



Industrial relations and social dialogue  
**Lithuania: Working life in the  
COVID-19 pandemic 2020**

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# Introduction

Lithuania was one of EU Member States to introduce quarantine before the COVID-19 pandemic broke out in the country. The Republic of Lithuania declared a state of emergency on 26 February 2020 (Resolution No 152 of 26 February 2020) and quarantine on the entire territory of the Republic of Lithuania on 15 March 2020 (Resolution No 207 of 14 March 2020). The introduction of quarantine restricted movement across borders and within the country; state and municipal institutions, agencies and enterprises organised work and served customers remotely; a number of economic activities were prohibited (shops (except grocery stores, pharmacies, etc.), shopping and entertainment centres, beauty shops, etc.); work of educational institutions was organised remotely; activities in day and occupation centres for children, people with disabilities and the elderly were prohibited. The first quarantine lasted for four months and was lifted only on 17 June 2020. Although Lithuania managed to contain the first wave of the COVID-19 quite well, it had a significant negative impact on the country's economy. According to the Employment Services (PES), between the start of quarantine and the end of June, registered unemployment increased from 9.3% to 11.9%, and the number of the unemployed increased from 169.400 up to 204.600 in the country. According to the data provided by the State Labour Inspectorate (SLI), on 17 June 2020, there were about 25.200 companies on downtime in Lithuania. With the onset of the second wave of COVID-19 in September, the number of cases began to grow rapidly in Lithuania, but decisions were delayed. This was inter alia due to the elections to the Seimas of the Republic of Lithuania that took place in the country on 11 October and 25 October 2020. Quarantine was reintroduced again on 7 November 2020 (Resolution No 1226 of 4 November 2020), but quarantine requirements were rather lenient (educational institutions, shopping centres, beauty shops remained open). However, as the situation deteriorated and Lithuania ranked first in Europe in terms of new infections (1,376 cases per 100,000 people were registered in Lithuania in December 2020), the quarantine regime was tightened (Verslo zinios, 2020). According to the PES, the country had already 277.100 unemployed people registered on 1 January 2021 (16.1% of the total working-age population of the country). In December 2020, the number of the unemployed grew by 84.2% y-o-y (from 126,600 to 277,100). GDP per capita at current prices decreased from €4,587.3 in Q1 2020 to €4,015 in Q2 but then rose again to €4,719.4 in Q3).

## Impacts of the pandemic on working life

There were several studies conducted in Lithuania in 2020 addressing issues related to employment and the labour market to a greater or lesser extent. Unfortunately, the studies were conducted with time pressure and only preliminary, more general findings are presented in 2020. In addition, the studies were conducted by different groups of researchers using different methodologies, thus making it difficult to compare them and/or to draw more or less summary conclusions.

In July-August 2020, a representative population survey was conducted by the Lithuanian Social Research Centre (LSRC) within the framework of the project “Changes in employment in the Lithuanian labour market and measures to overcome the negative consequences in the context of the COVID-19 pandemic”. The survey covered 1,013 Lithuanian residents (aged 18 to 75) and showed the following (Sagaitytė, 2020):

- 60% of the respondents are/were in need of some support during quarantine (job search, psychological, etc.); 40% of those reporting the need for support responded that the support had been provided to them;
- 20% of the respondents faced income and consumption decreases during the pandemic;
- 15% of the respondents had to perform new and unusual tasks during the quarantine;
- 14% of the respondents indicated that their work schedule had changed during the quarantine;
- 14% of respondents were put to downtime during the quarantine.

In 2020, the LSRC also implemented the project “Implications of COVID-19 for human security: challenges and new opportunities”, which included a representative survey of the working population of Lithuania carried out on 2-14 December 2020. Within the framework of the survey, a total of 1,030 individuals working in Lithuania, aged 18-65, were interviewed. The survey aimed at assessing the effects of the pandemic on different groups of employees and economic sectors. The survey demonstrated that (LSRC, 2020):

- 48% of the respondents had to work remotely;
- 38% of the respondents faced increased risks of losing their job;
- 30% of the respondents earned less and 10% of them earned more than before the pandemic;
- 19% of the respondents experienced downtime, 15% - part-time work, and 13% had to take (un)paid annual leaves;
- 16% of the respondents reported a significant increase and 42% a slight increase in work-related stress;
- 16% of the respondents worked more hours and 22% worked less during the pandemic than before it.

In 2020, Media Planning Agency CARAT, together with its partners, conducted a public opinion poll on the effects of COVID-19 on public behaviour patterns in the Baltic States. Within the framework of the study, a representative survey of population aged 18-74 was carried out on 1-8 April 2020 aimed at identifying changes in public behaviour patterns in the Baltic States after the introduction of the state of emergency. The study showed that about 43% of employees worked from home in Lithuania during the pandemic. Residents of larger cities, people on higher incomes and those with higher education worked from home more often (CARAT, 2020).

In 2020, researchers from Vilnius University (VU) and Mykolas Romeris University (MRU) conducted the research titled “Social policy responses to the consequences of the COVID-19 crisis: unemployment and poverty analysis, international experience and recommendations for Lithuania”. Within the framework of the research, a representative survey of the Lithuanian population aged 18-74 was carried out on 9-25 November 2020. A total of 1,002 residents were interviewed to find out the effects of the COVID-19 pandemic on the country’s population and to assess the effectiveness of newly adopted COVID-19 measures in Lithuania. The study showed that (Lazutka and Guogis, 2020):

- 22% of the respondents faced wage reductions (by more than a third) compared with their previous wage;
- 23% of the respondents faced reductions in bonuses and extra payments as compared with their previous bonuses and extras;
- 11% of the respondents were offered to work for minimum wages;
- 12% of the respondents faced delays in payment for work;
- 10% of the respondents were offered to take unpaid leave;
- 19% of the respondents faced reductions in working hours;
- 12% of the respondents faced partial reductions in the posts occupied by them;
- 25% of the respondents had to work overtime.

The research above also showed a broad dissemination of COVID-19 support measures in Lithuania. About 61% of the respondents indicated that their household had received support in one form or another in the period between March and November 2020. The forms of support most frequently reported by the respondents were as follows (Cerniauskas and Lazutka, 2020):

- 25% of households received lump-sum child benefits of €120 or €200;
- 22% of households received lump-sum payments of €200 for seniors, orphans, widow(er)s and the disabled;
- 15% of households received temporary job-search benefits of €42 or €200;
- 8% of households received €257 benefits for the self-employed;
- 3% of households received downtime wage subsidies;
- 2% of households received sickness benefits for taking care of a child or other person due to quarantine restrictions on access to educational institutions.

Summarising the results of the studies, it can be stated that the pandemic had different implications for different groups of employees. Although wages of the majority of employees remained unchanged, there were both those whose earnings fell and those whose earnings increased. The sudden spread of teleworking (from some 4% to more than 40% of all employees) appears to have had the greatest impact on changes in working conditions in Lithuania. Post-pandemic teleworking is likely to remain well above pre-pandemic levels, as it is generally viewed quite positively and a large proportion of teleworkers would like to continue working from home on a regular basis or to combine work from home with work in the usual workplace (LSRC, 2020).

## Political context

In 2020, the 17<sup>th</sup> Government composed of the Lithuanian Peasant and Greens Union, the Social Democratic Labour Party and the Order and Justice Party continued its work. The Government took immediate actions as soon as the first cases of COVID-19 were detected in Lithuania. The Republic of Lithuania declared emergency situation on 26 February 2020 (Resolution No 152 of 26 February 2020) and quarantine on the entire territory on 15 March 2020 (Resolution No 207 of 14 March 2020). A period of quarantine was introduced when there were only 8 cases of the COVID-19 infection confirmed in the country. As a result of the introduced restrictions, Lithuania did quite successfully in managing the first wave of the pandemic. According to the National Public Health Centre (NPHC), as of 25 June 2020, there were a total of 1,806 cases and 78 Covid-19 deaths (around 54 cases per 100,000 people) confirmed in Lithuania. However, the outbreak of the COVID-19 pandemic in 2020 coincided with one of the most important political events in the country, i.e. elections to the Seimas (Parliament) of the Republic of Lithuania, which took place on 11 and 25 October 2020. Fearing people's disapproval of the introduction of quarantine and the impact it might have had on election results, the Government waited to take action, despite the onset of the second wave of the COVID-19 pandemic and the rapid increase in morbidity rates in the country. The second quarantine was introduced in Lithuania only on 7 November 2020 and was rather lenient (educational institutions remained open, shopping centres were operating, beauty services were provided, etc.); it was tightened only in December when the new 18<sup>th</sup> Government composed of the Homeland Union-Lithuanian Christian Democrats, the Liberal Movement and the Freedom Party took over. By then, however, the situation was sufficiently bad and the country was ranked first in Europe by new cases of COVID-19 (in December 2020, the country reported 1,376 new cases per 100,000 people) (Verslo zinios, 2020).

## Governments and social partners response to cushion the effects

On 16 March 2020, along with the introduction of quarantine in Lithuania, the Government of the Republic of Lithuania approved the Economic Stimulus and Coronavirus Mitigation Action Plan, which provided for €500 million allocations to preserve jobs and personal incomes, €500 million - to preserve business liquidity, and €1 billion – to boost the economy. In addition, on 29 April 2020, the Government presented an additional package of social measures worth almost €1 billion, intended to reach about 1.4 million of the population through one or another measure. The main purpose of the package was to keep as many people in the labour market as possible and to enhance social protection for those who lost their jobs during the periods of unemployment, while offering measures to facilitate their return to the labour market at the same time (Gruzevskis and Blaziene, 2020).

During the pandemic, the Government offered rather comprehensive support both for people and businesses in the country. All of the instruments adopted in the country since March 2020 can be basically classified into three groups:

1. Measures for business;
2. Measures for employees/self-employed persons;
3. Measures for citizens.

Most of the above measures were new, adopted in the context of the COVID-19 pandemic. Some of them were rather universal or covered a wide range of businesses, self-employed persons, employees, or citizens (e.g., compensation for the self-employed<sup>i</sup>, a lump-sum payment for children on top of child benefit<sup>ii</sup>, temporary job-search benefit for the unemployed<sup>iii</sup>, etc.), whereas others were intended only for businesses, self-employed persons, or citizens affected by COVID-19 and included in the list of affected persons, as drawn up by public authorities (State Tax Inspectorate) (e.g., tax deferral for companies and self-employed<sup>iv</sup>, subsidies for microenterprises<sup>v</sup>). A smaller number of measures that were already in place in Lithuania before the pandemic were adjusted in the context of COVID-19 (e.g. the scope of people eligible for support and of other similar measures was extended). Such instruments could include support for self-employment of people with disabilities<sup>vi</sup>, subsidising job creation/adaptation<sup>vii</sup>, and others. The latter measures, however, had lesser effects than the newly adopted ones.

According to the Eurofound's COVID-19 EU PolicyWatch database, the majority of pandemic-related instruments in Lithuania were measures supporting businesses to stay afloat (mainly covering businesses enterprises) and income protection beyond short-time work (covering both employees and self-employed persons and the whole population).

Regarding the three groups of measures mentioned above, subsidies for microenterprises<sup>v</sup> have been identified by employers' representatives as the most successful/effective measure for business. According to the President of the Lithuanian Business Confederation (LBC), the biggest advantage of this measure was that the support was distributed quickly and received by all microenterprises affected by the COVID-19 pandemic. The State Tax Inspection has drawn up a list of 34,000 microenterprises to be called personally to submit subsidy applications. Up to €100 million has been allocated from the state budget for the implementation of the measure (Zebrauskiene, 2020b).



As for measures for employees (and also for companies at the same time, given that the applicant is the company), employer organisations and trade unions identified wage subsidies for companies declaring idle time due to quarantine/emergency situation<sup>viii</sup> to be the most successful. According to the President of the LBC, downtime subsidies can be considered the second most successful and most frequently used measure by employers to reduce the economic and social consequences of the COVID-19 pandemic in Lithuania. According to social partners, the main strengths of the measure are:

1. it is rather universal, allowing businesses of different profiles (small, large, belonging to different economic sectors and regions) to benefit;
2. simple mechanism for applying for and granting subsidies;
3. all stakeholders (state, employers and employees) have taken responsibility for the implementation of the measure. Until 9 December 2020, the subsidies were requested for 206,432 employees that were put to downtime (or around 23% of total employees in the private sector).

The total amount paid down in wage subsidies for employees put to downtime amounted to €171.5 million on 9 December 2020.

As regards measures for businesses, it can be noted that in May 2020 the LBC carried out a survey of 215 small, medium-sized and large enterprises in different sectors and found that most of them (23% of the respondents in each group) applied for tax deferral for companies and self-employed<sup>ix</sup> and wage subsidies for companies<sup>x</sup>; 11% applied for guarantees for business loans and leasing<sup>xi</sup>, and 7% - for subsidies for microenterprises<sup>xii</sup> during the quarantine period in Lithuania (LBC, 2020).

Another important measure for employees who lost their jobs is a temporary job-search benefit<sup>xiii</sup> (TJSB). According to the Ministry of Social Security and Labour (MSSL), during the period from 12 June 2020 to 7 December 2020, TJSBs were granted for 310,371 unemployed people. The total amount paid down in TJSBs amounted to €108.1 million on 7 December 2020. However, employers were rather critical regarding this measure. According to them, the measure encouraged people who have never officially worked in Lithuania so far to register with the Public Employment Services (PES) and it was nonetheless difficult to find employees despite the large number of unemployed people registered with the PES (Jakučionis, 2020).

One of the main support measures during quarantine for the self-employed in Lithuania was compensation for the self-employed<sup>xiv</sup> (€257). The main strength of the measure is that it helped to ensure at least minimum incomes for the self-employed, as research shows that during the COVID-19 pandemic in Lithuania loss of income was most often experienced by persons earning income from individual activities (LRT.lt, 2020). The main weakness of the measure according to union members is that the amount of the benefit is not sufficient for subsistence, despite the fact that it is linked to the amount of the minimum consumption needs for the current year (Zebrauskiene, 2020a). According to Statistics Lithuania, in 2019, the absolute poverty line in Lithuania was €251 and the at-risk-of-poverty line constituted €379. Unfortunately, no data is available for 2020. According to the data provided by the Ministry of Social Security and Labour (MSSL), a total of 100,279 persons applied for the benefit to the self-employed during the period from 19 March 2020 to 16 August 2020 (the first quarantine + 2 months). A total of 79,169 persons applied for the benefit during the period from 7 November 2020 to 11 January 2021 (the second quarantine).

With regard to measures for citizens, two measures appear to have been the most popular in Lithuania, in particular, a lump-sum payment for children on top of child benefit<sup>xv</sup> and a lump-sum of

€200 for pensioners and disabled people<sup>xvi</sup>. According to the Ministry, extra benefits were paid to more than 0.5 million children and 910,000 pensioners/disabled. Drawing on the findings of the research carried out by Cerniauskas and Lazutka (2020), these two benefits were paid to around a quarter of Lithuanian households and represented the most frequent form of support received by households during COVID-19. However, the effectiveness of these two measures is not likely to be high, as they were one-off measures and the payments were not significant.

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

<sup>ii</sup> Eurofound (2020), [A lump sum payment for children on top of child benefit](#), case LT-2020-24/917 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

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

<sup>v</sup> Eurofound (2020), [Subsidies for microenterprises](#), case LT-2020-20/1022 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>vi</sup> Eurofound (2020), [Support for self-employment of people with disabilities](#), case LT-2020-23/1087 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>vii</sup> Eurofound (2020), [Subsidising job creation/adaptation](#), case LT-2020-20/1128 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

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

<sup>x</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>xi</sup> Eurofound (2020), [Guarantees for business loans and leasing](#), case LT-2020-15/353 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xii</sup> Eurofound (2020), [Subsidies for microenterprises](#), case LT-2020-20/1022 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

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

<sup>xv</sup> Eurofound (2020), [A lump sum payment for children on top of child benefit](#), case LT-2020-24/917 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xvi</sup> Eurofound (2020), [A lump sum of €200 for pensioners and disabled people](#), case LT-2020-20/913 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

# How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

## Accelerated developments

The year 2020 was the last year of the reign of the 17<sup>th</sup> Government (election to the Seimas of the Republic of Lithuania took place in October 2020). This might explain why no fundamental reforms were envisaged in working life policies in 2020.

As mentioned, COVID-19 mainly accelerated telework-related working life policies both in the public and private sectors: teleworking was used extensively by companies, institutions and organisations which had to adapt the relevant managerial, administrative and technological working conditions (e.g. electronic signatures began to be used more widely, etc.).

## Disrupted developments

As for reforms that have been somewhat delayed due to the COVID-19 pandemic, we can mention some of the efforts of the Ministry of Health (MH) to implement the health system reform in Lithuania. The 17<sup>th</sup> Government had planned to fundamentally reform the health system back in 2016 (to reorganise the hospital network, to optimise health care facilities and institutions, etc.). Some changes were implemented during 2017-2019, but suspended with the outbreak of the pandemic, and the Minister himself admitted that he had failed to implement the health reform (Lapeniene, 2021).

With regard to working life policies, they cannot be regarded as having been significantly affected by COVID-19. Despite the extraordinary situation in 2020, the country's government continued its work and developments in working life policies were not disrupted. This is evidenced by the report on the progress of the Government Programme Implementation Plan, which states that the Ministry of Social Security and Labour fully achieved its obligations in the period from 1Q to 3Q 2020 (LR Vyriausybė, 2020).

## Impacts on the social dialogue and collective bargaining

In the absence of relevant research studies, it is difficult to assess how the COVID-19 impacted social dialogue and collective bargaining. However, taking into account the significantly lower number of company-level collective agreements signed or renewed in 2020 (46<sup>1</sup>), as compared with 2019 (191<sup>2</sup>), and having in mind the overall level of uncertainty during the pandemic, we may presume that COVID-19 did have some negative impact on collective bargaining at company level. On the other hand, we do not have a long statistical line on the number of collective agreements signed in the country

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<sup>1</sup> Number of company level collective agreements registered at the Register of Collective Agreements in 2020, available at: <https://socmin.lrv.lt/lt/paslaugos/administracines-paslaugos/kolektyviniu-sutarciu-registras-ir-kolektyviniu-sutarciu-registravimo-tvarka>

<sup>2</sup> Number of company level collective agreements registered at the Register of Collective Agreements in 2019, available at: <https://socmin.lrv.lt/lt/paslaugos/administracines-paslaugos/kolektyviniu-sutarciu-registras-ir-kolektyviniu-sutarciu-registravimo-tvarka>

(collective agreements have actually been registered in Lithuania only since 2018), so this decrease alone is not sufficient for drawing conclusions with certainty.

As for national level social dialogue, it can be said that COVID-19 accelerated it rather than disrupted. Both employer organisations and trade unions have been actively involved in discussing Government's measures for overcoming the pandemic and providing support to affected businesses and employees since the beginning of the pandemic and quarantine. An important platform for this debate is the Tripartite Council of the Republic of Lithuania (TC): the number of TC meetings held in 2020 (17 meetings) alone was by 55% higher than that in 2019 (11 meetings) and by 21% higher than the number of meetings held in 2018 (14). In addition, in 2020, the national collective agreement was signed/renewed in the public sector and it was agreed on the increased monthly minimum wage.

## Other important policy developments

On 1 January 2020, Resolution No 669 of the Government of the Republic of Lithuania on the Minimum Wage (3 July 2019) came into effect in Lithuania with an increase from €555 to €607, and the hourly rate – from €3.39 to €3.72. In addition, as of 1 January 2020, the tax-exempt amount of income (TEAI) was increased from €300 to €350 and the formula for this amount was changed. From 1 January 2020, individuals with a monthly income from employment exceeding €2,666 will not be applied the monthly tax exemption.

On 1 January 2020, amendments to Articles 62, 63, 149 and 200 of the Labour Code of the Republic of Lithuania (LC) No 2603 and other laws related to the legal aspects of corporate insolvency came into force in Lithuania, aiming to increase the efficiency of insolvency processes. These amendments are mainly designed to provide clearer regulation, speed up and facilitate termination of employment contracts in the event of employer's bankruptcy (e.g. the amendments remove the employer's obligation to consult the works council or trade union on group redundancies in the event of bankruptcy, etc.) (Maliauskaitė-Embretė, 2019).

A part of business certificates was annulled as of 1 July 2020, in particular, business certificates for childcare, babysitting, construction completion, finishing and repair, plumbing and electrical works, and car repair. From 1 July 2020, engagement in the activities above require that private persons get incorporated or carry out such activities under individual activity certificates and pay higher taxes.

As of 1 January 2020, new Law No XIII-2221 on Insolvency of Legal Entities of the Republic of Lithuania and related amendments to other legislation entered into force in Lithuania. This law regulates the restructuring and bankruptcy processes of legal entities, as well as the profession of the insolvency administrator and supervision of activities. The law creates preconditions for legal entities to move from bankruptcy proceedings to restructuring and vice versa, amends the sequence of satisfying creditors' claims, and introduces other changes.

On 1 January 2020, Law No XIII-2595 amending Article 133 of Labour Code No 2603 came into force, extending the period for fathers to be able to take paternity leave. In compliance with this law, employees shall be granted uninterrupted paternity leave of 30 calendar days after the birth of the child. This leave shall be granted at any time from the birth of the child until the child reaches the age of one year. Until 1 January 2020, fathers were entitled to paternity leave until the child reaches three months (or until the child is six months old in the case of complicated birth or when two or more children are born).

On 1 January 2020, Law No XIII-2415 amending Article 123 of the Labour Code entered into force in Lithuania, introducing an additional public holiday – All Souls' Day November 2 (for the remembrance of all the departed).

Restrictions set out in Articles 127(5) and 127(6) of Labour Code No 2603 shall apply in all cases in Lithuania with effect from 1 July 2020, whereunder annual leave entitlements shall disappear three years after the end of the calendar year in which entitlement to full annual leave was acquired (unless it is established that the employee was not actually able to take it). Until coming into force of the Labour Code (1 July 2017), employees who had unused annual leave for more than three years were entitled to use it until 1 July 2020.

In addition, many policy developments in working life in Lithuania in 2020 were related to the COVID-19 pandemic and setting up measures to overcome it. These instruments are available in the Eurofound's COVID-19 EU PolicyWatch database<sup>3</sup>.

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<sup>3</sup> <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

## Labour disputes in the context of the pandemic

Official statistical information on strikes which is provided by Statistics Lithuania (SL) has not yet been published for 2020. However, based on media reports, we can say that 2020 was quite calm in terms of labour disputes and no workers' strikes were initiated in Lithuania. Despite rather strict pandemic and health measures applied in Lithuania during the quarantine period, collective labour disputes related to the pandemic or health measures taken in 2020 were avoided.

It can only be mentioned that in July 2020, the Couriers' Association and some of the food delivery couriers at 'Bolt Food' in Vilnius declared a strike due to reduced service rates and working conditions. However, officially, food delivery couriers (like other platform workers) are not legally recognised as employees in Lithuania (they are qualified as self-employed) and, according to lawyers, their actions can therefore not be referred to as a strike (Davulis, 2020).

# Major developments in working time regulation as a result of the pandemic

## Legislation on working time

In 2020, there were no amendments to the Labour Code and other legislation made in relation to the legal regulation of working time as a result of the needs developed during the pandemic.

It is true that, given the pandemic situation, leaders of social care and health care institutions suggested that the MSSL should consider the possibility of more flexible regulation of working time and its duration in these sectors, but the proposal was not considered and taken into account.

## Collective bargaining on working time

In general we may say, that in 2020 in Lithuania there were no major changes in collective bargaining on working time, only some minor examples (e.g. in the amendment of the sectoral collective agreement of health care sector in July 2020 it was agreed that overtime may be allowed with the consent of employees and in such cases, the maximum annual overtime shall be 260 hours<sup>xvii</sup>; in the national collective agreement of the public sector parties agreed on additional days of leave and study time<sup>xviii</sup>).

There has been no analysis of the content of company level collective agreements, signed or renewed in 2020. However, from the accidental review of the agreements we may presume, that in the majority of cases there were no important changes in the content of collective agreements in the area of working time due to pandemic.

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<sup>xvii</sup> Eurofound (2020), [Amendment of the sectoral collective agreement for the Lithuanian national public health system](#), case LT-2020-29/1114 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.

<sup>xviii</sup> Eurofound (2020), [National public sector collective agreement 2021](#), case LT-2021-1/1308 (measures in Lithuania), COVID-19 EU PolicyWatch, Dublin.



## Ongoing debates on working time

Overall, it can be said that currently there are no important ongoing debate on working time in Lithuania. At the beginning of the pandemic in March 2020, employer organisations tried to initiate a discussion at the TC meeting on the possibility for certain professions to extend working hours and overtime and/or introduce a kind of Labour Code moratorium (i.e. possibility to derogate from the provisions established in the Code, including working time provisions), but these initiatives failed to develop into more serious discussions.

## Impacts of the crisis on wages and wage setting

Despite the COVID-19 pandemic, in 2020, average monthly wages kept steadily growing on a quarterly basis (Table 1). According to Statistics Lithuania, the growth rate for wages and salaries in Lithuania was even slightly higher in 2020 than last year, accounting for 9.4%, 8.5% and 10.4% in 1Q to 3Q 2020, respectively. Indeed, the growth rate was higher in the public sector (9.1%, 13% and 12.7%, respectively) than in the private sector (9.5%, 6.1% and 9.3%, respectively). In 3Q 2020, the gross average monthly wage reached €1454.8 and the net average monthly wage was €927.9.

**Table 1: Average monthly wages in Lithuania (in €)**

Indicator	2019 3Q	2019 4Q	2020 1Q	2020 2Q	2020 3Q
Gross monthly wages	1317.6	1358.6	1381	1398.5	1454.8
Net monthly wages	834.3	857.9	879.2	889.2	927.9

Source: Statistics Lithuania

We have no basis to assess the extent to which this increase was influenced by objective economic factors in the labour market and to which by collective bargaining. Yet, taking into account sectors demonstrating the highest growth (Human health and social work activities (with 20.5% annual increase in 3Q 2020); Transportation and storage (17.1%); Public administration and defence, compulsory social security (11.5%); Administrative and support service activities (10.5%)), this growth may have been driven both by the objective situation determined by the COVID-19 pandemic and sectoral-level collective bargaining, since, for example, Health care sectoral collective agreement, which inter alia includes some remuneration-related provisions, was updated even twice in 2020.

In 2020, the process of determining the minimum monthly wage for 2021 took place in compliance with Article 141(3) of the Labour Code of the Republic of Lithuania, which stipulates that the minimum hourly rate and the minimum wage shall be approved by the Government upon recommendation of the Tripartite Council and taking the indicators and trends of development of the national economy into account. Although the minimum wage process was standard, it was postponed several times at the employers' request in order to wait until the latest forecasts and trends in the country's economy were available. The final recommendation of the Tripartite Council was presented to the Government in October 2020 (instead of June). The decision was made to set the minimum wage at €642 for 2021 (Resolution of the Government of the Republic of Lithuania No 1114 of 14 October 2020 On the Minimum Wage in 2021). In addition, the Resolution was supplemented with paragraph 3, imposing a requirement to obtain a repeated recommendation on minimum wage from the TC in case of confirmed negative projections. According to the formula agreed by social partners, when setting the minimum wage, the ratio between the minimum wage and the average wage should be maintained at 45-50%, and should correspond to the average quarter of that in EU countries with the highest minimum to average wage ratio, as determined on the basis of Eurostat data published for the last three years.

## What is new in working life in the country?

COVID-19 has brought some changes to Lithuania in the field of working life:

### Increased teleworking

One of the most important changes is the significant increase in teleworking in 2020. According to the above-mentioned research/studies, about 45% of the country's employees on average worked remotely during quarantine, as compared with only 3.2% of the employed (above 15) working from home in Lithuania in 2Q 2019 (according to Statistics Lithuania). It is likely that the post-quarantine share of persons working remotely will be considerably higher than before quarantine. Moreover, research shows that approximately one of three employees (31%) in Lithuania would prefer teleworking in non-quarantine times, too (LRT.lt, 2020). In addition, during the pandemic, not only was work carried out remotely, but a large part of the service, catering or retail sectors also moved to the virtual environment. Thus, there are marked digitisation developments that are likely to continue in post-quarantine periods.

### Enhanced occupational safety and health measures

Many companies have significantly enhanced safety and health measures at work in order to protect their employees (by providing disinfectants, strengthening hygienic maintenance of the facilities, installing partitions between employees, providing the necessary physical distance between employees, regulating employee flows, etc.). It is likely that such measures will become customary in the workplace and continue to apply routinely after quarantine. Some large companies already mention that COVID-19 is changing their culture of work. For example, the head of the Ignitis group of companies noted that when planning offices, the group of companies is paying more attention to employee safety, availability of more space per person, and management of employee flows (Alonderyte, 2020).

### Increased platform work

Although there are no official statistics, it can be stated that the COVID-19 pandemic had a significant impact on the growth of the number of platform workers. The closing down of catering establishments during the quarantine period greatly increased popularity of food delivery courier services in the country. Incentives for employment in this area have also been fuelled by the difficult situation in the labour market which is witnessing a significant decrease in other employment opportunities. For example, at the beginning of January 2021, at the request of the Couriers' Association (CA), 'Bolt' shared information that at that time there were about 5,000 pending job applications to work as 'Bolt' food delivery couriers in Lithuania (Savickas, 2021). This accounts for some 3.4% of the total number of people working under individual activity certificates (platform workers also work under individual activity certificates and are considered self-employed in Lithuania).

### Increased fixed-term work

Although official statistics are again not available, information provided in the public domain shows that the pandemic has greatly increased the number of people working under atypical employment contracts (usually fixed-term contracts). Businesses faced situations when they had to significantly increase the number of employees very rapidly and flexibly, while employees unable to carry out their normal activities were also looking for temporary jobs. One of the examples is courier work taken on by a number of employees in the service or entertainment sector (Misiūnas, 2021). Businesses, in turn,

also employed a large portion of employees on fixed-term contracts during quarantine. The demand for such employees increased even more at the beginning of the festive season (Simeleviciene, 2020).

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<https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

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