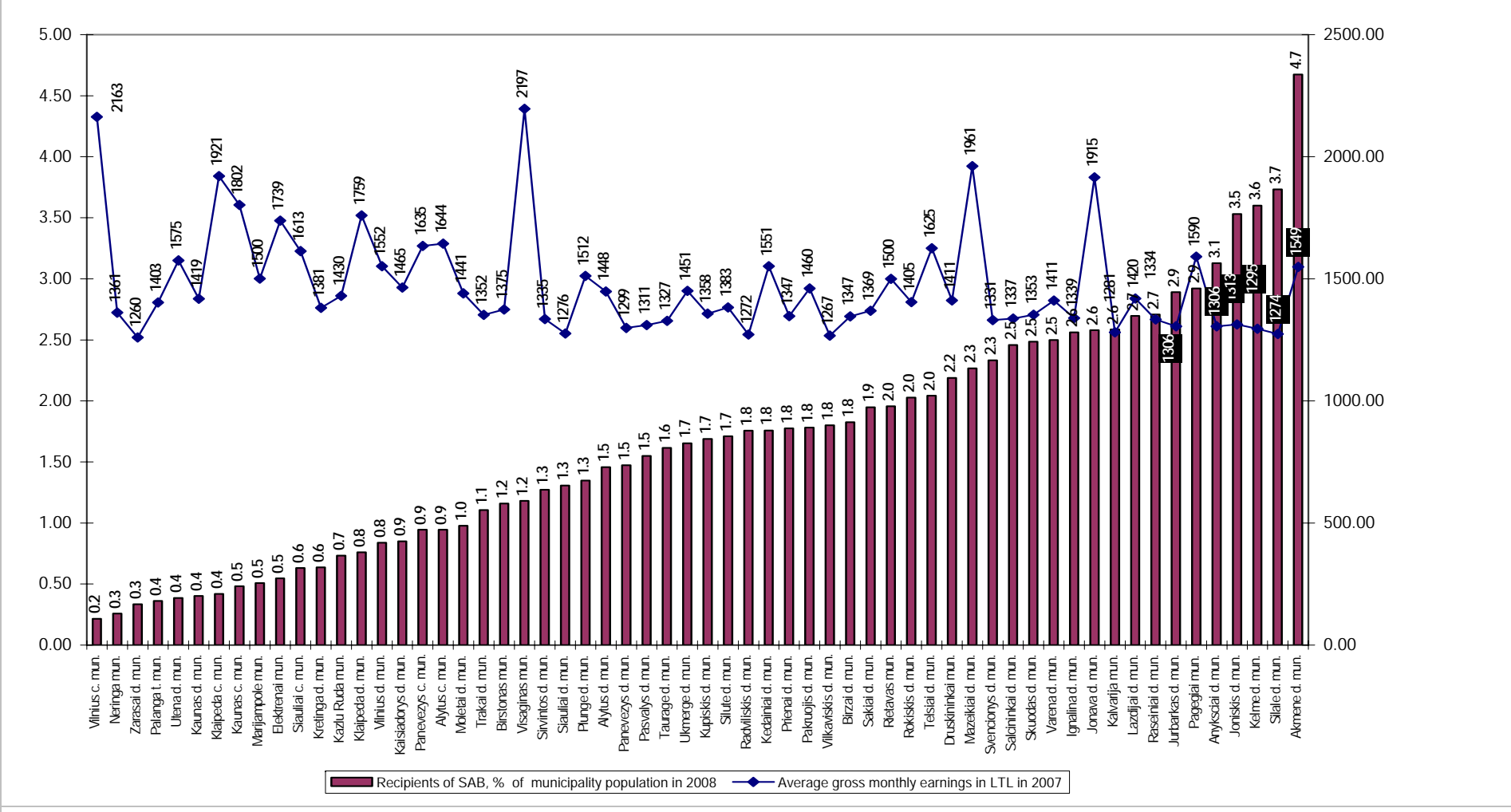
There are no special arrangements to monitor the poverty and social exclusion impact in Lithuania at national, regional and local levels.² The Government of Lithuania uses the Laeken indicators in his National Action Plans on social inclusion (NAPs/inclusion) or NSRSPSI 2008-2010. However, the Open Method of Coordination (OMC) is limited to a coordination instrument between national Government and European Commission level. National actors of social policy (Parliament, local authorities, NGO, researchers) did not participate actively in the process of shaping the National Action Plans. In Lithuania NAPs/inclusion is more post-hoc policy tool that summarize the different policies that are more or less relevant for social inclusion than establish new initiatives, qualitative leaps and form well-articulated policy of social inclusion. The OMC is used more for generalization or summation rather than for initiation, coordination and orchestration of social inclusion policy.

The Laeken indicators are not used for National social policy. Most official indicators of poverty and social exclusion at the National social policy level are administrative, taken from social protection institutions. For example, the numbers of unemployed people that are registered in Employment Agency or the number of people applying for social assistance.

However, Lithuanian Ministry of Social Security and Labour (MSSL) had applied some ideas of Open Method of Coordination (OMC) to the coordination of central and local agencies' activities. It is related to the MSSL attempts indirectly influence development of social protection at the municipal level. MSSL has designed the database of social and economic and labour market development indexes. They indicate not only economic and social development, spread of unemployment, social assistance on the municipal level, but also attempts of local authorities to help people in need. These indicators (so called Social map (www.socialiniszemelapis.lt) are published in the webpage of MSSL and are available for local communities, social partners, NGOs, etc.

² Romas Lazutka, Arunas Poviliunas. LITHUANIA: Impact of the Economic and Financial Crisis on Poverty and Social Exclusion. A Study of National Policies. October 2009, p. 36

Figure 2. Recipients of Social assistance benefits in 2008 (percent of municipality population) and average monthly earnings in the municipalities in 2007(LTL)



Source: Statistics Lithuania and Ministry of Social Security and Labour

One interesting feature of local social policy was discovered using very simple indicators of Social map. Despite the central legislation and strict universal requirements for Social assistance benefits (SAB) there are local factors that influence the recognition of the SABs recipients. The Figure 2 demonstrates how the number of recipients of SABs in different municipalities differs. It is important that these differences are not subordinated to the differences of the average monthly earnings that could be treated as one of the indicators of the standard of living in municipality. As far as the Social assistance benefits are administrated by the municipality is a reason to claim that different municipalities have different modes how they treat the applicants of Social assistance benefits.

The MSSL describes the Social map as an instrument which permits better involving of local authorities combating poverty and social exclusion. It is a policy tool that is designed to promote partnership, social dialog and cooperation among the Ministry, municipalities, social partners, NGOs and local communities. Social map is assisting in the formation of the social policy on the local levels, enables dissemination of good practice implementing action plan for combating poverty and social exclusion.

It was expected that local communities, local politicians will use social map for comparisons of social situation between municipalities and for mutual learning and for pressure on local authorities to pay more attention on the social inclusion.

As it was mentioned above, list of administrative indicators of social protection are published by the MSSL of Lithuania on the website, however not all indicators are permanently renewed. It is crucial to have more fresh information during deep economic and financial crisis. Another problem is low competences of potential users of information. Several representatives of social partners' organizations and NGOs working on the National level usually are integrated into "working group" of NAPs designing. However excluded persons usually are to weak organising themselves and have not enough capacity to participate in permanent councils or ad hoc working groups. Even NGO leaders and members still lack the knowledge and skills that are necessary for their effective participation in decision-making processes.