

Information provided by the Republic of Lithuania to the UN Special Rapporteur on extreme poverty and human rights on his thematic report on “Eradicating poverty in a post-growth context: preparing for the next Development Goals”

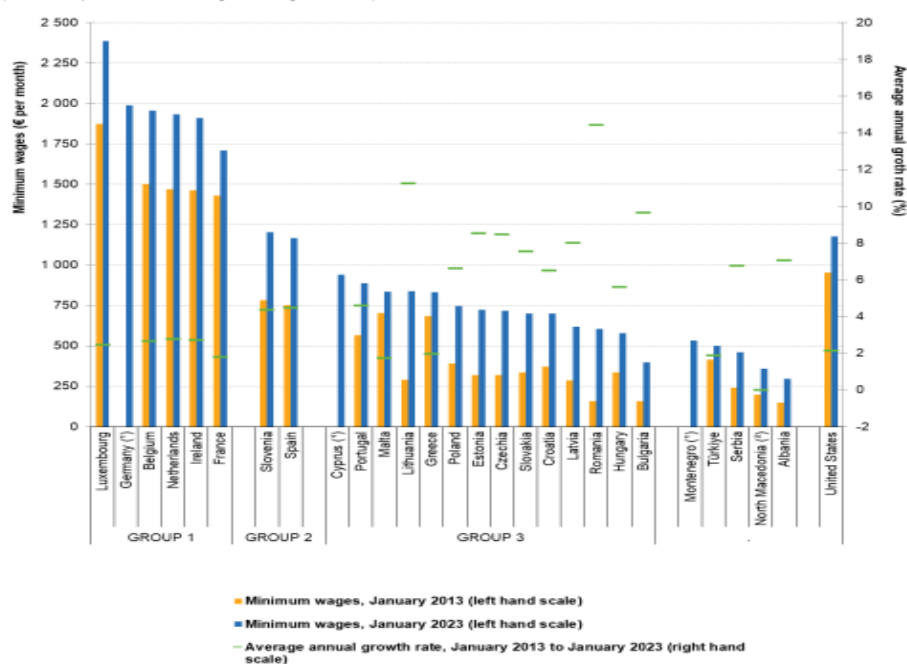
1. *Has your government designed measurements of social progress that complements GDP, in accordance with target 17.18 of the SDGs? If so, what alternative indicators were designed and how? Have such measurements accounted for unpaid care, reproductive, and household work and, if so, how? Which mechanisms, if any, have been established to increase accountability towards improving the performance of the State according to such indicators? Please share any lessons learned from the use of such alternative measurements of progress and associated monitoring mechanisms.*

Sustainable development indicators are available at: <https://osp.stat.gov.lt/darnaus-vystymosi-rodikliai>

2. *Which measures have been adopted, if any, to ensure that growth primarily benefits the bottom 40 per cent of the population, in accordance with SDG target 10.1? Have other tools to assess progress towards the reduction of inequalities been designed and implemented?*

Wages in Lithuania have increased rapidly, significantly above both the OECD and Baltic averages over the past decade. To keep pace with rising wages and to support low-income workers, the Lithuania’s government has sharply raised the minimum wage in recent years and done so more rapidly than in many countries. Eurostat data confirm that statutory minimum wages were raised more quickly in Lithuania than in most EU countries since 2017.

Minimum wages, January 2023 and January 2013
(levels, in € per month and average annual growth, in %)



Note: Denmark, Italy, Austria, Finland and Sweden: no national minimum wage.

(*) January 2013 data and average annual rate of change not available.

(**) Minimum wage in force on 1 July 2021

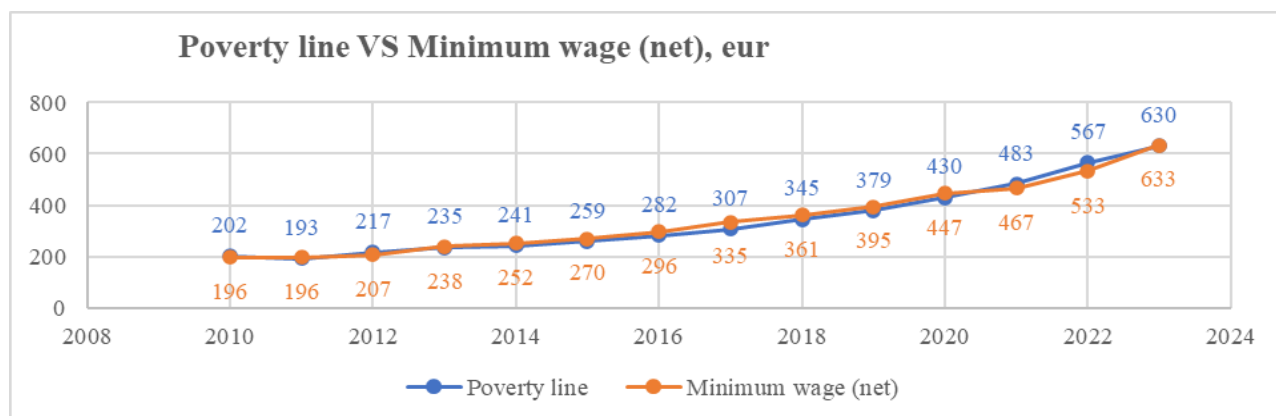
Source: Eurostat (online data code: earn_mw_cur)

The minimum monthly wage (MMW) in Lithuania increased from EUR 380 in 2017 to EUR 840 in 2023. Since 2017, the MMW has more than doubled. The raise of minimum wages and the number (or proportion) of workers concerned by minimum or below minimum wage is illustrated in the table below:

	2017	2018	2019	2020	2021	2022	2023
Minimum wage (gross)	380 Eur	400 Eur	555 Eur	607 Eur	642 Eur	730 Eur	840 Eur
Minimum wage (net)	335 Eur	361 Eur	395 Eur	437/447 Eur	467	533 Eur	633 Eur
Minimum monthly wage increase (%)	-	5.3	7.5	9.36	5.77	13.7	15.1
Proportion of workers concerned by minimum or below minimum wage in national economy with individual enterprises (full time +part time)	13,6 %	10,9 %	10,4 %	9,9 %	9,9 %	-	-
Poverty risk	307 Eur	345 Eur	379 Eur	430 Eur	483 Eur	567 Eur	630 Eur

Since 1 January 2024 the Government of the Republic of Lithuania, considering recommendation of the Tripartite Council of the Republic of Lithuania, approved the minimum monthly wage amounting to EUR 924 (increased by 10 percent as compared with the previous MMW). The decision was made after evaluation of the economic situation in the country, the financial possibilities of the State budget and municipal budgets and employers, in particular, small employers, to pay higher minimum monthly wage.

When determining the minimum monthly wage, the predicted level of risk of poverty is considered. The aim of the Government is to increase the income of the lowest earners (within 2 years from 2021 to 2023, it was increased by almost 200 euros or over 30%) and to ensure that the net income of the minimum monthly salary of one person is not lower than the poverty risk threshold. This is an additional indicator that began to be considered when determining MW.



Since 2018, Lithuania has made a number of changes to reduce poverty. As of 2018, the basic amounts (basic social benefit, state-supported income, social assistance pension base, target compensation base) that affect the number of social benefits was linked to the amount of the Minimum Consumption Needs Level (MCNL). This has ensured a steady increase in the base rates, irrespective of political decisions. From 2019, a basic package of family services has been adopted, consisting of 14 basic services for family members of different ages, to be provided by and accessible to all Lithuanian municipalities on their territory. Part of the earned income is no longer considered in the entitlement to social benefits for the poorest – these changes are aimed at reducing the risk of poverty among the working population.

Real net disposable incomes in Lithuania were growing rapidly prior to the pandemic and have continued to rise since then. The table below illustrates average gross monthly earnings in the whole economy (excluding individual enterprises) in Eur:

	I Q	II Q	III Q	IV Q
2016	748.0	771.9	793.3	822.8
2017	817.6	838.7	850.8	884.8
2018	895.2	926.7	935.7	970.3
2019*	1 262.7	1 289.0	1 317.6	1 358.6
2020	1 381.0	1 398.5	1 454.8	1 524.2
2021	1 517.4	1 566.4	1 598.1	1 679.3
2022	1 729.9	1 780.5	1 799.0	1 900.3

* From 1 January 2019, the rates of the state social insurance contributions paid by the employer and the employee were changed. Gross earnings were indexed 1.289.

The minimum wage in Lithuania is paid only for unskilled work (i.e. that does not require special skills or professional expertise). Skilled workers must be paid above the minimum wage. The minimum wage is indexed using the forecast average wage.

3. *Which obstacles did the State encounter in its search for development pathways not dependent on economic growth, consistent with its economic sovereignty and the prioritization of the well-being of the population? Which enabling international environment should be established in order to encourage the search for such alternative development pathways?*

The obstacles include promotion of economic resilience, productivity, skills, digital technologies, and climate resilience. Enabling international environment should guarantee social equity and environmental sustainability both within countries and internationally. It is also important to pursue climate-resilient development.

4. *The way societies conceive of work, relate to the environment, and finance their economies and welfare systems locks them into growth-oriented economic models. What measures should be taken to overcome such growth dependencies in each of these areas? And how can human rights guide efforts to overcome such self-reinforcement?*

Some possible measures could be taken to overcome growth dependencies in each of the areas such as:

- **Work:** Encourage the development of alternative forms of work that prioritize social and environmental objectives over economic growth, such as social enterprises, community-based organizations, and the solidarity economy. Promote the sharing economy, the circular economy, and the collaborative economy, which emphasize the efficient use of resources, the reduction of waste, and the creation of social value. Ensure that workers have access to decent work, social protection, and lifelong learning opportunities that enable them to adapt to changing labour market conditions and technological innovations.
- **Environment:** Adopt policies and practices that promote the sustainable use of natural resources, the protection of biodiversity, and the mitigation of climate change, such as carbon pricing, green taxation, eco-labelling, and green procurement. Promote the transition to renewable energy, energy efficiency, and low-carbon transportation systems. Encourage the adoption of sustainable agriculture, forestry, and fisheries practices that enhance ecosystem services and support rural livelihoods. Ensure that environmental policies and practices are grounded in human rights principles, such as the right to a healthy environment, the right to participation, and the right to information.
- **Finance:** Reform the financial system to align it with sustainable development objectives, such as the Sustainable Development Goals, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction. Promote the use of public finance, development finance, and impact investment to support sustainable development projects that generate social and environmental benefits. Encourage the development of alternative financial instruments, such as social impact bonds, green bonds, and community currencies, that enable citizens and communities to participate in the financing of sustainable development. Ensure that financial policies and practices are grounded in human rights principles, such as the right to development, the right to food, and the right to water and sanitation.
- **Welfare systems:** Develop welfare systems that prioritize social protection, universal access to basic services, and the reduction of inequalities, rather than economic growth. Promote the use of alternative indicators of well-being and progress, such as the Human Development Index, the Genuine Progress Indicator, and the Social Progress Index, that capture the multidimensional aspects of human well-being. Ensure that welfare policies and practices are

grounded in human rights principles, such as the right to social security, the right to health, and the right to education.