



Industrial relations and social dialogue  
**Lithuania: Working life in the  
COVID-19 pandemic 2021**

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**Eurofound reference number:** WPEF22019

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# Introduction

The COVID-19 pandemic heavily affected Lithuania in 2021. Despite the second lockdown introduced in Lithuania on 7 November 2020, the number of cases was hardly declining, and in the last half of 2021 Lithuania was first among EU countries in terms of the number of new cases of COVID-19 per 100,000 people. In October 2021, Lithuania set a record for the number of new coronavirus cases that year, reporting more than 3,330 confirmed cases per day, with a 14-day notification rate of 1,187 new cases per 100,000 inhabitants (Delfi.lt, 2021).

Lithuania has been put into lockdown twice: the first lockdown began on 16 March 2020 and lasted until 17 June 2020; the second one was from 7 November 2020 to 1 July 2021. After the end of the lockdown, educational institutions returned to in-person education and many COVID-19 measures such as wage subsidies, compensations for the self-employed, temporary job-search benefits and others ceased to exist.

Vaccination rates are rising quite slowly in Lithuania. According to the data from Statistics Lithuania of 26 November 2021, around 66.6% of the population in Lithuania has received at least one dose of the vaccine. The share of immunised people in the country is about 74.3% (LRT.lt, 2021).

Despite the pandemic, the country's economy grew in 2021. According to Statistics Lithuania, GDP per capita at current prices increased by more than a quarter in the third quarter of 2021 compared to the first quarter of 2021 (from €4,263.4 to €5,407.0); Lithuania's GDP grew by 5.2% in the first three quarters of 2021 compared to the same period in 2020; average wage before taxes was up by around 5% in the third quarter of 2021 compared to the first quarter of 2021 (from €1,517.4 to €1,598.1) and the unemployment rate decreased from 7.5% to 6.7%.

## Political context

In 2021, the conservative party, Homeland Union - Lithuanian Christian Democrats, which won the 2020 Lithuanian parliamentary elections in October, continued its work together with its coalition partners, the Liberal Movement and the Freedom Party representing the liberal political trend. After winning the elections and taking over the office, the Conservatives, and their coalition partners addressed urgent COVID-19-related problems in Lithuania that were delayed due to the 2020 parliamentary elections, as the number of coronavirus infections reached a record high at the end of that year. Overall, the political context in Lithuania in 2021 was quite favourable (despite new challenges posed by the European migrant crisis), with no major disagreements between the coalition partners and no delays in decisions: lockdown conditions were tightened and restrictions on movement between municipalities were introduced already in December 2020, a whole range of new measures for businesses were introduced in 2021 (soft loans for businesses, subsidies for the self-employed, etc.), and COVID-19 measures introduced at the beginning of the pandemic were adjusted to increase their effectiveness and targeting (adjustments to the wage subsidy procedure, conditions for obtaining temporary job-search benefits, etc.).

# Governments and social partners response to cushion the effects

In 2021, the new Government continued with public support for the most affected businesses/self-employed people, employees, and citizens. Overall, measures taken in 2021 can be divided into three main groups:

1. Continuing measures that were adopted in 2020 and were not subsequently adjusted (the period of support was simply extended).
2. Continuing measures that were adopted in 2020 and adjusted in 2021 (conditions and procedure for access to support were modified) to increase the effectiveness of the measures and the targeting of support.
3. New measures implemented as from the beginning of 2021 as part of the first and second stimulus packages for business.

Most of the instruments in the first group were measures supporting businesses to stay afloat. These measures included both temporary deferral of financial obligations (e.g., tax deferral for companies and self-employed<sup>i</sup>, tourism coupons<sup>ii</sup>, temporary moratorium on credit obligations for legal and natural persons<sup>iii</sup>) and targeted loans to the most COVID-19 affected sectors (e.g., loans to providers of tourism services<sup>iv</sup>, loans to providers of accommodation and catering services<sup>v</sup>). As these measures were launched already in 2020, they did not receive a lot of attention and discussion from social partners.

The second group of measures mainly covered support measures for employees, self-employed and unemployed persons that were widely applied in 2020 and subsequently adjusted in 2021. One of those adjusted measures considered by the social partners to be the most successful and most actively used by companies was wage subsidies for companies declaring idle time due to lockdown/emergency situation.<sup>vi</sup> On 1 January 2021, Law No XIV-131 amending Articles 38, 41, 42 and 48-1 of the Law on Employment of the Republic of Lithuania (No XII-2470) (12 December 2020) came into force in Lithuania, foreseeing that the amount of the subsidy shall be 100% of the calculated funds, but not more than 1.5 minimum monthly wage (MMW) (i.e. €963 gross) in case of full-time employment contracts. Before the amendments, the amount of the subsidy was 70% or 90% of the calculated wages. Both employers and trade unions have welcomed the changes related to this measure. The president of the Lithuanian Trade Union Confederation (LTUC), Inga Ruginienė, particularly welcomed the fact that after the end of the lockdown on 1 July 2021, the wage subsidies were still available for two more months (but no longer than 31 August 2021). According to her, the transitional period was necessary to protect employees (Grigutyte, 2021a). Despite positively viewed by the social partners, the implementation of this measure has also been the subject of considerable debate throughout the year. For example, the Lithuanian Confederation of Industrialists (LCI) proposed to abolish the obligation for employers to pay severance pay and annual leave pay to employees who leave their jobs during downtime when an emergency/lockdown is declared. According to employers, this situation creates opportunities for employees' abuse: (1) employees may quit job after receiving severance pay and take up employment with another employer; (2) employees are entitled to annual leave pay even though they are not working during downtimes. Union representatives strongly opposed this proposal. According to Ruginienė, it is unfair to accuse

employees of abuse if they cannot survive on MMW and leave the company and find another job (LTUC, 2021).

In addition to the support instrument above, the second group of measures included compensations for the self-employed<sup>vii</sup> and temporary job-search benefit<sup>viii</sup> that were subject to stricter rules as from 1 January 2021. On 1 January 2021, the law came into force in Lithuania, stipulating that people entitled to compensation shall be only those included in the list of self-employed persons affected by COVID-19 restrictions. The list is published by the State Tax Inspectorate (STI). Until then, the compensation (€257 in 2020) was available to all self-employed people, irrespective of whether their activities were suspended during the pandemic. As for the temporary job-search benefit, the law came into force in Lithuania on 1 January 2021, stipulating, *inter alia*, that persons entitled to the temporary job-search benefit shall be only those whose employment contract/relations have expired not more than three months before the date of the Government-introduced state of emergency or lockdown. When the measure was introduced in 2020, it was criticised for encouraging those who had been out of work (or in shadow work) for 10 years or more to register with the Employment Service, which led to a record increase in the unemployment rate in Lithuania (Blaziene et al., 2020). The amendments to the latter measures were upheld by the social partners and did not generate much debate among them.

The third group of (new) measures, includes the first stimulus package for businesses prepared by the Ministry of the Economy and Innovation and principally aimed at small and medium-sized enterprises that was launched on 20 January 2021. This first package received €180 million in allocations: €150 million for subsidies<sup>i</sup> (businesses whose turnover decreased by 30% or more as a result of COVID-19 were eligible for one-off subsidies of €500 to €800,000) and €30 million for direct COVID-19 loans for businesses<sup>ix</sup> (loans were available to businesses whose turnover decreased by at least 30% or whose business activities were restricted during the lockdown period; the maximum amount of the loan was €100,000) (MEI, 2021; Naprys, 2021a).

On 15 April 2021, the Government approved the second stimulus package for business including four business support measures: grants for the self-employed,<sup>x</sup> reimbursement of marketplace fees,<sup>xi</sup> compensated COVID-19 testing for small- and medium-sized enterprises,<sup>xii</sup> and subsidies for the most affected businesses.<sup>xiii</sup> Social partners took active participation in discussions on the implementation of these measures. Some of the social partners' proposals were considered by the Government, and some were not. For instance, on 16 March 2021, the Lithuanian Association of Hotels and Restaurants (LAHR) asked the Government to increase the subsidies for the most affected businesses by reducing the ceiling of the measure (€100,000 at the time) and making the subsidy at least 50% of the personal income tax paid in 2019 in respect of the most affected hotel and restaurant businesses, whose turnover fell by 50% or more (at that time, the turnover decline margin was set at 60% or more). These proposals were completely implemented by the Government when approving the final draft of the measure (Kauno diena, 2021). On 21 February 2021, the President of the Association of Market Places and Outlets (AMPO) expressed some criticism regarding the reimbursement of marketplace fees. According to him, the support is too low for marketplace traders to cover their costs, as one market outlet costs on average €155 per month,

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<sup>1</sup> In April 2021 the amount of the first package for subsidies were reduced by €50,000 (down to €100,000). This amount was transferred to the second package as the demand for subsidies was smaller than expected. This might be determined by rather strict eligibility requirements (Naprys, 2021a).

therefore the reimbursement must be €1,000. In addition, according to the President of AMPO, the application procedure is too complex and involves many excessive requirements (Grigutyte, 2021b). Despite the criticism, AMPO's proposals were not implemented by the Government.

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<sup>i</sup> Eurofound (2020), [Tax deferral for companies and self-employed](#), case LT-2020-12/329 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>ii</sup> Eurofound (2020), [Tourism coupons](#), case LT-2020-17/371 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>iii</sup> Eurofound (2020), [Temporary moratorium on credit obligations for legal and natural persons](#), case LT-2020-17/1267 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>iv</sup> Eurofound (2020), [Loans to providers of tourism services](#), case LT-2020-28/1162 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>v</sup> Eurofound (2020), [Loans to providers of accommodation and catering services](#), case LT-2020-28/1163 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin, <http://eurofound.link/covid19eupolicywatch>

<sup>vi</sup> Eurofound (2020), [Wage subsidies for companies declaring idle time due to quarantine/emergency situation](#), case LT-2020-12/311 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>vii</sup> Eurofound (2020), [Compensation for self-employed](#), case LT-2020-12/314 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>viii</sup> Eurofound (2020), [Temporary job-search benefit for unemployed who would otherwise not be eligible to receive benefits](#), case LT-2020-24/906 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>ix</sup> Eurofound (2021), [Direct COVID-19 loans for businesses](#), case LT-2021-4/1861 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>x</sup> Eurofound (2021), [Grants for the self-employed](#), case LT-2021-13/1860 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xi</sup> Eurofound (2021), [Reimbursement of marketplace fees](#), case LT-2021-10/1859 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xii</sup> Eurofound (2021), [Compensated COVID-19 testing for small- and medium-sized enterprises](#), case LT-2021-12/1858 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xiii</sup> Eurofound (2021), [Subsidies for the most affected businesses](#), case LT-2021-16/1955 (measures in Lithuania), COVID-19 EU PolicyWatch.



# Adapting to the pandemic and the return to work: Policies and debates

## New occupational health and safety rules

In Lithuania, preventive testing of workers is regulated by Resolution No 544 of the Government of 7 May 1999 and its amendments, as well as by Law No I-1553 on the Prevention and Control of Communicable Diseases in Humans and its amendments.

On 27 March 2021, an amendment to Government Resolution No 544 came into force in Lithuania (Resolution No 178 of 26 March 2021) approving the list of jobs and activities, where work is possible only to those employees who have been pretested and/or are undergoing regular testing for COVID-19, as well as the procedure for medical checks. Subsequently, the mentioned list of jobs and activities has been periodically supplemented to control the spread of the Delta variant of COVID-19.

On 1 December 2021, the procedure for the preventive testing of employees in the country was amended. As from 1 December 2021, periodic preventive testing in Lithuania is no longer reimbursed by the State and employees have to pay for mandatory periodic check-ups at their own expense. The lists of such employees are drawn up and updated by their employers. Until 1 December 2021, preventive health check-ups for COVID-19 were financed from the State budget. The legislative changes were aimed at encouraging people to get vaccinated against COVID-19 more actively.

According to Government Resolution No 544 and its amendments, periodic preventive PCR or rapid antigen testing for COVID-19 is mandatory for the following activities and sectors in Lithuania (NPHC, 2021):

- personal healthcare services and activities.
- social services and activities.
- educational services and activities.
- activities of pharmaceutical employees.
- international freight transport activities.
- public transport and passenger transport activities.
- activities of leisure/entertainment, cultural, artistic services (event organisation and visitor services).
- public catering activities.
- activities of employees in retail trade.
- activities of public administration entities.
- professional military service.
- activities related to the management of a mass influx of foreigners resulting in a national state of emergency (direct contact with foreigners).

- activities of employees of manufacturing enterprises.

Free of charge testing is only available for pregnant employees and those with contraindications to COVID-19 vaccines. Testing for COVID-19 is mandatory for employees in the above-listed areas at intervals of 7-10 days. Testing is not mandatory for employees in the above areas if they have been vaccinated under the full schedule with one of the COVID-19 vaccines and for persons who have recovered from the COVID-19 disease (where no more than 210 days have elapsed since the positive test result) or who have received a positive result of a quantitative or semi-quantitative serological immunological test within less than 60 days (NPHC, 2021).

Article 14(4) of the Law on the Prevention and Control of Communicable Diseases in Humans stipulates that an employee who refuses to be tested without a valid reason (illness, attending a funeral of a family member, business trip) shall be assigned to telework or transferred within the same employer to another job or be suspended without pay until the employee provides the employer with a medical examination certificate attesting their fitness to returning to work (a negative test result, proof of recovery or vaccination).

On 1 July 2021, following the lifting of the second lockdown in Lithuania (in force from 7 November to 30 June 2020), the Government laid down the conditions for the provision of public and administrative services by public and municipal authorities and institutions (Decision No V-1546). A series of requirements for employers in relation to working conditions and safety measures for employees were introduced:

- Maintaining a distance of at least 2 metres or separating the workplace with partitions.
- Use medical facemasks or respirators.
- limiting staff flows as far as possible (organising work in shifts or in groups with no staff rotation, etc.).
- Providing opportunities for hand hygiene and/or disinfection and ensuring ventilation of the premises (at least every hour).

Prior to the adoption of the new procedure which sets up that employees have to pay for mandatory periodic check-ups at their own expense, there was a rather heated debate amongst social partners over who should pay for the cost of testing. According to the president of the LTUC, the employer should pay for the testing of employees, as it is the employer's responsibility to create a healthy environment for employees. However, employers' representatives took the opposite view, arguing that the State provides for free vaccination and employees should make use of it; otherwise, they should pay for the testing themselves (Gilyte et al., 2021).

In Lithuania, there have been no court rulings developed so far in relation to vaccination status or testing and access to the workplace.

## **New working arrangement policies**

There were no major changes in the laws regulating telework in Lithuania in 2021. In Lithuania, telework is regulated by the Labour Code No XII-2603 (LC). The COVID-19 pandemic led to an increase of telework. According to various surveys, about 40-60% of the country's employees were in teleworking after the outbreak of the pandemic (LCSS, 2020; Kantar, 2020), before the COVID-19 pandemic (in 2019), there were only around 4.5% of employees teleworking on a permanent or

occasional basis in Lithuania (data of the Lithuanian Statistics Department). However, there is no information available on the extent to which teleworking arrangements have been formally included in employment contracts or in employment descriptions.

The massive increase in telework has encouraged research in this field in Lithuania. However, most surveys were rather narrow, mainly focusing on the impact of telework on employee's productivity, work-life balance and so on (Swedbank, 2020; Naprys, 2021b). There have been no major national studies allowing to identify the sectors, occupations, or socio-economic groups most impacted by telework. However, a 2020 survey of 436 teleworkers revealed that 45.4% of respondents worked services and intellectual outputs, followed by management and administration (23.6%), health, education, and social services (11.7%), production and trade (7.6%), other activities accounted for 11.7% of respondents (Raisiene et al, 2020). Studies identify the following advantages of teleworking among Lithuanian employees: less time spent travelling to work (68%); saving money (fuel, food, etc.) (52%); and getting more sleep (49%). The main disadvantages: household chores (cooking, household tasks, etc.) (36%); reduced physical activity (33%); not having a separate space for work and rest (31%) (multiple answers were allowed) (Bite, 2020).

We may mention several recent (2021) initiatives related to the regulation of telework in Lithuania.

On 29 January 2021, the opposition party registered a Draft law No XIVP-191 at the Parliament proposing to amend Article 52(5) of the LC by providing for the employee's right to disconnect from digital tools and be unavailable for the employer outside working hours, at night, on holidays/public holidays, unless required by the nature of work. However, social partners see no need to change the LC. According to the President of the LTUC, answering business calls and e-mails is obviously overtime and it is more important to record overtime and pay for it. According to her, a good step would be to launch an information campaign encouraging society not to work after working hours. According to the executive director of the "Investors' Forum", the real possibility to disconnect often depends on the type and nature of the activity of a company, therefore companies have to have possibility to agree on this issue in the collective agreements or in the internal rules (TC, 2021). Taking into consideration views of social partners Government took a decision not to amend the LC and provisions of the "right to disconnect" were not incorporated into the national legislation.

On 10 February 2021, a draft amendment to Article 52 of the LC No XIVP-210 was registered at the Parliament proposing to specify the amount of compensation for the acquisition of telework equipment and the conditions for its payment. This proposal was strongly supported by the unions. Unions argued that due to telework employers experience some savings whereas employees have additional expenses (Skridailaite, 2021). According to employers' representatives, employees receive more benefits than losses during teleworking – they don't have to pay for transport and fuel, need less clothes and so on (Naprys, 2020). Finally, the amendments to the LC were not adopted and provisions of compensation for employees' expenses were not passed (Balciunaite, 2021).

## Labour shortages

Despite the pandemic, unemployment rates are falling in Lithuania and businesses are facing severe labour shortages. In June 2021, the number of job vacancies hit a record high of 60,600, demonstrating the highest labour demand recorded in the Employment Service (PES) vacancy register over the last 30 years (Dzeveckyte, 2021). According to Statistics Lithuania, at the end of the third quarter of 2021 there were about 26,700 vacancies for salaried employees in the country, 8%

more than the previous quarter and 45.3% more than a year ago. The highest number of job vacancies in the third quarter of 2021 was in industrial companies (5,000 or 18.6% of vacancies), in transport and storage companies (4,400 or 16.5% of vacancies), in trading companies (4,200 or 15.8% of total vacancies). In 2021, the country was particularly short of industrial workers, service staff in catering establishments, drivers of heavy trucks and goods vehicles, loaders, salesmen, and construction workers (Kasnikovskyte, 2021a; Dzeveckyte, 2021). According to business representatives, although the level of unemployment was decreasing in Lithuania in 2021, it remains quite high. According to them, the high unemployment rate, and the record-high number of job vacancies at the same time mean that a considerable proportion of the country's population work in the shadows or live on benefits with no plans to look for a job. Businesses see three main solutions to this problem. Some argue that benefits in Lithuania are too high and discourage people from looking for a job, while others argue that people do not seek employment because they work in the shadow market, and, therefore, the most important task for the State is to reduce illegal work (Kasnikovskyte, 2021a). Still others suggest that it should be allowed to promote immigration, because the domestic market does not meet the demand for workforce. According to the LCI, if the demand for workforce had been fully met, Lithuania's added value would have increased by €800 million in 2021 (Kasnikovskyte, 2021b). On the other hand, trade unions argue that the problem of unemployment will continue to exist in Lithuania if employers' attitudes towards employees do not change and wages are not increased. According to LTUC president Ruginienė, employers want to force people to work, but are not willing to pay higher wages themselves. In addition, according to Ruginienė, employers are looking for young and promising employees, and are sluggish to employ older people (Smirnovaite, 2021).

With this situation prevailing in the country for some time now (every year hitting new job vacancy records), the Government addressed this problem introducing the Employment Support Reform at the end of 2021. An extraordinary meeting of the TC was convened on 22 November 2021, where the Ministry of Social Security and Labour presented amendments to the Law on Employment to the social partners. The new procedure proposes to revoke the status of being unemployed for people who refuse an appropriate job offer twice within six months without valid reasons or violate the procedure of reporting about independent job search twice within six months. However, people for whom the status of being unemployed is revoked would continue to be covered by public health insurance. Health insurance would only be discontinued if information is received about unemployed person's illegal income or work. If unemployed persons are identified as ill-prepared for the labour market, the PES, in cooperation with municipal institutions and agencies, would provide comprehensive assistance in addressing unemployment problems among such people and would apply employment enhancement programmes (Kapsevicius, 2021). According to the president of the Lithuanian Business Confederation (LBC), Andrius Romanovskis, the focus of the reform is good, but there remain many uncertainties and the solution to the problem is superficial. According to him, those who refuse a job would simply change from one status to another but preserve advantages (health insurance) even though they are ill-prepared and unwilling to work (Alonderyte & Bielinskas, 2021). According to Danas Arlauskas, president of the Lithuanian Employers' Confederation (LDC), the reform should be much broader and cover tax issues to reduce motivation to work in the shadow economy. Trade union representatives also support the idea of the reform and agree that the problem must be addressed. However, they see many risks and uncertainties about the reform. According to LTUC president Ruginienė, there is a risk that job openings will not match person's

qualifications and that the State will simply save money at the expense of the person (Kapsevicius, 2021).

Finally, it should be noted that the above-mentioned proposals for the employment reform are still being discussed and negotiated with the social partners. Once concrete decisions are taken, they will have to be approved (or rejected) by the Parliament (Seimas) of the Republic of Lithuania.

## Wages and wage-setting

The COVID-19 pandemic did not have significant effects on the wage-setting mechanism and/or wage indicators in Lithuania.

In 2021, the process of determining the minimum monthly wage for 2021 took place in compliance with Article 141(3) of the LC, which stipulates that the minimum hourly rate and the minimum wage shall be approved by the Government upon recommendation of the TC and taking the indicators and trends of development of the national economy into account. In Lithuania, the minimum wage is linked to the average wage and it should account for 45-50 % of it. On 13 October 2021, the Government issued Resolution No 834 approving a €730 minimum monthly wage for 2022 (in 2020, MMW was €642). It should be noted that the 13.6% increase in the minimum wage in 2021 is one of the most significant increases in the past decade and in the history of the country.

According to the data from Statistics Lithuania, in the third quarter of 2021, annual gross average wage in the national economy increased by 9.9% as compared to the third quarter of 2020: by 8.3% in the public sector and by 10.7% in the private sector. During the year, monthly gross average wage increased in companies, institutions, and organisations in all economic activities from 5.6% (public administration and defence; compulsory social security) to 13.3% (accommodation and food service activities). In Lithuania, net monthly wages increased by 9.1% in the third quarter of 2021 as compared to the same period in 2020: by 7.8% in the public sector and by 9.9% in the private sector.

Wage changes were mainly driven by the increase in the minimum wage from 1 January 2021 (from €607 to €642), increase in the basic salary for state politicians, judges, civil servants, public officials, and employees of budgetary institutions (from €176 to €177), changes in the procedure for calculating the amount of tax-exempt amount of income, and others.

On 22 October 2021 the Minister for Social Security and Labour and four trade union organisations signed the National Collective Agreement for 2022, whereby the Government undertook to increase the basic salary for 2022 from €177 to €181. This amount will apply to the calculation of salaries for civil servants, public officials, military personnel, employees of state and municipal budget institutions, politicians, and judges, and will therefore have a positive impact on the increase in salaries for public-sector employees in 2022.

## Impacts on the social dialogue and collective bargaining

As in previous years, there were no surveys/research studies on the impact of COVID-19 on social dialogue and collective bargaining in Lithuania in 2021. During 2021 a total of 60 company-level collective agreements or renewals of collective agreements were registered at the Register of the Ministry of Social Security and Labour. Comparing to 2020 this number increased by more than 30% (in 2020 there were 46 company-level collective agreements signed/renewed; in 2019 – 191). This shows that after some ‘stoppage’ of company-level industrial relations at the beginning of the pandemic, in 2021 situation started to return to ‘normal’.

Several sectoral and national level collective agreements were also signed or renewed during 2021. These were amendments to the public sector collective agreements of education, healthcare and social care employees and national public sector collective agreement.

It can be said that in 2021 COVID-19 accelerated rather than disrupted social dialogue at a national level, the same applies for the previous year. Both employer organisations and trade unions have been involved in discussing Government’s measures for overcoming the pandemic and providing support to affected businesses and employees. The main platform for this debate remains the Tripartite Council of the Republic of Lithuania (TC): the number of TC meetings held in 2021 remained relatively high – 16 meetings (in 2020 – there were 17) comparing to 11-14 meetings per year during the pre-pandemic period. The main topics discussed by the social partners at the TC besides the pandemic and the measures to overcome it were related to the amendments of the Labour Code, bargaining for the minimum wage level in 2022, regulation of platform work, posting of workers, unemployment and poverty reduction measures, and inflation.

The involvement of social partners in the EU Semester was more facilitated, and they had more realistic opportunities for the involvement in the consultations, in 2020 and in previous years than in 2021.

## Labour disputes in the context of the pandemic

Official statistical information on strikes which is provided by Statistics Lithuania has not yet been published for 2021. However, based on media reports, we can say that 2021 was not very calm in terms of labour disputes and there was an attempt to organise a strike in Lithuania.

In September 2021, the Vilnius Public Transport Trade Union (VPTTU) organised an indefinite picket outside the Vilnius municipality building. The union called on the Vilnius City Municipality to increase salaries for workers of Vilniaus viešasis transportas (Vilnius Public Transport, VPT) by at least 10% and to improve other working conditions such as access to lunch breaks. The Mayor of Vilnius disagreed with the trade union's demands arguing that salaries for public transport workers are being increased, they are paid on time despite the pandemic-related decrease in company's income, working conditions are good, and the vehicles fleet has been recently renewed. As the union's demands have been completely ignored, on 19 October 2021, the VPTTU announced its intention to call an indefinite strike starting on 8 November 2021 (VZ.lt, 2021). However, the planned strike of public transport workers did not take place after the court applied provisional safeguards. The legality of the strike was brought before the court by VPT after the company failed to find an amicable solution with the trade union, either through a mediator or an arbitrator, and to agree on the minimum service guarantee during the strike. As grounds for their decision to go to court, VPT managers pointed out that public transport services could not be reduced due to the difficult coronavirus situation in Vilnius and that it was necessary to ensure that passengers travelled as safely as possible on public transport. The District Court of Vilnius City satisfied the VPT's application and imposed provisional safeguards preventing the union from organising the strike. VPT employs a total of about 1,900 people, of whom about 1,200 are trade union members (Lrytas.lt, 2021).

In addition, a protest by delivery couriers took place in front of the food delivery platform Wolt's office on 9 August 2021. Together with the Courier Association (CA), delivery couriers protested the reduction in basic pay during off-peak hours and called on the company to calculate the distance they travel more accurately. According to the leader of the CA, the company measures the distance and pays for the order based on a straight line drawn on the map, while the actual distance couriers must travel from the restaurant to the customer is almost twice as long. Prior to the protest, it was announced that on 9 August 2021 at least 400 Wolt couriers in three largest cities of the country planned to leave the platform (Savickas, 2021).

## Commentary and outlook

Despite the second lockdown introduced on 7 November 2020 which remained in force until 1 July 2021, the number of cases was hardly declining in Lithuania in 2021. In October 2021, Lithuania set a record for the number of new coronavirus cases when a 14-day notification rate in the country was 1,187 new cases per 100,000 inhabitants. Vaccination rates were rising quite slowly in Lithuania in 2021. According to Statistics Lithuania, around 66.6% of the population in Lithuania received at least one dose of the vaccine by 26 November 2021.

Despite the high rates of COVID-19 cases recorded in Lithuania in 2021 and the relatively strict lockdown, the country's economic indicators grew in 2021. Lithuania's GDP growth in the first three quarters of 2021 was 5.2% compared to the same period in 2020, which had a positive impact on the overall working life situation in the country. Gross average wage in the country's economy in the third quarter of 2021 as compared to the third quarter in 2020 grew by approximately 9.9% and the total unemployment rate fell from 9.3% to 6.7%. In June 2021, the number of job vacancies in Lithuania reached the highest level over the past 30 years, with the number of job vacancies reaching 60,600. In 2021, the country was particularly short of industrial workers, drivers of heavy trucks and goods vehicles, loaders, salespeople, and construction workers.

The new government took office at the end of 2020 and continued to implement state support measures for businesses and different population groups in 2021. Conditions for some of the continuing measures that were widely applied in 2020 (temporary job-search benefit, compensation for the self-employed, etc.) were adjusted to increase the effectiveness of the measures. In addition, the Government proposed two new packages of measures in 2021 which increased support for SMEs and the self-employed.

To reduce the number of cases and to encourage people to get vaccinated, the procedure for preventive testing of workers in Lithuania was adjusted in 2021. As from 1 December 2021, periodic preventive testing in Lithuania is no longer reimbursed by the State and employees must pay for mandatory periodic check-ups at their own expense. The adoption of the new procedure in the country was followed by increasing talks about mandatory vaccination in the nursing, care, education, and health sectors.

Although the pandemic has significantly increased the scope of teleworking in Lithuania (according to various surveys, about 40-60% of employees were in telework after the outbreak of the pandemic), there were no major changes in the laws regulating telework in Lithuania in 2021. At the beginning of 2021, the opposition party proposed to include the "right to disconnect" provision in the Labour Code (LC), and trade union representatives proposed to supplement the LC with provisions on the reimbursement of labour costs incurred by employees during telework. The latter proposals, however, did not receive support of the ruling party and were not adopted.

The pandemic did not have a significant impact on the wage-setting mechanism and social dialogue in Lithuania. The Government Resolution of 13 October 2021 approved one of the most significant minimum wage increases in the past ten years (minimum wage for 2022 increased by 13.6%). In addition, on 22 October 2021, the Minister for Social Security and Labour of the Republic of Lithuania and four trade union organisations signed the National Collective Agreement for 2022,



whereby the Government committed to increase the basic salary and improve working conditions for employees of budgetary institutions.

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**WPEF22019**

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