Organisation for Economic Co-operation and Development

DOCUMENT CODE

For Official Use **English - Or. English**

REFORM/OECD Framework Delegation Agreement
REFORM/IM2021/009
Project 21LT07

Comprehensive Review of Policies to Facilitate Active Ageing in Lithuania

Output 1 - A report on the assessment of the current situation of active ageing in Lithuania

Diagnosis and analysis of the existing situation of older people in the area of employment, social integration and in public and political life

BETTER POLICIES FOR BETTER LIVES

Funded by the European Union

The project was funded by the European Union via the Technical Support Instrument, and implemented by the OECD, in cooperation with the Directorate-General for Structural Reform Support of the European Commission.

"This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."

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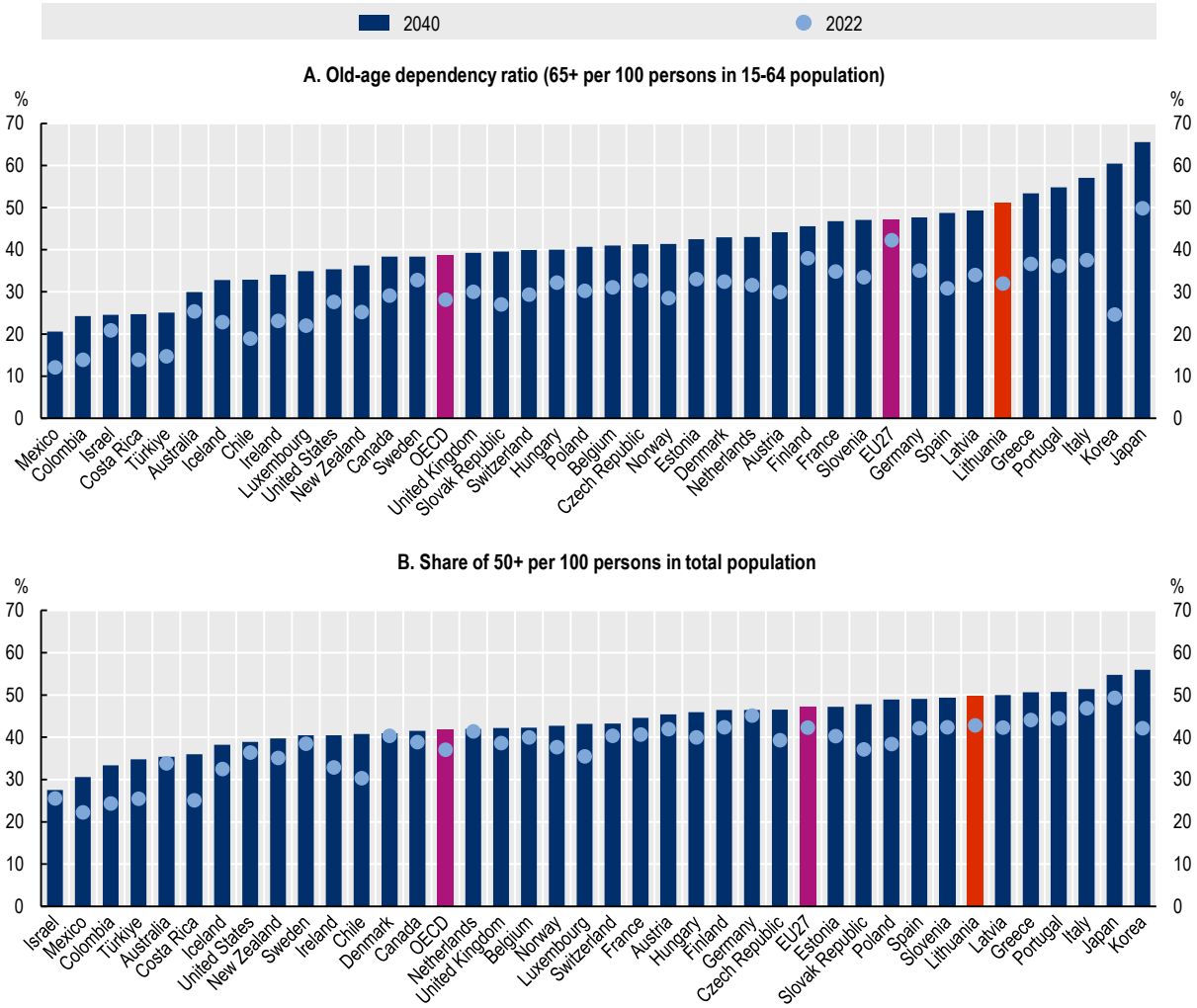
1.1. General context of employment for older people in Lithuania

1.1.1. The impact of an aging population on Lithuania will be greater than in other OECD countries

Lithuania is ageing rapidly. The old-age dependency ratio in Lithuania, i.e. the ratio of the population aged 65 and older over the population aged 15-64, is projected to increase from 32% in 2022 to 51% in 2040 (which is 10 percentage points higher than the OECD average in 2040). In other words, Lithuania will go from having three working-age persons for every person aged 65 years and older to only two. The rapid aging can be also seen in the percentage of the population over 50 years old in total population, as nearly 50% of the total population in Lithuania is expected to be aged 50 and over by 2040 (Figure 1.1).

Figure 1.1. The old-age dependency ratio in Lithuania will rise faster than in most OECD countries

Dependency ratios, 2022 and 2040



Source: OECD Population Projections Database, http://stats.oecd.org//Index.aspx?QueryId=88954.

An ageing population coupled with high emigration will pose challenges for sustaining workforce growth and high living standards

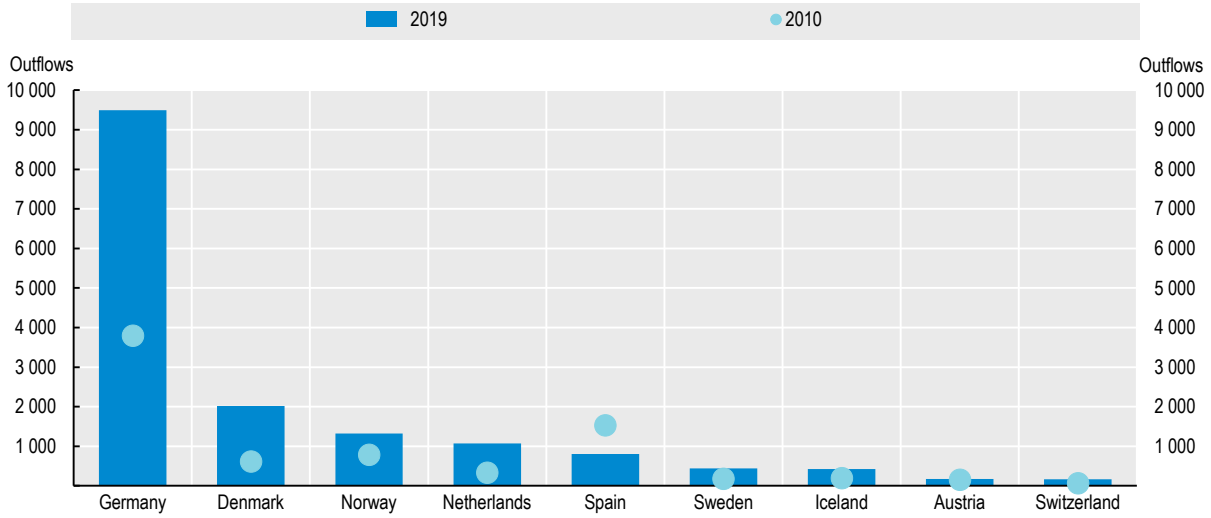
In addition to rapid demographic changes, emigration may accelerate the decline in the number of prime age workers in society. On the one hand, the number of inflows of permanent immigrants to Lithuania has risen significantly in recent years and Lithuania is the only country in Europe with an increase inflows in 2020. On the other hand, over the 2006-18 period, the net fiscal contribution of immigrants declined in Lithuania, which reflects the fact that the share of older immigrants has increased the most during this time (OECD, 2021[1]). This is the opposite of what has happened in recent years in countries such as the United Kingdom that received large inflows of highly skilled labour migrant.

At the same time, emigration to high-wage countries is still on the rise in Lithuania. According to the OECD's International Immigration database, the number of outflow with Lithuanian nationality in 2019 compared to 2010 was 2.5 times higher in Germany, 3.3 times higher in Denmark, and 1.7 times higher in Norway (Figure 1.2). Given that migration for higher wages is generally more prevalent among younger

people (Zaiceva, 2014[2]), this trend may increase the relative importance of older workers in the Lithuania labour market.

Figure 1.2. Outflows to higher wage countries continue to increase

The number of outflows with Lithuanian nationality to foreign countries in 2010 and 2019



Source: OECD International Migration Database, https://stats.oecd.org/Index.aspx?DataSetCode=MIG.

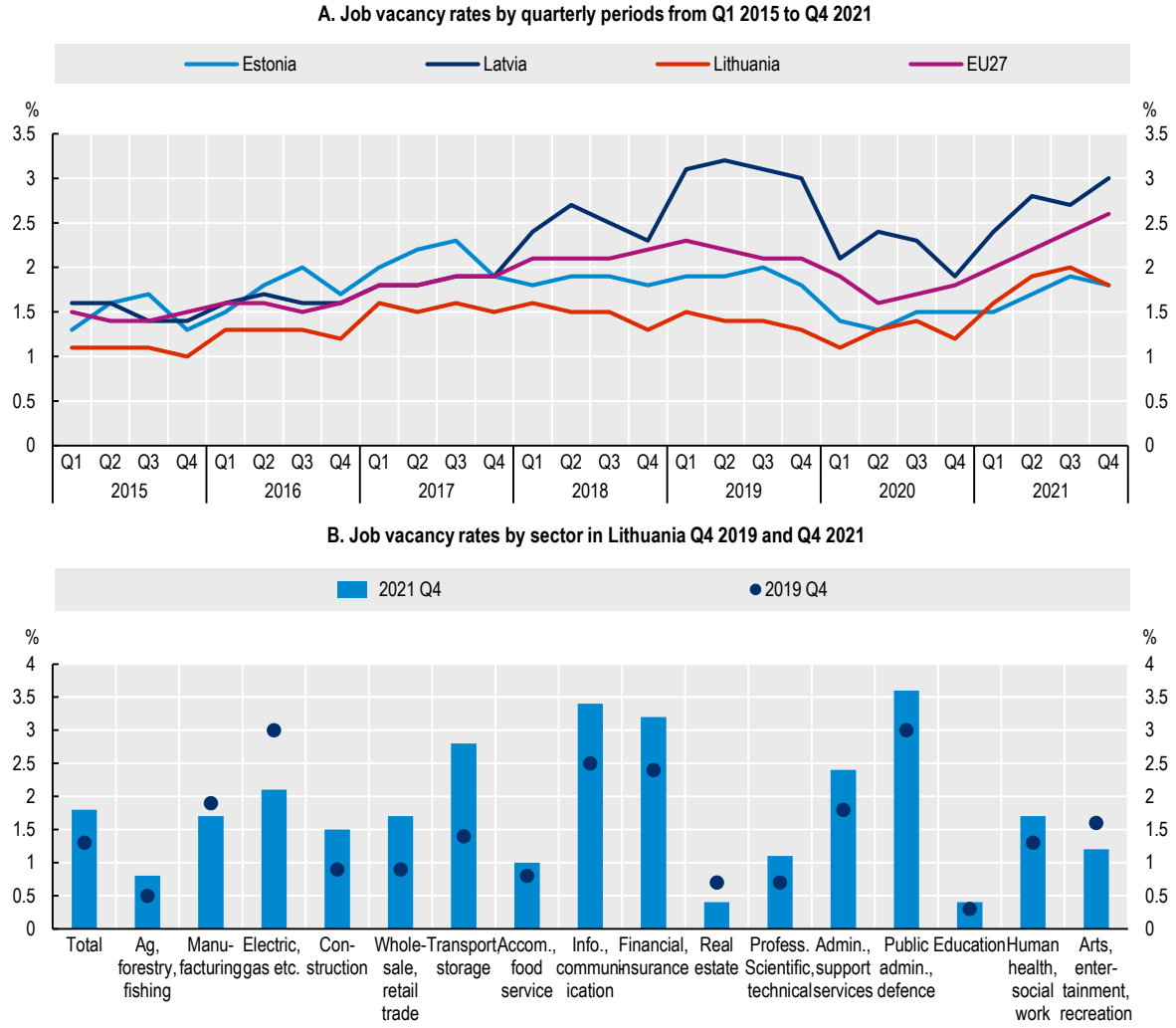
Overall, these trends are putting pressure on government budgets and slow economic growth. According to OECD projections, in a baseline scenario, Lithuania's GDP growth rate of 2.6% in 2020-2030, well above the EU average of 1.0%, but growth slows to 0.9% between 2030 and 2060, which is below the EU average of 1.1% (OECD, 2021[3]). Raising the retirement age is expected to contribute to an increase in real GDP per capita, but secular trends of population ageing will keep adding pressure on government budgets. Without policy changes, if public debt ratios is stabilized at current levels while maintaining current public service standards and benefits would increase fiscal pressure by 2 percentage points of GDP between 2021 and 2060 due to health and long-term care expenditure and pension expenditure (OECD, 2021[3]).

Shrinking population is also likely to exacerbate growing skills shortages

While the COVID-19 outbreak caused a temporary fall in job vacancy rates across Europe, but the job vacancy rates are on an upward trend again in 2021. The vacancy rate in Lithuania is still lower than the EU average, but compared to 2015, it has almost doubled in Q3 2021(Figure 1.3). The increase rate in the job vacancy over the last five years is higher than the EU average, and these trends are making older people's labour participation more important.

In particular, COVID-19 crisis has amplified labour shortages in several essential sectors including the health care sector, while reducing job openings in some sectors where face-to-face contact is required such as retail or entertainment industries, which employ a relatively high percentage of low-educated workers (OECD, 2021[4]). Comparing Q4 2019 with Q4 2021, vacancy rates have increased in many industries and have returned to the levels before the onset of COVID-19. However, a strong recovery can be seen in the information and communication industry and the financial and insurance activities industry, while the manufacturing, real estate, and entertainment and recreation industries, which were significantly affected by COVID-19, are below the 2019 level, indicating differences among industries.

Figure 1.3. Lithuanian labour shortage on the rise after the COVID-19 outbreaks



Note: Job vacancy rates are neither seasonally nor calendar adjusted.
Source: Eurostat datasets: *Job vacancy rate* and *Job vacancy statistics by NACE Rev. 2 activity, occupation and NUTS 2 regions - quarterly data.*

Extending working lives, boosting labour market participation and retaining talent of older individuals is key to mitigate the adverse impact of population ageing, reduce labour market tensions and maintain high living standards. Working longer is not only an economic imperative but many older people want to work longer. Staying active through employment has also shown to improve cognitive, mental well-being and reduce social isolation. Ensuring that workers of all ages have access to good quality jobs through healthy and sound workplaces, flexible employment practices to transition from work to retirement in a smoother manner, meaningful life-long learning opportunities and dismantling stereotypical views and age discrimination would be key to encourage older people to stay and contribute to the productive economy.

In this context, this note as part of Activity 1.2 aims to assess existing opportunities and barriers to active participation of older people in labour market in Lithuania. The assessment builds on the replies of the Ministry of Social Security and Labour, the Association of Local Authorities and the municipalities of Kaunas, Panevėžys and Švenčionys to the OECD Policy Questionnaire on Active Ageing provided between September and November 2021. The information collected through responses to the questionnaire is complemented by insights from a series of fact-finding meetings with representatives from

ministries, municipalities, NGOs, civil society and academics undertaken virtually between September and November 2021. It also draws on the findings of a workshop with public officials from relevant ministries and municipalities that was held in Vilnius on 17 May 2022.

The note is made of five chapters. This first chapter sets the scene for the remainder of the note by presenting an overview of the labour market outcomes of older people in Lithuania. The other four chapters analyse specific barriers and opportunities to labour market inclusion of older people in Lithuania in depth. Key focus areas include:

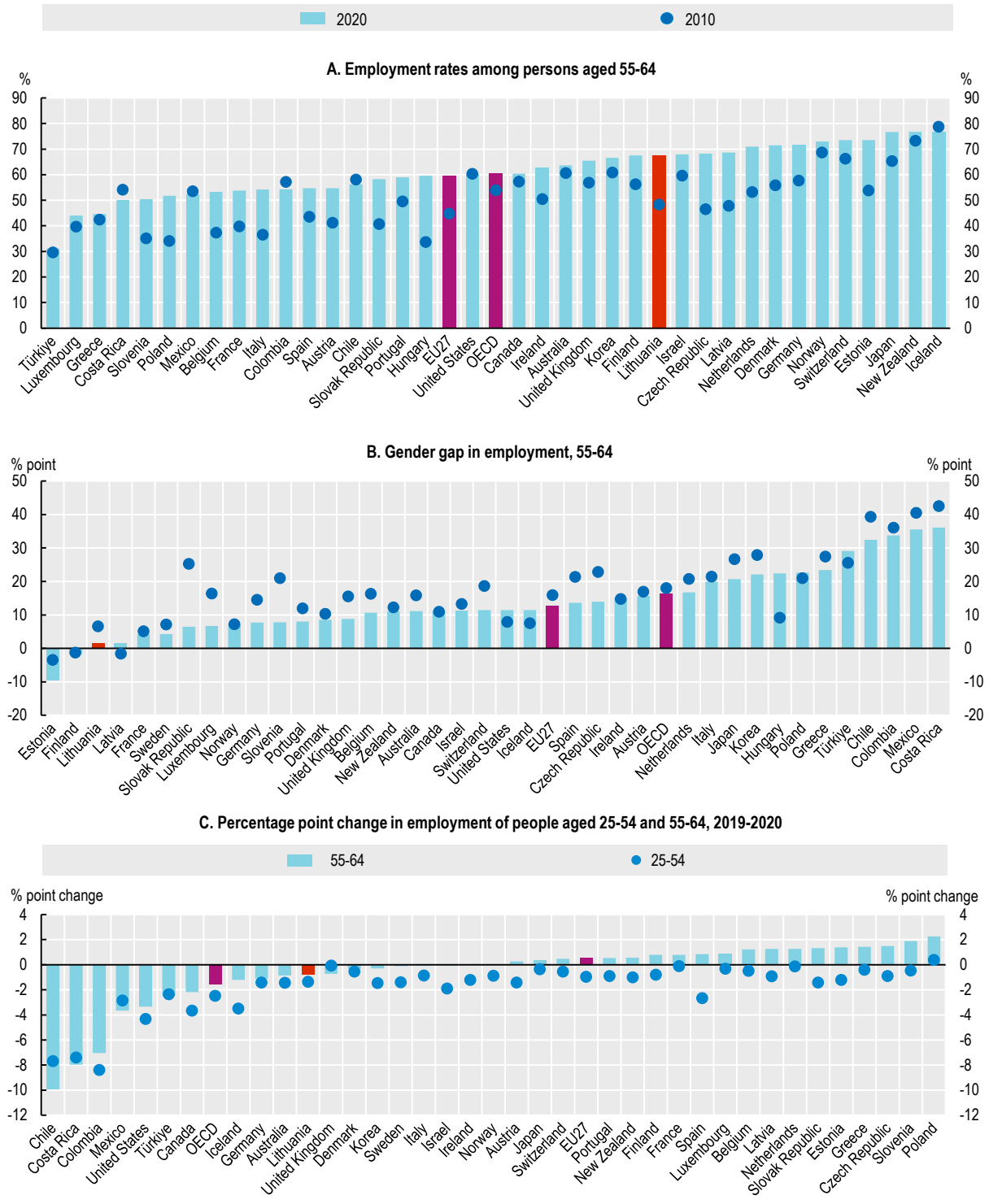
1. Better job quality and working conditions for longer working lives
2. Removing age barriers to retain and hire older workers
3. Promoting lifelong learning
4. Brining older people back to work Active ageing and employment

1.1.2. Labour market opportunities for older people have improved but large inequalities remain

Employment rates of older people aged 55-64 in Lithuania have seen marked improvements over the past decade. At 67.5%, the employment rate in 2020, was higher than the EU average (59%) and OECD (60%). (Figure 1.4, Panel A). Employment of older people also proved to be quite resilient in the face of the sharp economic contraction that occurred in 2020 as a result of the COVID-19 pandemic. In Lithuania, whereas the employment rate fell for people aged 25-54, sometimes quite steeply, it declined less steeply for older people aged 55-64 (Figure 1.4, Panel C). The gender gap in employment also shows strong improvement in recent years. The gender gap in employment narrowed from 6.6% in 2010 to 1.5% in 2020 and stood significantly low compared to the EU average of 12.9% (Figure 1.4, Panel B).

The strong rise in employment rate of older workers in Lithuania can be explained by several factors including the pension reforms (introduced by the Law on Social Insurance Pensions) which entered into force in 2012. Since then, the statutory retirement age increased by four months per calendar year for women and two months per calendar year for men until both reach 65 in 2026. Before this reform, the statutory retirement age was 62.5 for men and 60 for women (OECD, 2018[5]). However, the comparatively high employment rate of workers above statutory retirement age may also be linked to the comparatively low level of pensions with a net replacement rate of 41.2% in 2020 as compared to 62% on OECD average (OECD, 2021[6]).

Figure 1.4. Employment for older workers have improved

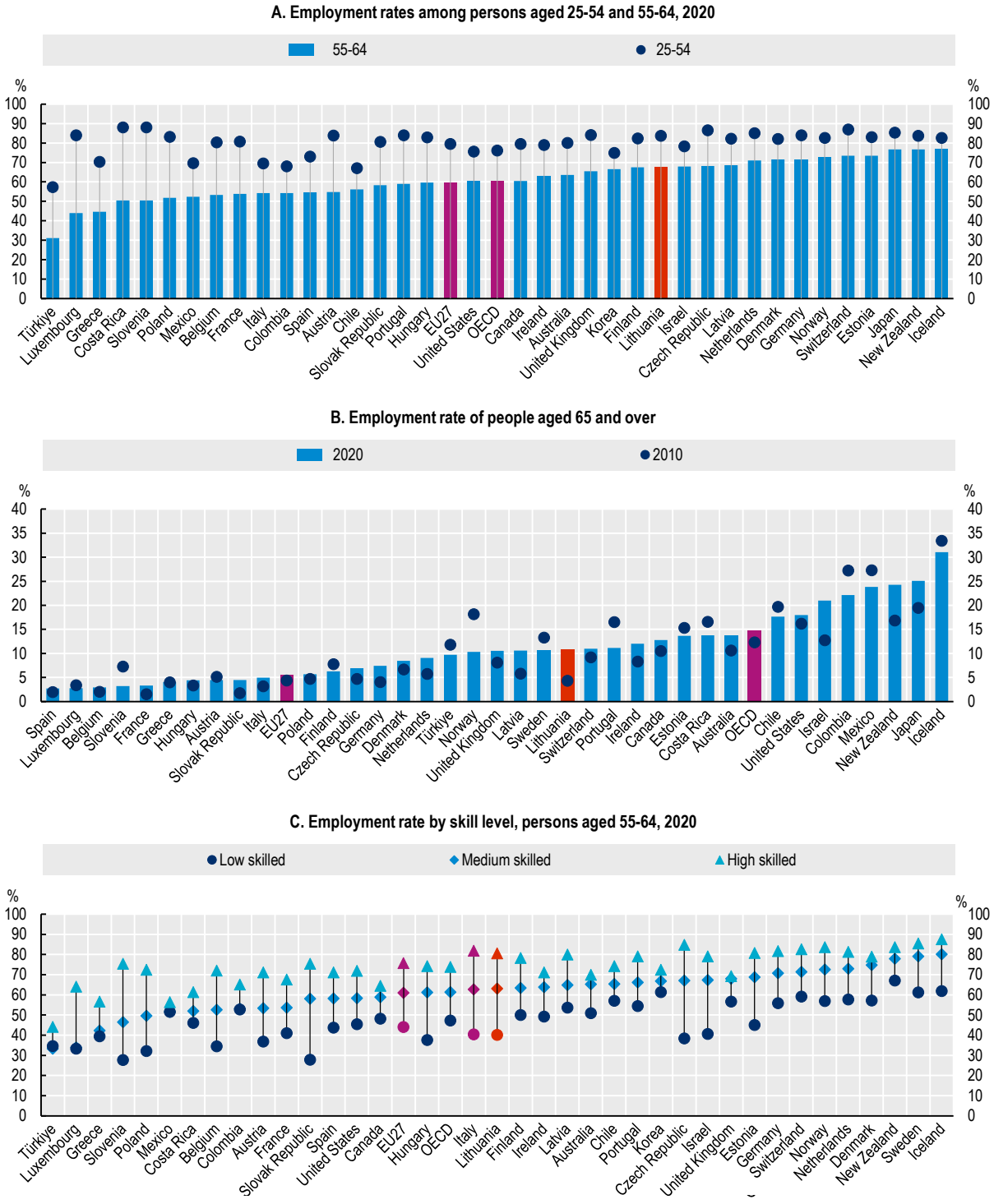


Source: OECD calculations based on the OECD dataset *LFS by sex and age – indicators* http://stats.oecd.org//Index.aspx?QueryId=54218.

Notwithstanding these positive developments, a closer look reveals several inequalities in the labour market for the elderly in Lithuania. Notably, the employment rate of persons aged 55-64 year olds still lags behind considerably than their younger counterparts aged 25-54 year olds. Greater efforts are also needed to boost employment opportunities among people aged 65 and over. Even though employment gap of this

age group increased in recent years, they remain substantially lower than some other EU countries as well as Asia-Pacific countries such as Japan and Korea. Furthermore, significant differences emerge when comparing employment rates by skill level with higher skilled older people generally more likely to be still working than those with few qualifications. While this trend is true across all EU countries, Lithuania has one of the largest skills related employment gap in the EU. In 2020, Lithuania this gap stood at 40 percentage points compared to 30 percentage points on average in the EU.

Figure 1.5. Inequalities in employment opportunities remain



Note: Panel C: *Low skilled* refers to below upper secondary education, *medium skilled* to upper secondary or post-secondary non-tertiary education and *high skilled* to tertiary education (based on ISCED 2011). Data refer to 2017 (Chile) and to 2019 (Denmark, Japan, Türkiye).
Source: OECD calculations based on the OECD datasets *LFS by sex and age – indicators* http://stats.oecd.org//Index.aspx?QueryId=54218, and Educational attainment and labour-force status, http://stats.oecd.org//Index.aspx?QueryId=93189.

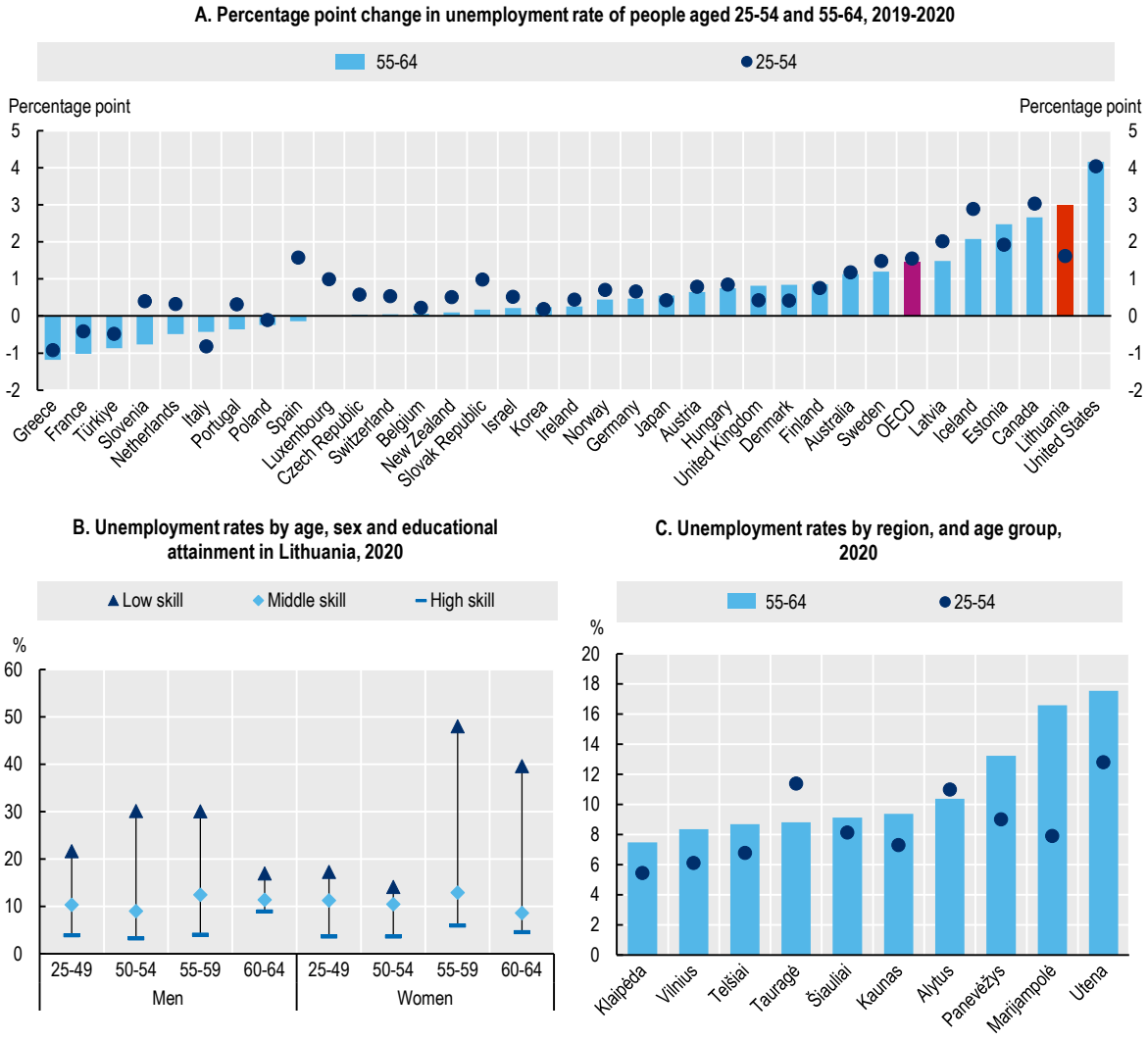
Long-term unemployment is widespread and the likelihood of finding work is markedly lower for older Lithuanians compared to their younger counterparts

Another key challenge for Lithuania is to tackle high levels of unemployment among older workers. In 2020 the unemployment rate among the older people aged 55-64 in Lithuania reached 9.9%, albeit an improvement of 4.5% compared to 2010, it is still high compared to the OECD average of 5.2%. Inequalities in access to labour market for older were further exacerbated during the COVID-19 pandemic. Between 2019 and 2020, the unemployment rate in Lithuania for people aged 55-64 increased by 3 percentage points, which was among the highest among OECD countries (Figure 1.6, Panel A). In Lithuania, the impact of COIVD-19 on the prime age group was larger than in most of the OECD countries, but the impact on the elderly was even larger.

Unemployment rates also vary widely by education level. In particular, for low-skilled (less than upper secondary) women aged 55 and over, the unemployment rate is much higher than for other age groups. In contrast, for high-skilled (Tertiary education), the unemployment rate is lower than those with low and middle education and does not increase significantly with age (Figure 1.6, Panel B). This may be related to the better general health status of those with higher education than those with lower education (see Chapter 2). According to the Labour Force Survey, in the 2010s, the share of high-skilled workers increased by 10 percentage points from 43% to 54% for workers aged 25-54 in Lithuania, while the share of high-skilled workers increased by only about one percentage point, from 36% to 37% for workers aged 55-64. The proportion of middle skilled workers in the older age group is about 20 percentage points higher than that of workers aged 25-54, confirming the relatively precarious position of the older workers.

There are also regional differences in the employment situation of older workers. The unemployment rate for older workers varies by up to 10 percentage points between regions, and the difference is much greater than for unemployed workers aged 25-54 (Figure 1.6, Panel C). The unemployment rate by region is relatively low in urban areas with large populations, such as Vilnius and Klaipėda, and high in areas with relatively small populations, such as Utena and Mažeikiai. This indicates the relative difficulty of being employing the elderly in rural areas, as is generally the case in other countries.

Figure 1.6. Older Lithuanian were twice as often unemployed than the OECD average during the COVID-19 pandemic

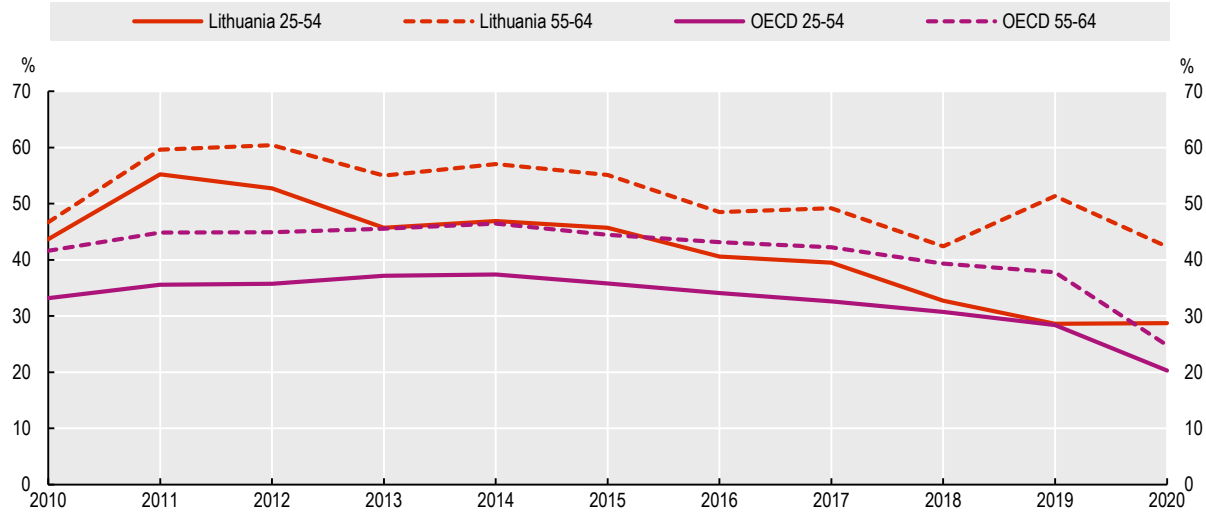


Note: Panel B. Low skill corresponds to less than upper secondary; Middle skill to upper secondary and post-secondary non-tertiary; and High skill to tertiary education.
Source: OECD calculations based on the OECD dataset *LFS by sex and age – indicators* http://stats.oecd.org//Index.aspx?QueryId=54218 and the Lithuania Labour Force Survey, 2020.

Once individuals aged 50-64 become unemployed, they find it considerably more difficult than younger workers to get back into work. While the long-term unemployment rate has been on a downward trend over the last decade, the degree of improvement for older workers has been weaker than for the 25-54 age group Figure 1.7. In particular, many of those who lose their jobs in the first phase of the 2020 pandemic have continued to be unemployed thereafter and may find it increasingly difficult to compete with those who have previously sheltered their jobs. As a result, there is a risk of rapid accumulation of long-term unemployment: by the end of 2020, the number of people who have been unemployed for at least six months will have increased by a whopping 60%, and this figure will continue to rise in the first quarter of 2021 (OECD, 2021[7])

Figure 1.7. The long term unemployment rate of older people is high and the improvement has been weaker than that of younger people

Long-term unemployment of persons aged 25-54 and 55-64 as a share of total unemployment, 2010-2020



Note: Long-term unemployed is unemployed for more than 12 months
Source: OECD dataset Incidence of unemployment by duration http://dotstat.oecd.org//Index.aspx?QueryId=9594.

1.1.3. Labour policies need to take into account a life-cycle perspectives

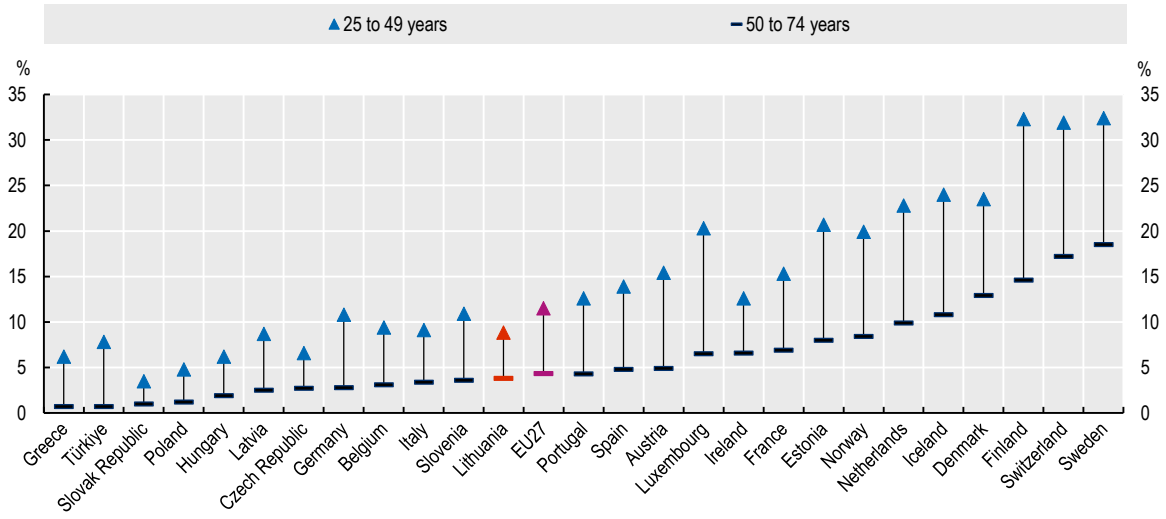
Improving labour market inclusion require a joint action on various policy fronts, including policies beyond pensions systems and involving governments, employers, labour representatives and civil society. Many of the disadvantages people experience during their adult life – in health, in education, in employment, in earnings – find their roots in early age, sometimes before they were even born or in the very first years of their life. These early disadvantages can quickly spiral building on one another. Therefore taking a life course perspective is important.

For example, while lifelong learning is essential for maintaining older workers' productivity and to meet employers' skills needs. Yet, Lithuania ranks relatively low on participation rates in training among OECD countries (Figure 1.8). Participation rates in lifelong learning become even lower as people age, with less than 5% of people aged 50 and older participating in training in 2020, which is only a third of the rate in Nordic countries such as Finland, Denmark, and Sweden. Improvements in training is critical for Lithuania to keep older workers employable and make them possible to work longer. It is necessary to create an environment where the elderly can reskill and upskill throughout their lives.

Similarly, Lithuania ranks one of the lowest on the sub-domain indicator on lifelong learning (Commission, 2019[8]). This lower ranking not only impacts the lower employment and training of the elderly population, but also their lower participation in society, their levels of health and independence, as well as the overall enabling environment. The index reflects the “unrealised potential” of older workers and individuals in society.

Figure 1.8. Relatively few elderly participate in learning activities in Lithuania

Participation rate in lifelong learning by age, 2020

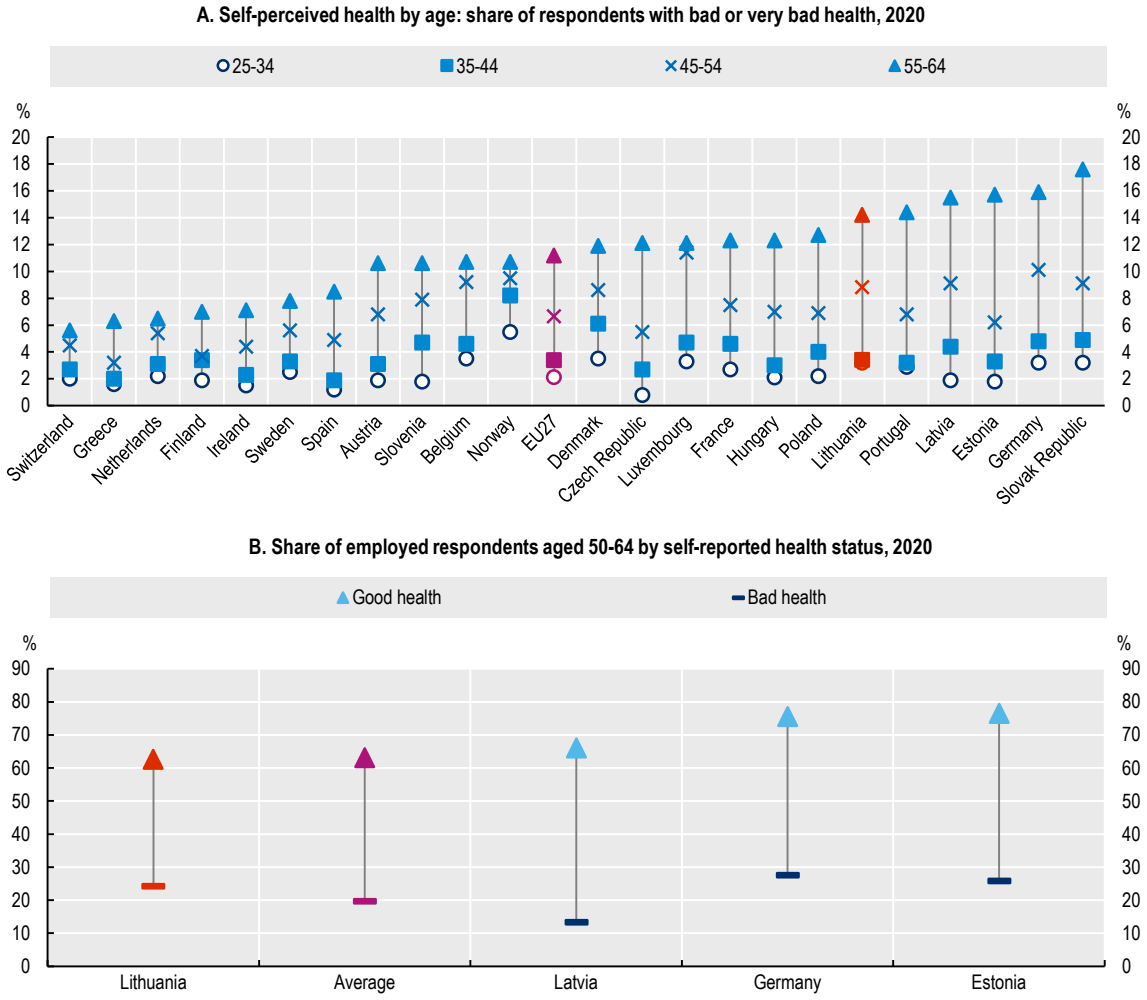


Source: European Union Labour Force Survey (EU-LFS).

Health is also a key determinant of employment in later life. Health problems not only have a negative impact on workers' wellbeing, but also on productivity as they are associated with higher rates of absenteeism and presenteeism (OECD, 2020[9]). The indirect costs (productivity) of illness and injury are equal to or greater than the direct costs (hospitalization and medication), effectively doubling the total cost (McNamara and Tinsley-Fix, 2018[10]). The percentage of people who report they are in poor health rises mostly linearly with age, with Lithuania having relatively high percentage of people who say they are in poor health among EU countries people (Figure 1.9, Panel A).

Bad health situation may lower employment quality as well as limiting employment possibilities for older Lithuanians. In fact, there is a strong correlation between health status and employment rate. According to the Survey on Health, Aging, and Retirement in Europe, the employment rate of individuals who reported poor health and the employment rate of individuals who reported other health conditions differed by about 40 to 60 percentage points in many countries (Figure 1.9, Panel B).

Figure 1.9. Health outcomes in Lithuania are poor and the number of people with bad health increases with age



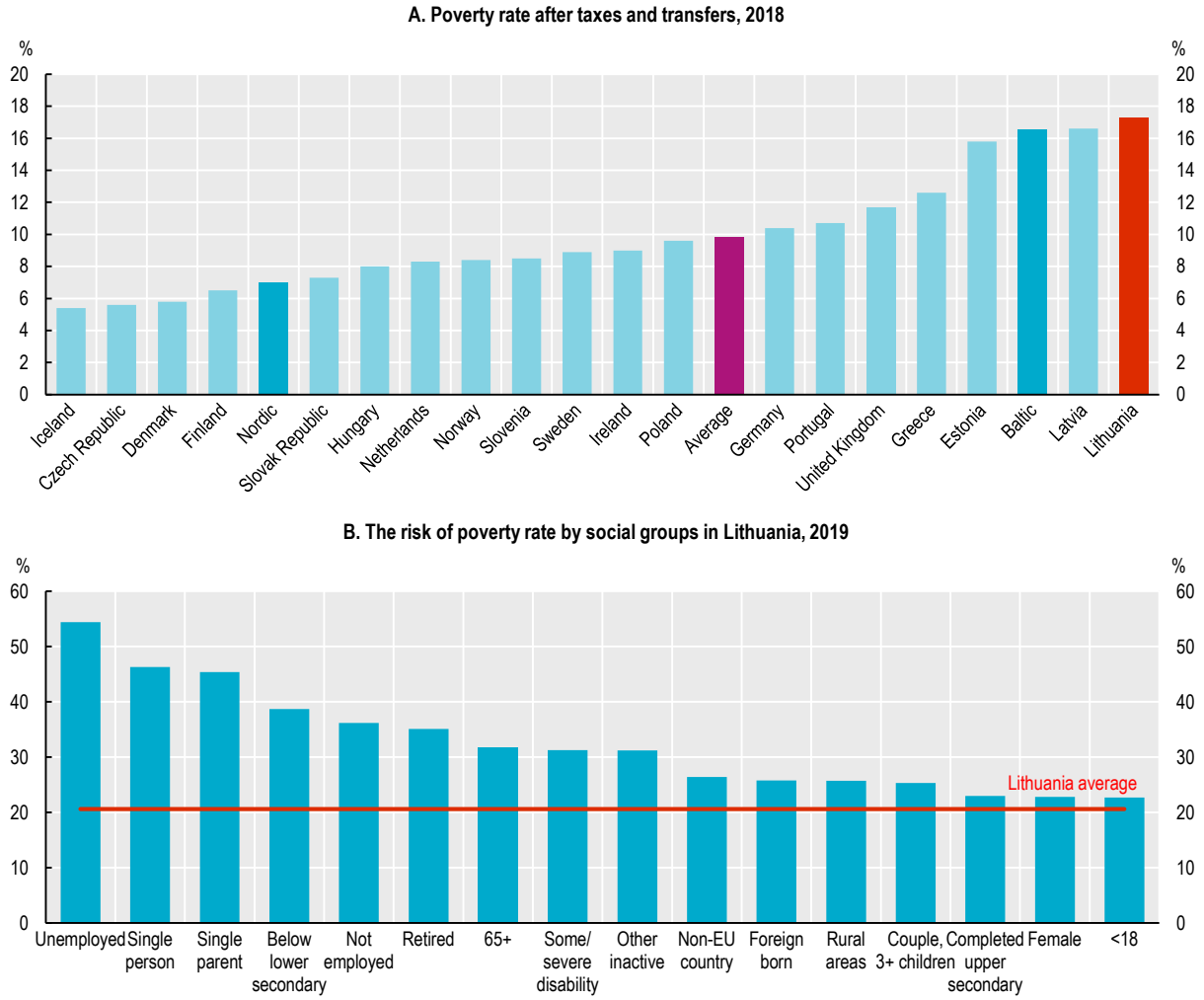
Note: Panel A: EU27 is an unweighted average and excludes Italy. Panel B: The average is composed of the 29 countries who participated in the survey (27 EU member countries, Switzerland and Israel). Good health is the total of those who reported that their health condition is "Excellent," "Very good," "Good," or "Fair".

Source: OECD calculations based on data from EU statistics on income and living conditions (EU-SILC) and Survey on Health, Aging, and Retirement in Europe (SHARE, wave 8).

Poor working conditions including low wages also impact job quality for many Lithuanians. Although real wages have risen over the past years on the back of a rapid increase in the minimum wage, the average earning is still only about 65% of the OECD average. In addition, Lithuania's poverty rate is one of the highest among EU countries, with about 18% of the population earning wages at the 50% level of the poverty level. Poverty rates are particularly high for certain groups, and in addition to the unemployed, the disabled, and other vulnerable groups, the poverty rate for the elderly is above the average in Lithuania (Figure 1.10).

In addition, Lithuania's informal economy has been one of the largest in the EU (Schneider, 2015[11]), and recent research estimated that Lithuania's informal economy reached approximately 23% of GDP in 2021 (Arnis and Tālis, 2021[12]). In this context, attention will need to be paid to whether income security in the event of job loss for older people is adequately designed to provide them with incentives to pursue formal employment.

Figure 1.10. Lithuania's poverty rate is high and the risk is higher among the elderly, people with disabilities and unemployed



Note: Poverty rate is defined as the share of the population whose income falls below the poverty line, set at 50% of median equivalised disposable income of the entire population. The "at risk of poverty" is the share of persons with an equivalised disposable income below the at-risk-of-poverty threshold, set at 60% of the national median equivalised disposable income (after social transfers). Averages are calculated for the most recent value of all countries with available data (unweighted). Panel A: Data for Lithuania refer to 2017.
Source: OECD (2020), OECD Economic Surveys: Lithuania 2020, OECD Publishing, Paris, https://doi.org/10.1787/62663b1d-en.

A life-cycle perspective can help Lithuania strengthen their preparedness for rapid population aging by taking steps to improve the health and skills of adults throughout their working lives, as recommended in *the OECD, Council Recommendation on Ageing and Employment Policies*, *Job Strategy* (OECD, 2018[13]) and *Preventing Ageing Unequally* (OECD, 2017[14]).

1.2. Better job quality for longer working lives in Lithuania

1.2.1. Introduction

Job quality is a key determinant of well-being for older workers and plays an important role in their decision to continue working or return to work. This chapter assesses job quality in Lithuania from a life cycle perspective including interaction between working conditions and health at the workplace as well as role

of preventive health policies and mechanisms companies are using to cope with health issues and disabilities and to keep workers productive.

1.2.2. Why job quality matters?

Job quality affects both workers' wellbeing and workers' productivity. Research has shown that there is an inherent link between these three items. One line of arguments postulates the reciprocity between effort, as the underlying motivation to meet a specific demand, and rewards, consisting of salary, esteem, security and career opportunities. An imbalance in the effort and rewarded results reduces workers' wellbeing. The other lines of arguments show the interaction between job demand and resources, both relating to physical, psychological, social or organisational aspects. Thus, for example a high demand for physical efforts would reduce workers' wellbeing and at the same time limit in the longer term his or her resources to provide the demanded physical effort. A clear link has also been found between factors affecting health and productivity (Arends, Prinz and Abma, 2017[1]).

The relationship between productivity and age is not clear-cut at first sight. While research on this topic has, in the past, focused on explaining declining productivity after a certain age (e.g. after reaching 40 or 50 years of age) (for an overview see (Lindly and Duell, 2006[2]); (Gelderblom and Vos, 1999[3]); (Skirbekk, 2003[4]) or at best found no relationship between age and performance (Bohlinger and van Loo, 2010[5]), newer research is pointing to areas where productivity increases with age. Productivity is likely to increase when experience can overcompensate physical decline in productivity (Börsch-Supan and Weiss, 2016[6]). Conversely, in working environments in which experience play less big role and where working environment did not promote learning, physical strains of work are more likely to reduce productivity. Therefore, it is crucial that work environment is set in a way to promote productivity of workers over the life cycle, including for older workers. This is highly relevant for economies, like Lithuania and other European economies, which have to cope with a growing share of older workers among their workforce.

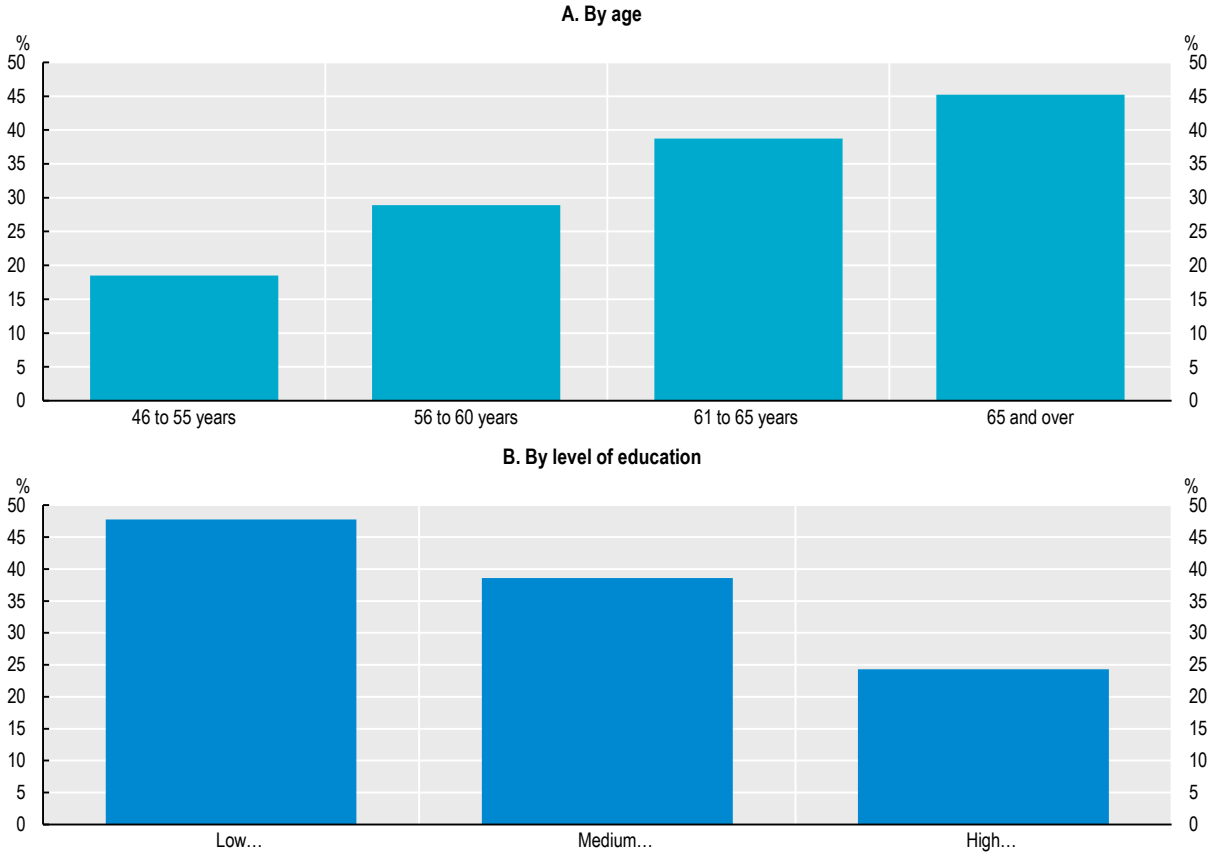
Good working conditions is not only likely to help increase both workers productivity but also is slowing down deterioration of health. Poor or ill-adapted working environments can have a profound impact on workers' physical and mental health (OECD, 2014[7]).Being in good health during working life increases the prospects to have a longer healthy life expectancy. Worryingly, in Lithuania healthy life expectancy at the age of 65 is low as compared to the majority of European countries, for both men and women and this did not improve between 2020 and 2019. In 2019, the expectancy of healthy life years at the age of 65 was only 6.4 years for women and 6.0 years for men, while on EU average it is 10.4 years for women and 10.2 years for men (Eurostat). The gender gap in life expectancy is almost double the EU average, albeit the gender gap of healthy years in retirement is low. Women in retirement age mostly have diseases and disabilities.

1.2.3. Job quality, health and working conditions in Lithuania

Poor health conditions is one of the major barriers faced by older Lithuanians to participate in the labour market and prolong working lives. According to the Survey of Health, Ageing and Retirement (SHARE) a substantial share of older workers aged 56 and above suffer from physical and mental health problems that limits their ability to participate in the labour market. Health limitations not only increase by age but also by skills level with people with a lower education facing more health than their more skilled counterparts (Figure 1.11, Panels A and B). Poor working conditions have a compounding adverse effect on the health of workers over their working careers. People with poor health tend to work and earn less, which limit their chance to accumulate human capital in the market, resulting in a worse situation in later life (OECD, 2017[5]).

Figure 1.11. Poor health is a major barrier to paid work in Lithuania

Health problem or disability that limits the kind or amount of paid work by age and level of education, Lithuania, 2020

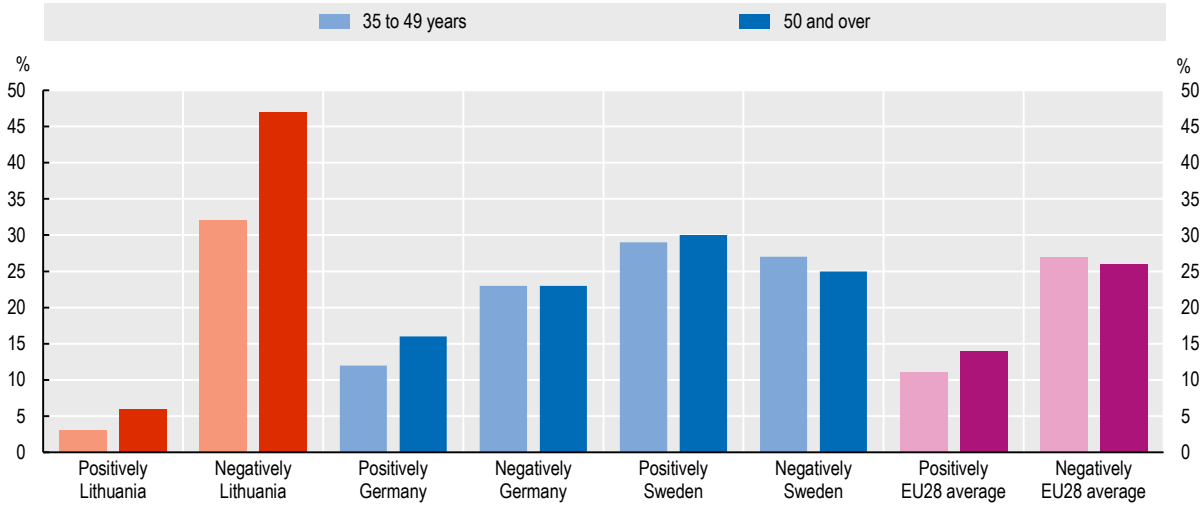


Source: OECD calculations based on Survey of Health, Ageing and Retirement in Europe (SHARE) Wave 8. Release version: 8.0.0. SHARE-ERIC. Data set. DOI: 10.6103/SHARE.w8.800.

Health problems of older workers are a result not only of unhealthy lifestyle but also from bad working conditions over the life course. In Lithuania, both the incidence of workers reporting work negatively affecting their health as well as the gap between young and older workers is much higher than the EU average. From a life cycle perspective, poor working conditions at younger ages are likely to affect the health status at older ages. It is therefore important to improve working conditions wherever possible and to avoid that worker are exposed over a long period of time to stressful and physically demanding and health-detrimental conditions.

Figure 1.12. Work affects health of older workers more often negatively in Lithuania

Assessment on how work affects own health, as a share each age group, 2015



Source: European Working Conditions Survey - Data visualisation, https://www.eurofound.europa.eu/data/european-working-conditions-survey.

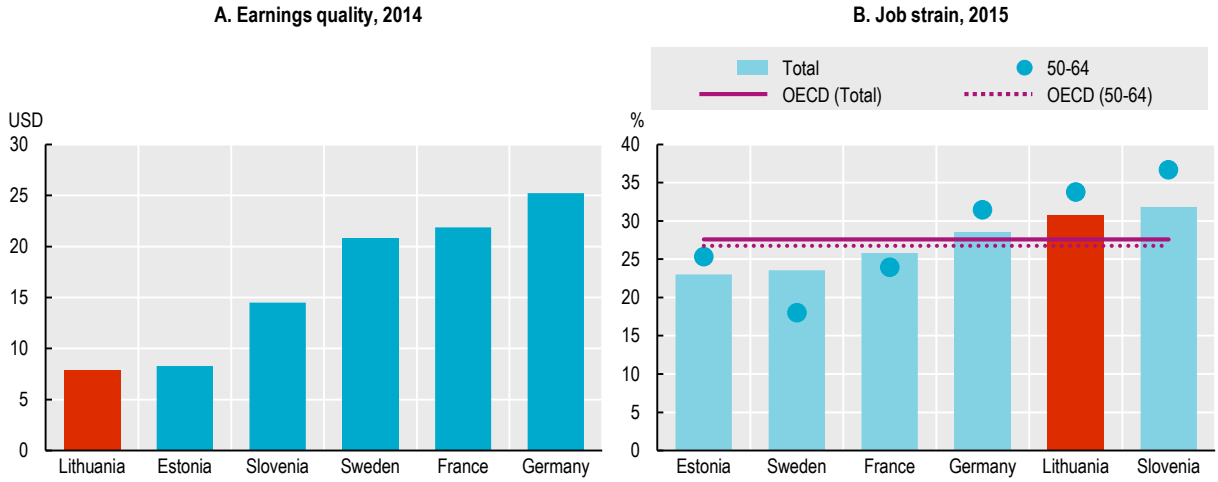
Many older Lithuanians face high job strain

To measure and assess the quality of jobs in an internationally comparable way, the OECD has developed the Job Quality Framework with three objective and measurable dimensions that can be observed for all OECD countries (OECD, 2014[7]) that contains the following dimensions.

- The quality of the working environment which captures non-economic aspects of jobs including the nature and content of the work performed, working-time arrangements and workplace relationships. These are measured as the incidence of job strain characterised by high job demands with low job resources
- The earnings quality captures the extent to which earnings contribute to workers' well-being in terms of average earnings and their distribution across the workforce.
- Labour market insecurity captures those aspects of economic insecurity related to the risks and economic costs of job loss; and is defined by the risk of unemployment and the benefits that would be received in case of unemployment.

On average, Lithuania performs less well with respect to the quality of working environment as relatively high share of workers experience job strain (Figure 1.13, Panel B). Older Lithuanians are more likely to find themselves in high job strain their younger counterparts. These differences might be attributed to the age distribution of employees, with employees over 55 and over are overrepresented in low-skilled and low-paid occupations such as plant and machinery and elementary occupations.

Figure 1.13. Lithuania ranks poorly on several dimensions of job quality



Note: Job strain is defined as jobs where workers face more job demands than the number of resources they have at their disposal.
Source: *OECD Job Quality database*, https://stats.oecd.org/Index.aspx?DataSetCode=JOBQ.

There are several factors explaining the differences in the occupational structure of older and younger workers:

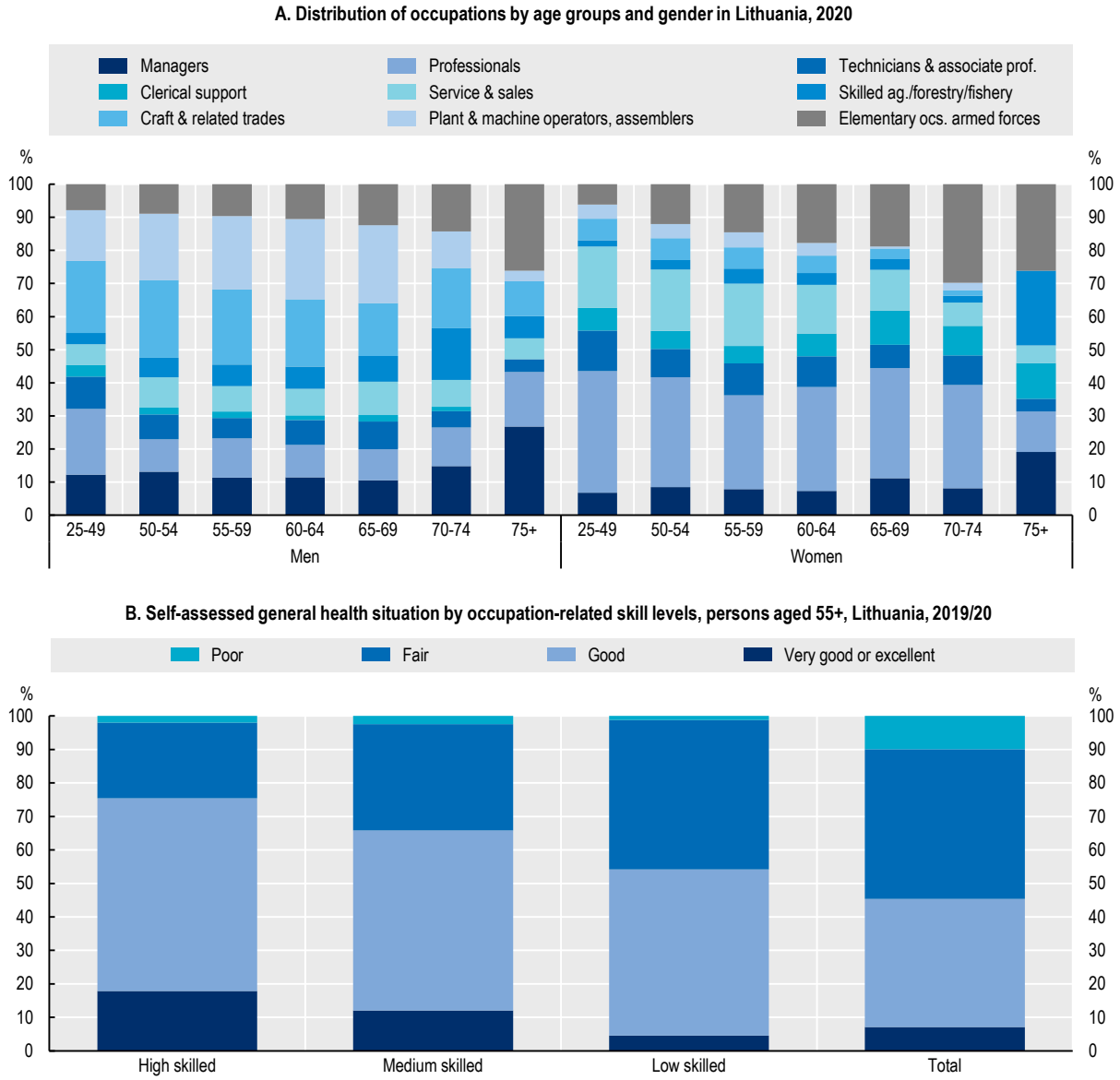
- Younger workers' occupational, cross-sectoral and regional mobility is higher, they search more often for better job opportunity than older workers.
- Younger workers are on average better educated than older workers. Therefore, their share on jobs requiring a higher education and skill level is higher.
- Once retired, older workers are often carrying out jobs with simple tasks. Thus, there is the suspicion that they are not making fully use of the experience and competencies they have gained over the years.

Many workers earn low wages and work long hours

In terms of earnings quality, Lithuania also performs worse than in the other selected countries. Further evidence suggests that average wages decline by age. In 2020, the ratio of full-time earnings of older workers (55-64) relative to younger ones (25-54) stood at 0.85, a decline since 2010 (0.98) while the reverse is observed on the OECD average. Again, a key factor for lower average wages of older workers in Lithuania is the occupational structure. The share of those employed as managers or professionals decreases until reaching retirement age, while the share of those working as plant and machine operators, assemblers or in elementary occupations increases (Figure 1.14).

Figure 1.14. Older men are employed in occupations demanding low skills and low pay

Distribution of occupations by age groups and gender in Lithuania, 2020

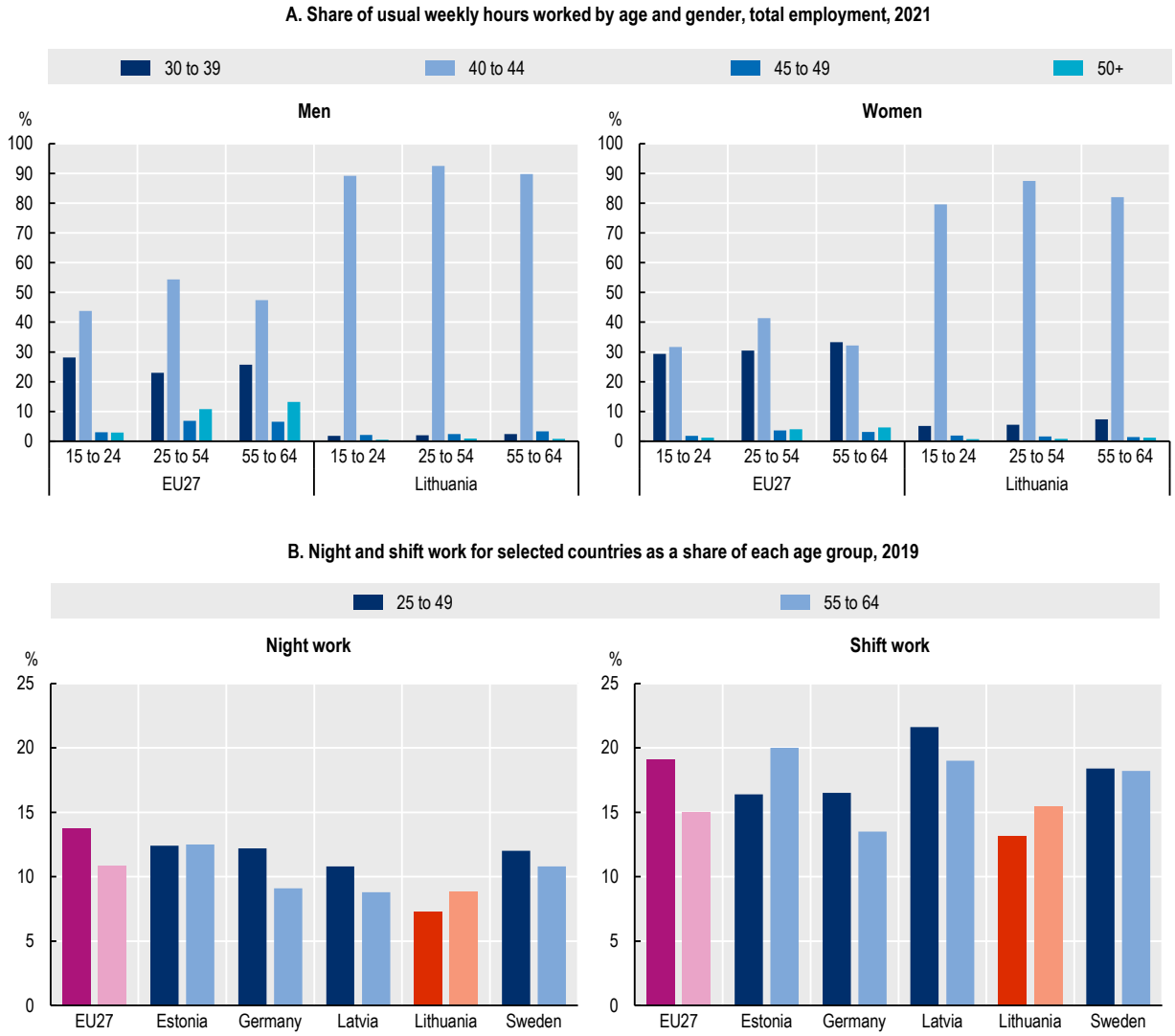


Note: Skill levels are defined by ISCO code 1-digit of current occupation of employed and self-employed: ISCO 1-3 (High), ISCO 4-8 (Medium) and ISCO 9 (Low) in Panel B.
Source: OECD calculations based on the Lithuanian Labour Force Survey, 2020 (Panel A) and Börsch-Supan, A. (2022). Survey of Health, Ageing and Retirement in Europe (SHARE) Wave 8. Release version: 8.0.0. SHARE-ERIC. Data set. DOI: 10.6103/SHARE.w8.800 (Panel B).

A high proportion of workers in Lithuania than the EU average suffer from long hours of work i.e. weekly hours of work of 40-44 hours (Figure 1.15, Panel A). Long working hours not only have a direct effect on the labour force participation of older people, but it also has an indirect effect as they can have an adverse impact on participation in education and vocational training, which in turn perpetuates a high incidence of low-quality jobs. Similarly, research shows that both night work and shift work have negative effects on

health.[1] While the share of workers performing night and shift work in Lithuania is below the EU average (Figure 1.15, Panel B), its incidence increases for older workers compared to younger ones, while the contrary is true on average in the EU. Both men and women are carrying out more often night work between the age of 50-65 as compared to workers aged 25-49.

Figure 1.15. Older workers in Lithuania typically have long working hours and engage in more night and shift work



Note: Panel A refers to hours worked in the main job. Panel B shows the share of persons who usually or sometimes work nights or shifts.
Source: European Labour Force Survey (EULFS), Eurostat.

[1] See for a summary of research results. https://www.news-medical.net/health/What-Are-the-Health-Effects-of-Working-Night-Shifts.aspx; Institute for Work and Health (2019), "Shift Work and Health", Issue Briefing; https://www.iwh.on.ca/sites/iwh/files/iwh/reports/iwh_issue_briefing_shift_work_2010.pdf.

1.2.4. Measures and policies to mitigate adverse effects of poor working conditions

Occupational health services are largely absent at the workplace

Above evidence suggests, that there is an urgent need in Lithuania to address poor working conditions to prevent its adverse effects on workers' health and early withdrawal from the labour market. Occupational health care services have a crucial role to play in this respect. Research has demonstrated that workplace health initiatives can help reduce sick leave absenteeism by 27% and health-care costs for companies by 26% (https://www.who.int/news-room/fact-sheets/detail/protecting-workers%27-health).

Unfortunately, only a very low share of companies provide health services or occupational health services for their workers. A survey carried out by the Occupational Health Centre of the Institute of Hygiene of Lithuania among 600 companies shows that only 4% of them provide occupational health services and 11.5% provide those services at least partially. The large share of small and medium enterprises (SMEs) may explain in part this as only larger enterprises (with more than 100 or 200 employees, depending on the economic activity and the risk it implies), must employ or hire occupational health specialists. In the case of small companies the employer is allowed to act as the occupational safety and health specialist and needs to undergo basic level training for this. For most employees working in smaller companies, access to occupational health services, and the quality of such services depends on the employers' education, interests and resources.[2]

The study of the Institute of Hygiene in Lithuanian suggests that occupational health services in Lithuanian micro- and small-sized enterprises could be provided through programmes implemented by Lithuanian public health bureaus, by improving the quality of workers' health examinations through mobile health care services, and through raising awareness on the benefits of investing in workers' health. This can be built on current experience of Public Health Bureau's with municipalities where they already undertake programmes on breast cancer and suicide prevention (Lithuania ranges among EU countries with the highest suicide rates). In the context of the national programme on suicide prevention, the Public Health Bureau of Panevėžys implements activities to train managers in a day-course on how to detect mental health problems and how to react in a crisis response mode. The Bureau is also engaged in active outreach to private companies and public organisations for implementing activities in this programme. Other programmes include 30-40 hours of psychological support over a period of six months and 12 persons have been trained in stress management since the beginning of 2022. In the municipality of Švenčionys the Public Health Bureau implements a mental health programme on average in one company per year. The programme participation and post-participation status is monitored.

Good practice from other EU countries include providing targeted guidance to SMEs. For example, since 2007 in Austria, the labour inspectorates have prioritised advising and monitoring actions in small and medium-sized enterprises. Advice on working conditions and financial support for companies to adapt the workplace can also help. For example, in Denmark, the Fund for Better Working Environment and Labour Retention launched "prevention self-help kits" with financial assistance to enterprises in 2012 (Duell, 2015[8]) .

Strengthening the role of labour inspectors and improving their training

Labour inspection bodies play a key role to improve regulations on working-time, safety at work and promoting healthy working conditions. The State Labour Inspectorate is tasked with controlling for compliance with the regulations on occupational health and safety. Although a standard labour inspection

[2] https://occup-med.biomedcentral.com/articles/10.1186/s12995-015-0060-y

would comprise two inspectors, an engineer for occupational Health and Safety (OHS) and a labour law inspector, inspections have become more focused on undeclared work and less on health and safety.

Sanctions are also considered as being low and not very effective. Companies in Lithuania are obliged by law to conduct health examinations of their workers every two years, but evidence suggests that non-compliance can be high.

On the positive side, the tasks of the Labour Inspectorate in Lithuania have been enlarged to focus more on counselling and prevention (OECD, 2018[9]). For instance, OHS has created guidelines for employers on how to conduct psychosocial risk assessments, however they have limited capacity and resources to fulfil their tasks. Equipping Labour Inspectors with sufficient resources to carry out this task would be advisable. Moreover, labour inspectors lack qualifications and or the training on the topic of risk-assessments at the workplace to perform control functions properly. In some other EU countries, for example Austria, occupational doctors are involved in the regular preventive work of labour inspectors[3].

More generally, there is little recent research in Lithuania indicating how companies have implemented preventive health policies. A survey-based study on the quality of assessment carried out by municipal institutions and enterprises revealed, that 60.8% of Lithuanian municipal institutions/enterprises were evaluating occupational risks, mainly through commissioning this to a specialised company. Moreover, only 26% of the organisations had changed working conditions following the assessment (Institute of Hygiene, Occupational Health Centre, Division of Occupational Health Research in 2019-2020.[4]). While the Labour inspectorate has issued guidance and recommendations for employers, there is little evidence that these guides are effectively used. It would be important to implement awareness raising activities, in particular among small enterprises. As noted by the European Agency for Health and safety at Work, Lithuania has not been addressing sustainable work in the context of an ageing workforce in a systematic and coordinated way. Both the German Institute for Safety and occupational medicine and the Finnish Institute for Occupational Health provide good examples in this area.

Increasing the focus on psycho-social rehabilitation

As in other European countries, there is a greater need to focus on addressing ill- effects of working conditions on mental health. Many older people in Lithuania show signs of a sad mood or are depressed, as in other countries (Figure 1.16). According to results of the SHARE survey, in 2019/20 40% of people aged 46-55 stated they were sad or depressed in the last month. This rate increases by age: 41%, 47% 61-65 year olds and 51% for those older than 65. The share was lower for those who were in employment as compared to those unemployed, retired or permanently sick or disabled. Being not in employment may be due to depression or may induce depression. Not being in employment is often linked also to physical health problems. Also being out of work may aggravate mental health issues. In Lithuania, the suicide rate is the highest within the EU. In particular the suicide rate among men is very high, at 47 per 100 000 in 2017 in Lithuania as compared to 17 on EU average in 2017 (OECD/European Union, 2020[10]). Although suicide rate in Lithuania was more than halved between 2000 and 2019, in 2019, the suicide rate was still at 21.6 per 100 000 population, the second highest among 38 OECD countries after Korea (OECD, 2021[11])

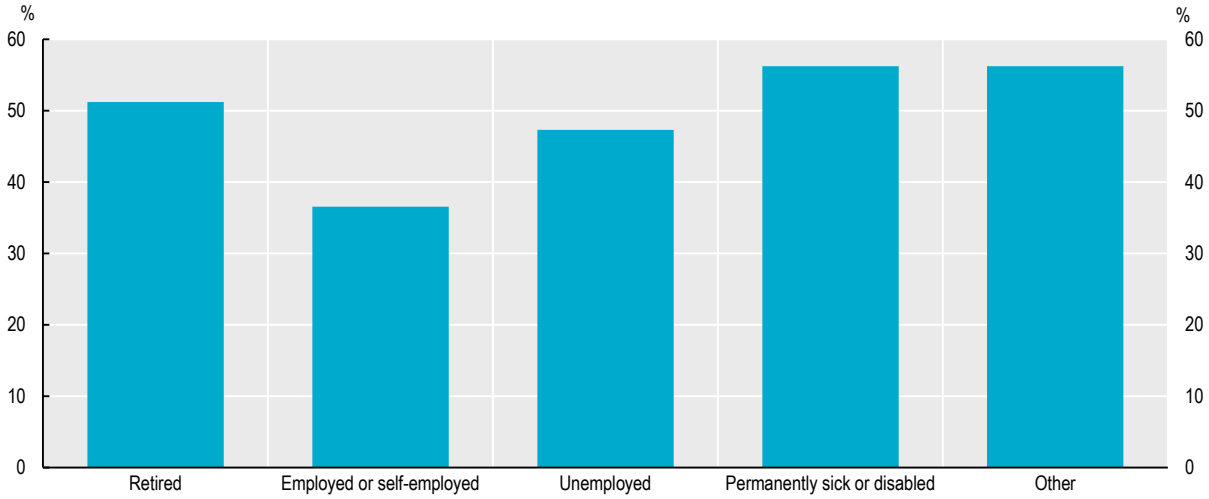
[3] Bundesministerium für Arbeit (BMA) (2020), "Sicherheitstechnische und arbeitsmedizinische Betreuung. Präventivdienste", Sektion II - Arbeitsrecht und Zentral-Arbeitsinspektorat, https://www.arbeitsinspektion.gv.at/Zentrale_Dokumente/Uebergreifende_Themen/sicherheitstechnische_und_arbeitsmedizinische_betreuung_prae.pdf, accessed 4 July 2022

[4] A survey was conducted among municipal institutions and enterprises. About 52% of 389 such organisations in Lithuania participated.

A wide range of research has been carried out to show the link between working conditions and mental health related risk factors. This research is important as it provides a basis for guiding preventive policies. In 2018, the German Federal Agency for Occupational Safety and Occupational Medicine BAUA commissioned research on burn-out and depression (BAuA, 2018[12]) The main results of the study showed: (i) the quantitative workload was the main risk factor for all three target variables, followed by cognitive stress and job insecurity safety; (ii) the combination of poor working conditions – e.g. high requirements paired with little scope for decision making reduced ability to work; (iii) leadership can play an important preventive role; (iv) work-related factors had a greater impact on burnout than on depressive symptoms; (v) no general relevant relationship between age and mental health of the workers surveyed can be determined; and (vi) on average, women showed higher levels of depressive symptoms than men while no gender difference was found for burnout and work ability.

Figure 1.16. Older people in Lithuania are more often sad or depressed when not being in employment

Persons aged 55+ who have been sad or depressed in the last month by employment status, 2019/20



Source: OECD calculations based on Börsch-Supan, A. (2022). Survey of Health, Ageing and Retirement in Europe (SHARE) Wave 8. Release version: 8.0.0. SHARE-ERIC. Data set. DOI: 10.6103/SHARE.w8.800.

In Lithuania psycho-social rehabilitation has been limited so far to teaching very basic life skills. A number of OECD countries have developed promising policies to: (i) provide workplace-specific tools that strengthen action for improving the psychosocial work environment, (ii) require concrete psychosocial risk prevention plans from firms, (iii) introduce specialist workplace psychosocial risk advisors, and (iv) offer counselling to employers seeking help (OECD, 2015[13])

In Finland for example, depression-related work disability has been declining, mainly thanks to co-operation between different actors and the dissemination of best practices. Recognising the overlap between mental illness and incapacity for work, the government ran the Masto Project (2007-11) to prevent depression and depression-related work disabilities by tackling mental health problems at an early stage.[5] Another illustration are counselling services provided in Germany, where a new pilot project “Innovative

[5] OECD (2014), Mental Health Analysis Profiles: Finland, http://www.oecd.org/els/health-systems/MMHC-Country-Press-Note-Finland.pdf.

Ways to Participate in Working Life – rehapro" was launched in 2020.[6] The objective was to find new ways to maintain and improve the employability of people with health impairments and to enhance early identification.

Engaging social partners in improving job quality

Social partners are key actors for regulating working conditions at the workplace. However, collective bargaining is quite limited in Lithuania, covering 7.9% of all employees in 2019, one of the lowest shares in OECD countries.[7] At the company level, the presence of health and safety representatives at the workplace is also low – 34% of the workers reported having a health and safety delegate or committee compared to 58% in the EU in 2015 (OECD, 2018[9]). The Labour Code allows the inclusion of provisions for a safe and healthy working environment and the granting of compensatory allowances. However, collective agreements are not widespread in Lithuania; thus it is rare to find collective agreements with such additional work environment conditions (Lazutka, Poviliunas and Zalimiene, 2016[14]) . Good practice from other countries illustrate includes such stakeholder involvement. For example, in Germany, the Joint German Health and Safety Initiative was set up to in 2007 to improve safety and health protection in workplaces. To ensure that measures are not carried out in a sporadic fashion, it was conceived of as a joint undertaking between the federal government, the federal states, accident insurance funds, and the social partners (OECD, 2018[15]).

Turning disability into ability: more people with disabilities could be at work

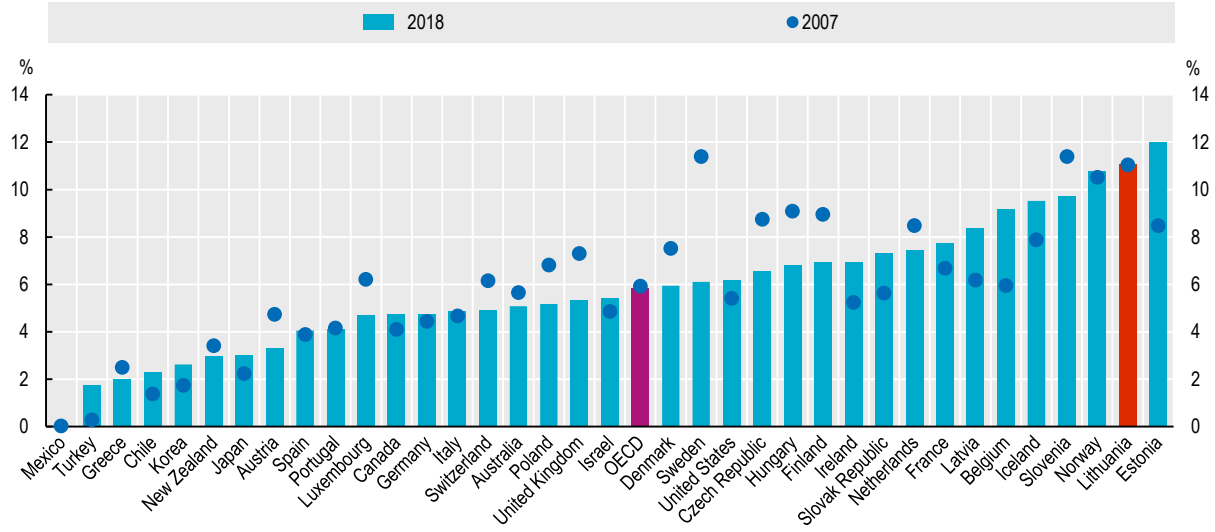
In Lithuania, a comparatively high share of working-age population receives some disability benefits and do not work (Figure 1.17). According to administrative data, in 2020 229 578 individuals of all ages had a recognised disabilities in Lithuania (8.2% of the population). Two-thirds of those were in working age. However, only 41 732 or 27% of working age persons with disabilities were working in 2020 (information received by Lithuania). As compared to other EU countries, a comparatively small share of older people with disabilities work (Ruškus and Gudavičius, 2019[16]).

[6] https://www.modellvorhaben-rehapro.de/DE/Home/home_node.html

[7] https://stats.oecd.org/Index.aspx?DataSetCode=CBC

Figure 1.17. In Lithuania a relatively high share of persons of working age received disability benefits

Disability benefit receipt rate in 2007 and 2018 in OECD countries



Note: Disability benefit receipt over population aged 20-64. Disability benefits include contributory and non-contributory programmes specifically targeted to persons with disability. OECD is an unweighted average excluding Colombia and Costa Rica. Data for 2018 refer to 2016 (Estonia, Italy, United States). For Canada, data include federal insurance as well as provincial assistance benefits.
Source: OECD estimations based on the *OECD SOCR database*, https://www.oecd.org/social/social-benefit-recipients-database.htm.

In principle, the reasons for people with recognised disabilities not working are manifold: the type and severeness of disability, the way the disability and need for vocational rehabilitation is assessed and the incentives set for combining work and disability benefits. In Lithuania, the share of individuals with a severe chronic illness who receive disability or other benefits is comparatively high (MacDonald, Prinz and Immervoll, 2020[17]). Nevertheless, survey results from the European Survey in Income and Living Conditions (SILC) show that some individuals with a disability would consider themselves as being able to work (MacDonald, Prinz and Immervoll, 2020[17]) .

Disability assessment is regulated by the Law on Social Integration of Persons with Disabilities. Article 20 of this Law establishes that working capacity is determined by assessing the state of health of the individual and her/his ability to perform earlier obtained professional competences or to gain new skills or to be engaged in jobs that do not require professional qualifications, after having exhausted all available medical and vocational rehabilitation and special assistance measures (information received from Lithuania).

The Disability and Work Capacity Assessment Office (DWCAO) assesses work capacity for working age adults, amongst other tasks. In 2020, the work capacity level from 0 to 55% was determined for 41 208 people of working age. Over the last decade, the number of assessments has significantly fallen, as has the number of persons with disabilities (information received by Lithuania). It is believed that these trends are driven by outward migration, decreased fertility, healthier lifestyle and better health care services. However, only an empirical analysis could shed light on the factors behind these trends (information received from Lithuania).

The assessments are often performed by general practitioners or specialists, but not by occupational doctors. Also the assessment is oriented to certifying health deficits, not allowing to perform certain tasks, and is not focused on assessing the work capacity and detecting of what people could still do and what type of vocational rehabilitation could be provided and work place adjustments be made. The disability status is usually re-assessed. A higher focus of an approach detecting the potentials and the requirements

for the workability of workers would be an essential component in a stronger activation oriented support. Such an approach would also call for supporting workability through targeted vocational rehabilitation measures.

DWCAO certifies also the need for vocational rehabilitation. Vocation rehabilitation programmes are implemented by the Lithuanian Employment Service caseworker. Upon completion of the vocational rehabilitation programme, DWCAO finalises the assessment of the working capacity level and communicates the decision to the Lithuanian Employment Service. Programmes consist of a vocational rehabilitation allowance and vocational rehabilitation services, which include an assessment of professional competences, vocational guidance and counselling, restoration of professional competences (or development of new competences), assistance when seeking employment, support in the workplace (Pacifico et al., 2018[18]).

To avoid that many people with disabilities end up not working at all, interventions need to be taken early on. Also linking activation requirements and access to vocational rehabilitation measures is an important tool to promote employment of people with health impairments. In Sweden for example, a well-defined framework for the sick-listing process and a Rehabilitation chain was established between 2008 and 2010 for those on long-term sickness. During the first 90 days of sickness, the work capacity is assessed only against a person's regular work. From the 91st day, work capacity is assessed against any other work with the employer. From the 181st day, work capacity is to be assessed in relation to ability to be self-supportive through gainful work in the regular labour market (Esser and Palme, 2016[19]). Good practice from other countries also show the value of providing intensive counselling for people with disabilities and to companies. For example in Germany, *Integrationsämter*[8] (integration offices) are offices which are run by the *Länder* or municipalities with the aim to facilitate the integration of people with severe disabilities into working life.[9]

In principle in Lithuania, the disability pension system does allow a combination of disability pension receipt and work. Nevertheless, there are disincentives to take up work linked to the risk of being reassessed and to be certified a lower disability rate which would reduce the pensions received. Disincentives are also linked to the fact that the receipt of disability benefits are counted in the means test for social assistance and housing benefits. Therefore, those with lower degrees of impairment and thus lower disability benefits more likely receive means-tested benefits on top of their disability benefits. These phase out quickly for individuals as they enter employment (MacDonald, Prinz and Immervoll, 2020[17]). Thus, although the replacement rate of disability pensions is lower than in many other OECD countries, as shown in Mac Donald (2020[17]), incentives to take up work remain low. Poverty among people with disabilities is high.

1.3. Supporting employers to retain and attract older workers in Lithuania

1.3.1. Introduction

Demographic change has already led to a sharp increase in the share of older people in the workforce (see Chapter 1). Therefore, the age shift in labour supply needs to be reflected in a shift in the age structure of labour demand, to avoid labour market imbalances which could lead to increased unemployment and early exit from the labour market. There are two possibilities to adapt labour demand of companies to changed labour supply: either through retaining workers in employment for a longer period of time or hiring an increasing share of older workers. This in turn depends on how well firms manage age diversity and

[8] In some Länder they are called inclusion offices.

[9] Knuth, M. and T. Tenambergen (2015), „Inklusiver Arbeitsmarkt" Vereinheitlichung der öffentlich geförderten Beschäftigung für behinderte und nicht behinderte Menschen? Gutachten für die Fraktion BÜNDNIS 90/DIE GRÜNEN im Landtag NRW, Arbeitsforschung und Transfer e.V.

ensure the most productive use of all workers irrespective of their age and according to their capacities. In addition, Governments' policies can influence the employment policies of employers with respect to hiring and retention of older workers by striking the right balance between employment flexibility and stability via labour market regulations.

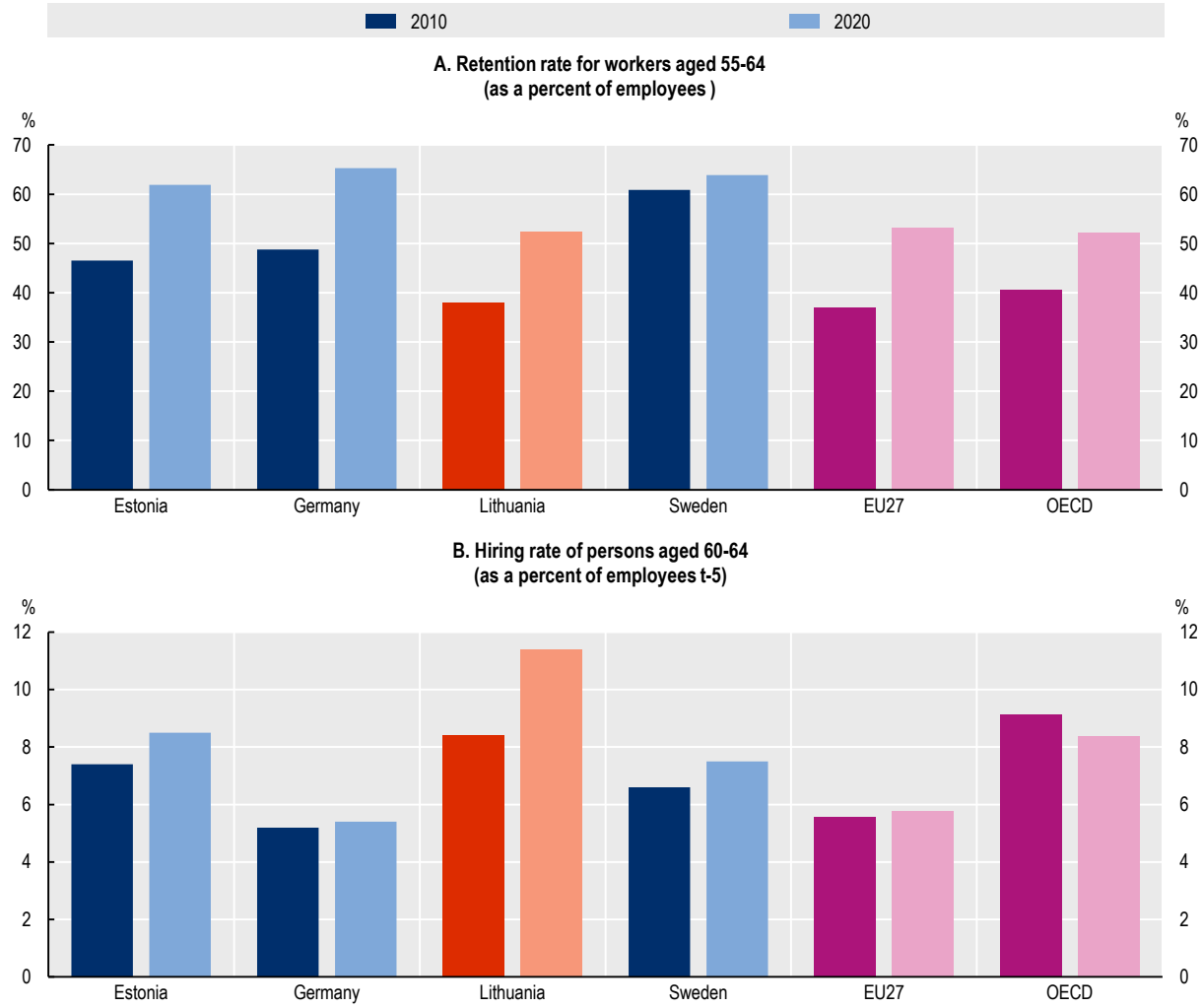
1.3.2. Retaining older workers in employment is essential to lengthen working lives

Effectively retaining skills and talents of older individuals has a number of advantages for employers. For instance, a low job turnover of older workers can be beneficial in particular, if they have accumulated firm-specific human capital and if training newly hired staff to obtain firm-specific skills is expensive. Retaining older workers in the company may also be necessary to ensure the know-how transfer to the younger generation of workers. Previous investments in continuous training may be another reason for retaining older workers, so as to benefit from a longer pay-out period of these investments. These benefits will be compared by employers with the costs of recruiting a new worker as well as with the costs linked to a possible unfavourable wage-cost productivity of an older worker. In a context of labour and skills shortages recruitment of workers will be more expensive and open vacancies may not be filled for a longer period of time. It has also been shown that companies with an age-diverse workforce are more productive. The benefit of age diversity is that it enables workers of different ages to collaborate, share knowledge and support each other in complementary ways. Main advantages that older workers can bring to an age-diverse team is their stability in employment and their greater management experience and their general work experience (OECD, 2020[1]).

In spite of these benefits, there is significant scope for retaining individuals in Lithuania. At 52%, the retention rate of workers aged 60-64 year olds (i.e. employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59) are at par withEU27 and OECD averages. Nevertheless, it remains considerably lower in other comparative countries such as Estonia and in countries with high employment rates of older workers such as Germany and Sweden. (Figure 1.18, Panel A).

Figure 1.18. Many older Lithuanians struggle to hold onto their jobs

Retention and hiring rates of older workers, 2010 and 2020



Note: The retention rate is defined as all employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 5-years previously. The hiring rate is defined as employees aged 55-64 with job tenure of less than one year as a percentage of total employees. EU27 and OECD are unweighted averages. In Panel A, the OECD excludes Columbia and Israel (both years) as well as Chile, Costa Rica, New Zealand and Türkiye in 2010. In Panel B, OECD excludes Israel (both years) and New Zealand in 2010.
Source: OECD Older Worker Scoreboard 2021, https://www.oecd.org/employment/ageingandemploymentpolicies.htm.

Hiring rates of older workers in Lithuania have been above EU average, as the labour market is more volatile. Within the EU, companies in Lithuania have been among those with the largest percentage of new recruits between 2016 and 2019, as data from Eurofound's European Company Survey of 2019[10] indicate. Nevertheless, there are large differences in hiring rates across age groups indicate that younger and older workers are often considered differently, even though employment prospects of older workers have improved significantly in recent years (as shown in Chapter 1). In Lithuania, less than one in ten employees in the 55-64 age group are new hires while hiring rates for workers aged 25-54 are much higher, averaging about one in six workers in 2020. (Figure 1.18, Panel B). Even employers with significant numbers of older workers among their workforce do not actively hire them.

[10] https://www.eurofound.europa.eu/surveys/2019/european-company-survey-2019

There are several reasons why firms may be reluctant to retain or hire older workers. The productivity of older workers might be one concern. Furthermore, if firms rely on seniority or efficiency wages as an incentive device, the cost of retaining workers at an older age or hiring them may be too high relative to their productivity. Misperceptions and underestimating the value of skills of older workers as well as negative perceptions about the adaptability and health may also hamper retention and recruitment of older workers.

1.3.3. Better incentives and greater flexibility in pension system can help retain older workers longer in employment

Pension systems are an important driver of individuals' decisions to stay or leave the labour market prematurely, In Lithuania, higher retirement ages have been one key factor in improving employment among older Lithuanians (as discussed in Chapter 1). The number of pensions receiving an early retirement pension is also low, albeit their numbers have been increasing since 2008 (OECD, 2018[2]). The relatively low pension levels in Lithuania may explain low take-up of early retirement where older workers prefer working longer to make ends meet. Nevertheless, there remain a number of challenges in the pension system that hinder longer working lives.

Mandatory retirement ages prevent older workers to remain longer with their employers in some sectors

Mandatory retirement age – employer practice of requiring workers to retire at a statutory age – is still in place within some branches of the public sector. The Statute of the Internal Service, in force since 1 January 2016, has lengthened the age limit for officers to serve in the internal service by five years: from 50-55 for officers at the primary level, from 55 to 60 officers at the middle level, and from 60-65 for officers at the higher level. The mandatory retirement age for the officers at the highest level remains unchanged at the age of 65 (OECD, 2018[2]) .

Internationally, a trend seems to have developed over recent years either to abolish the mandatory retirement age as the reason for terminating a labour contract, or to raise these age limits. Employment separations should be based on competency and fitness rather than on age. Therefore, consideration should be given to abolishing mandatory retirement for all civil servants. Moreover, mandatory retirement ages are in principle in contradiction with legislation on anti-discrimination. Removing mandatory retirement age for these groups of civil servants is also sensitive in the light of labour shortages. Combining work and pensions increases incentives to work longer but phased retirement pathways are missing.

Flexible retirement schemes can help keeping older workers in employed

Flexible retirement systems can also facilitate the choice of phased retirement, i.e. switching from full-time to part-time work at older ages, by smoothing income from work and pensions for different choices of working time. This can be particularly beneficial for extending the working lives of older people in poor health, with care responsibilities or in arduous jobs.

Under the Social Insurance Pension scheme, older retirees have the possibility of combining work and a full pension without any restrictions from the moment the standard retirement age is reached (OECD, 2018[2]). A key concern, however, is the quality of jobs post retirement especially among women. Evidence suggests that, in 2018, the majority of women working after having reached retirement age were employed as office cleaners, housemaids and assistants, while the most common occupation among men in that age was manager (Mosta, 2019[3]). Greater monitoring of, and assistance from PES to support older individuals to find good quality jobs will therefore be key. In particular, investing in start-ups and support with self-employment could help (see Chapter 5 for more discussion).

At the same time, options for phased retirement schemes (i.e. transitioning to retirement via reductions in working time), allowing older workers to reduce their working time and to gradually retire, while remaining with the same employer remain limited in Lithuania.

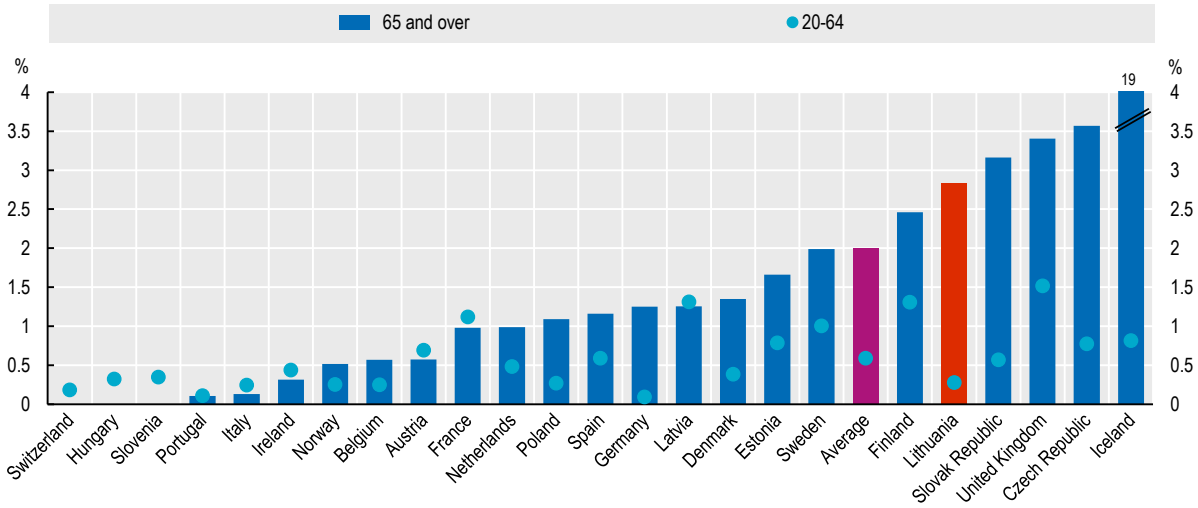
1.3.4. Reducing age discrimination and changing employer attitudes about older workers is essential to fully use their potentials

Prejudices against older workers are highly prevalent among Lithuanian employers

Even though, age discrimination is legally banned, perceptions around age discrimination in society and at the workplace remain large. In Lithuania, more older people are likely to report experiencing age discrimination than their counterparts in the EU average Figure 1.19. Moreover, according to a Eurobarometer survey in 2019, Lithuanians perceive more often than on EU average that age and disability is a discriminatory factor when hiring. Anecdotal evidence also points to persistent negative perception of employers regarding older workers. Stereotypes about older workers with a view to their health productivity can play a role (information provided by the Union of Pensioners). However, research conducted in other countries does not establish a clear link between getting older and a declining productivity, as other factors may counteract a higher risk of long-term illness or of reduced physical capacities, such as experience and loyalty (see Chapter 2).

Figure 1.19. Perceived age discrimination among elderly is very high in Lithuania

Share of older individuals reporting having discriminated because of their age

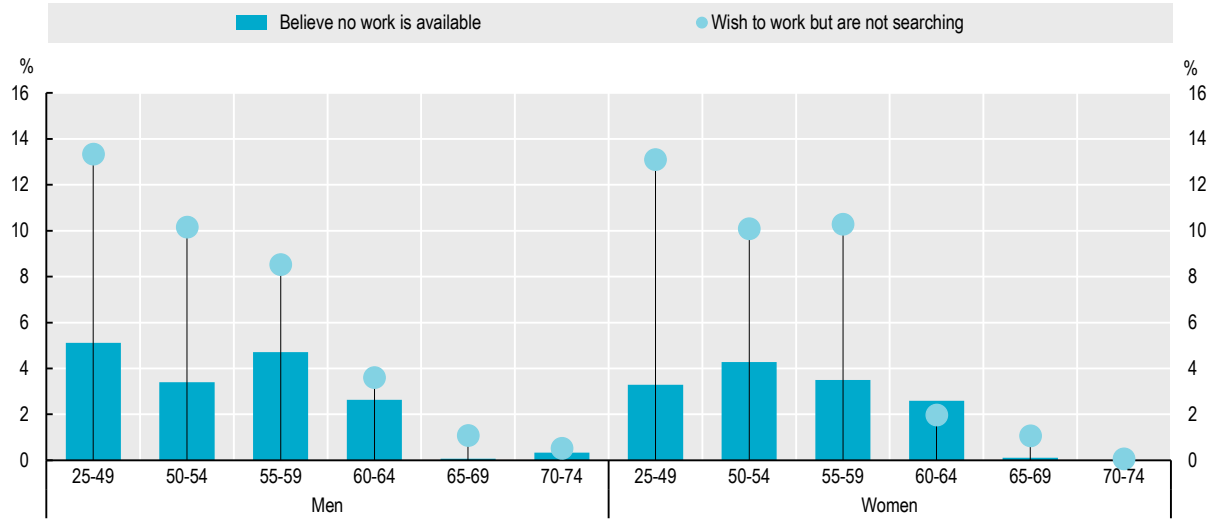


Note: Requires both perception of discrimination of older people being a problem and self-identifying as older person. The purple bar represents the unweighted average of the 24 European countries shown.
Source: European Social Survey (ESS).

Negative stereotypes not only restrict the talent pool but can also lead to low confidence among older workers and negative perceptions concerning their own productivity and career development. As a result, older people out of work may feel discouraged to actively search for work. The share of inactives who indicate that they would wish to work but are not actively searching for work is lower than for younger age groups, but still sizeable in the age group from 50-64 for men and 50-59 for women (Figure 1.20). An important share among those not searching for work indicate that the main reason is that they think no work was available for them. This is quite likely an expression of their understanding that they have little chances at the labour market and that discrimination prevails.

Figure 1.20. A considerable share of older individuals belief no work is available or say they would like to work but are not searching

Lithuania, 2020



Source: OECD calculations based on the Lithuanian Labour Force Survey, 2020.

There are several instruments to reduce discrimination of older workers. Main measures to reduce discrimination: i) Legislation and its implementation; ii) awareness raising among employers and workers; iii) positive discrimination and quota systems; iv) setting incentives for employers which compensate for perceived productivity loss when employing older workers (see Chapter 5 for wage subsidies).

Lithuania has an anti-discrimination legislation but implementation is weak

In Lithuania, the Law on Equal Treatment, prohibits discrimination on grounds of age, sexual orientation, disability, race, ethnic origin, religion (among 14 items). In addition, the new Labour Code, in force since 1 July 2017, stipulates that any direct or indirect discrimination in the employment relationship, including discrimination on the basis of age, is prohibited. Moreover, according to the principles of non-discrimination, the employer is obliged: i) to apply equal selection criteria and conditions when recruiting employees; ii) to provide equal working conditions and equal opportunities to career development and access to (re-)training; iii) to use equal work evaluation criteria and equal criteria for dismissal from work; iv) to pay equal remuneration for the same work or work of the same value; v) to take adequate measures to ensure that people with disabilities are provided work opportunities and career development. Companies with more than 50 employees must adopt and announce measures to ensure supervision of the implementation of these requirements (OECD, 2018[2])

The Office of the Equal Opportunities Ombudsperson (OEOO) supervises the enforcement of age discrimination rules and hears discrimination claims. However, age discrimination claims are not common in Lithuania. In 2019, only 230 cases and 1 769 inquiries were lodged.[11] In its annual report of 2018, the OEOO indicates that 28% of inquiries concerned employment matters. About 121 of inquiries and complaints out of 805 related to age and 107 to disability. The focus of the Office is in practice on gender equality.[12] A study conducted by the OEOO in 2017, shows that only few people would defend their human

[11] https://equineteurope.org/eb/cp-slug-193-2/

[12] https://www.lygybe.lt/en/about

rights, as they lack practical skills to do so. Overall, individuals were found to be poorly informed about the work of OEOO.[13]

Lithuania does little to raise awareness about the potentials of older workers

Among its activities, the Ombudsperson of Equal opportunities is tasked with conducting research and raising awareness concerning all kinds of discrimination. However, not many activities have been conducted with relation to discrimination on the grounds of age and equal opportunities for people with disabilities who often are at the same time also older workers.

For instance, it commissioned a study on the situation of women with disabilities in 2014 ((Šumskienė, 2014[4]). The main conclusions however were limiting to policies to support women to be active at the labour market while awareness raising activities and measures to incentivise employers to employ women with disabilities were missing.

An Action Plan for the Promotion of Non-discrimination for 2017-2020, approved in May 2017, focuses on implementing awareness-raising measures. A new Action Plan is in place for the period 2021-2023. In addition to awareness raising measures, research activities and a review of equal opportunities regulations is planned. It does, however, not contain specific measures to address discrimination or older workers or older jobseekers. In addition, in 2021 the Government approved the Development Programme for Social Inclusion for 2021-2030 and preparations to carry out activities in the area of equal opportunities are under way.[14] The Ministry of Social Security and Labour has always been the core institution for developing and updating the inter-institutional Action Plan, the first of which was introduced in 2011 (OECD, 2018[2]). In addition, in 2021 the Government approved the Development Programme for Social inclusion for 2021-2030 and preparations to carry out activities in the area of equal opportunities are under way. The Social Inclusion Plans recognises that possibilities for people aged 65 and above to participate in the labour market and social life are limited and therefore plans for social activities for older persons, but it does not address specific barriers to access the labour market and related discrimination.

The Law of Safety and Health at Work stipulates that safe and healthy working conditions shall be ensured for all workers, regardless of age. For tackling age discrimination at the labour market, in 2021 the State Labour Inspectorate has prepared the information on the rights of older workers, the possibilities to choose flexible forms of work, the right to apply to the relevant institutions, on how to recognize the practices of age discrimination at work (information received by Lithuania). The same year the State Labour Inspectorate has also prepared the information for social partners on equal opportunities and non-discrimination at work. These are important steps forward, and efforts would need to be continued, given the weak position of social partners in regulating working conditions in Lithuania.

Setting incentives for employers which compensate for perceived productivity loss when employing older workers

Another way of making it more attractive to employers to hire or retain older workers is to subsidise the cost of employing them. Wages subsidies targeted at older workers have been largely used in some countries.[15] There are various models in place: e.g. temporary wage subsidies, reduction in social security

[13] https://www.lygybe.lt/data/public/uploads/2017/05/the-office-of-the-equal-opportunities-ombudsperson-as-a-national-equality-body-legal-regulation-and-activities.pdf

[14] https://www.e-tar.lt/portal/lt/legalActEditions/b1c5e3b03ae511eb8d9fe110e148c770

[15] A recent example is Cyprus. In 2016, for the unemployed aged 50 and older, there has been a specific hiring subsidy scheme in place, co-funded by the ESF. Subsidies cover 70% of the employer's total costs per person (wages + contributions) for a period of ten months, with a limit set at EUR 8 400. The employer is obliged to employ the worker for 12 months, i.e. 10 months with subsidy and 2 months without subsidy.

contributions. To be effective, wage/hiring subsidies need to be well targeted and age alone is not likely to be a useful target given the diversity of older workers in terms of their employment prospects and capacities. They should rather be targeted at disadvantaged older workers, such as low-wage earners and jobseekers who have been unemployed for a long time, e.g. more than six months for the least skilled and more than a year for the others. In addition, the question remains as to whether it is more appropriate to give wage subsidies to employers or to older workers themselves in the form of an earnings top-up or an in-work benefit (see Chapter 5).

Quota system for people with disability needs strong enforcement rules and backed-up with incentives

In addition to financial incentives, measures of positive discrimination, or more precisely of affirmative action to promote equal opportunities for people with disabilities, such as setting a quota for employment have been linked to overarching non-discrimination and equality legislation. The rationale for having quota systems in place is that, without such a measure only few employers would employ people with disabilities, as employing them is perceived as potentially costly.[16] It is argued that prejudice and a lack of awareness leads to overestimate productivity losses and underestimate the work capacity of people with disabilities.

Old-age disability is a key concern in Lithuania. In Lithuania, a quota has been fixed at 2% in the private sector, and thus belongs to the group of countries with low quota (ILO, 2019[5]). In case of non-compliance employers need to contribute to the employment fund. Conversely, employers may receive financial support if they employ people with disabilities. The effectiveness of quota system in Lithuania has not been evaluated, however, there are reasons to suppose that the system is not very effective, given the low employment rate of people with disabilities in Lithuania (see Chapter 2), their high share among the unemployed (see Chapter 5), and their expressed feeling of being discriminated when hiring. Reasons may be a low level of the quota, a low level of penalty, lax enforcement procedures and small support given to employers to compensate for productivity loss, as well as low awareness of employers about the remaining workability and productivity of people with disabilities.

Experience from other countries show that in praxis quota schemes have often proven difficult to implement. From available information collected by ILO (ILO, 2019[6]), it is evident that many employers prefer to pay a levy or avail to other options available to them, rather than employing people with disabilities either to the extent to which they are required, or at all. Nevertheless, there is evidence, that in some countries the share of employment of people with disabilities have increased in recent years in countries which have a quota in place, e.g. in France and in Germany where a 5% quota exist.

Some countries have introduced other forms of affirmative actions, such as targets set for the share of employed in the public sector (e.g. in Ireland), and in relation with procurement rules (e.g. in the United States) (ILO, 2019[6]).

Quota systems are generally not in place for employing older workers and for workers with health problems who have not a recognised disability. It is commonly perceived that such quota systems would too much impact on the freedom of companies to define their human resource management policies. Counselling companies in HR issues and awareness raising as well as support for improving working conditions for workers of all ages are to be preferred. Overall, in light of mixed effectiveness of quota schemes internationally, greater attention is given to promoting employment opportunities for people with disabilities or support their retention at work through setting incentives for employers instead of obliging them to employ people with disabilities.

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[16] Employment quota rules for people with disabilities have been in place in at least 103 countries worldwide (ILO 2019). European countries that have a quota scheme for the employment of people with disabilities in place include e.g. Austria, the Czech Republic, France, Germany, Lithuania, the Slovak Republic and Spain.

1.3.5. Promoting life cycle human resource management approaches

Why investing in life cycle human resource management approaches help maintaining older workers' productivity

To ensure that staff are productive and motivated, companies need to implement non-discriminatory human resource management strategies from a life cycle perspective. The challenge for companies consists in considering the short- and long-term impacts of work organisation, working conditions, working time arrangements, team composition and career progression for all age groups. Research has shown that workers participating in continuing training in younger and mid-career ages are more likely to be open for learning new things than those who have not taken part in continuous training before. Likewise, a high learning content of job at younger ages will form a basis for accumulating experiences-based knowledge that can be valuable at older ages. Work experience will offset a potentially declining physical strength and prevent productivity to decline by age.

Good working conditions for younger and older workers have a positive impact on the health status of older workers. This is the basis for being able to retain older workers longer in employment in good health. Since the 1990s, research carried out by international organisations, including OECD, Eurofound and the European Commission as well as national Ministries and dedicated demography networks and social partners, for example in Northern European countries, Germany and the United Kingdom, have collected a wide range of company practices that show approaches on how to manage an ageing workforce. While by far not all companies have relevant practices in place, their numbers have been raising under the demographic pressure of an ageing workforce and limited access to early retirement options.

Life cycle human resource management strategies and measures implemented by companies, in consultation with workers' representatives when these are well established at company and sector levels, cover a wide range of areas, including:

- Work organization with the objective to reorganise work in a way to maximise productivity of each worker, as abilities and competencies as well as health conditions change with age.
- Organisation of working time to cope different work-life balance needs of workers. The work-life balance and need for working time flexibility change over the working life for most people, as there are phases where workers need to combine childcare and working life, combine studying and work, combine caring for older parents and working life, need more rest time for health reasons, or are in phases where they have little family constraints. Flexible working hours can boost productivity, job satisfaction and more creativity ((OECD, 2020[1]). The work-life balance impacts greatly on subjective wellbeing (Mullan, Vargas Llave and Wilkens, 2015[7]). Organizing working time may also mean to adapt the length and frequency of breaks to age, to organise shift and to organise night work accordingly (see also Chapter 2).
- Implementing career development interviews for mid-aged and older workers. This helps identifying competencies and skills needs of older workers. It also serves to increase motivation of older workers and increase their self-esteem.
- Organising learning and knowledge-transfer in age-mixed teams is an approach to increase productivity in teams and to promote on the job learning.
- Implementing continuous training measures for workers of all age groups is essential to make sure workers adapt easily to technological and organisational change and maintain their productivity (see Chapter 2).
- Implementing preventive health management measures in the company is essential to reduce sick leave and to increase productivity of workers (see Chapter 2).
- Using technology and improve working conditions in order to reduce the health risks and increase productivity. As the share of older workers within the workforce is raising and is predicted to

increase further (see Chapter 1), a lifecycle human resource management strategy needs to have the productivity of older workers in its focus.

In the course of time, life cycle human resource management items have entered collective bargaining issues at workplace level at a sector or national level in a number of countries (e.g. when it comes to working time arrangements or participation in continuing training). To support life cycle human resources management practices to become widespread, some countries support networks of key stakeholders, networks among companies, are supporting research to investigate suitable approaches and provide counselling to companies, in particular to SMEs. One example is the demography network that brings companies, scientists and other key actors together to exchange on good practices, organised at regional levels and supported by the initiative new quality of work (INQA) of the Federal Ministry of Employment and Social Affairs in Germany.[17] Another initiative implemented in Germany by Kofa, an institution that was established by the Ministry of the Economy and tasked with counselling and supporting companies to overcome skills and labour shortages in SMEs. Kofa is offering advice in human resource management planning to SMEs, including on managing age-diverse teams and recruiting older workers.[18]

Only few good practices of companies for implementing encompassing life cycle human resource have been reported from Lithuania

Unfortunately, a significant share or older workers in Lithuania report to receive little recognition at the workplace compared to their younger parts (50% vs 60%) as well as have few opportunities for career advancements in their jobs (Figure 1.21). Yet, evidence suggests that companies do not get any sizeable support from the government to retain older workers in employment under good conditions and to invest in their employability (see Chapter 2). Companies in Lithuania are also not pursuing specific strategies to retain older workers and to maintain their productivity. Only 6% of employers indicate providing interesting and stimulating work to motivate and retain employees very often, which is the lowest share of all EU countries.[19]

Overall, data from the Company Survey conducted by Eurofound in 2019 indicate that Lithuanian companies are little active to implement life cycle human resource management approaches. At the same time less employers found their employees very motivated than on EU average. A high motivation in employment as well as expectations of further career development and openness towards learning also determine the behaviour of older workers and have an impact on their performance. In Lithuania, the share of older workers who feel involved and engaged in improving the work organisation or work processes is low as compared to other EU countries.[20] The sixth working conditions survey of Eurofound also shows that workers aged 50 and over in Lithuania much more often think that they do not get the recognition they deserve than in many other European countries. The countries with the highest score are Norway, Finland, Switzerland (Figure 1.21). Similarly, only a comparatively small share of older workers agree that their current job offers good prospects for career advancement.

[17] https://www.inqa.de/DE/vernetzen/netzwerke/inqa-partnernetzwerke/das-demographie-netzwerk.html

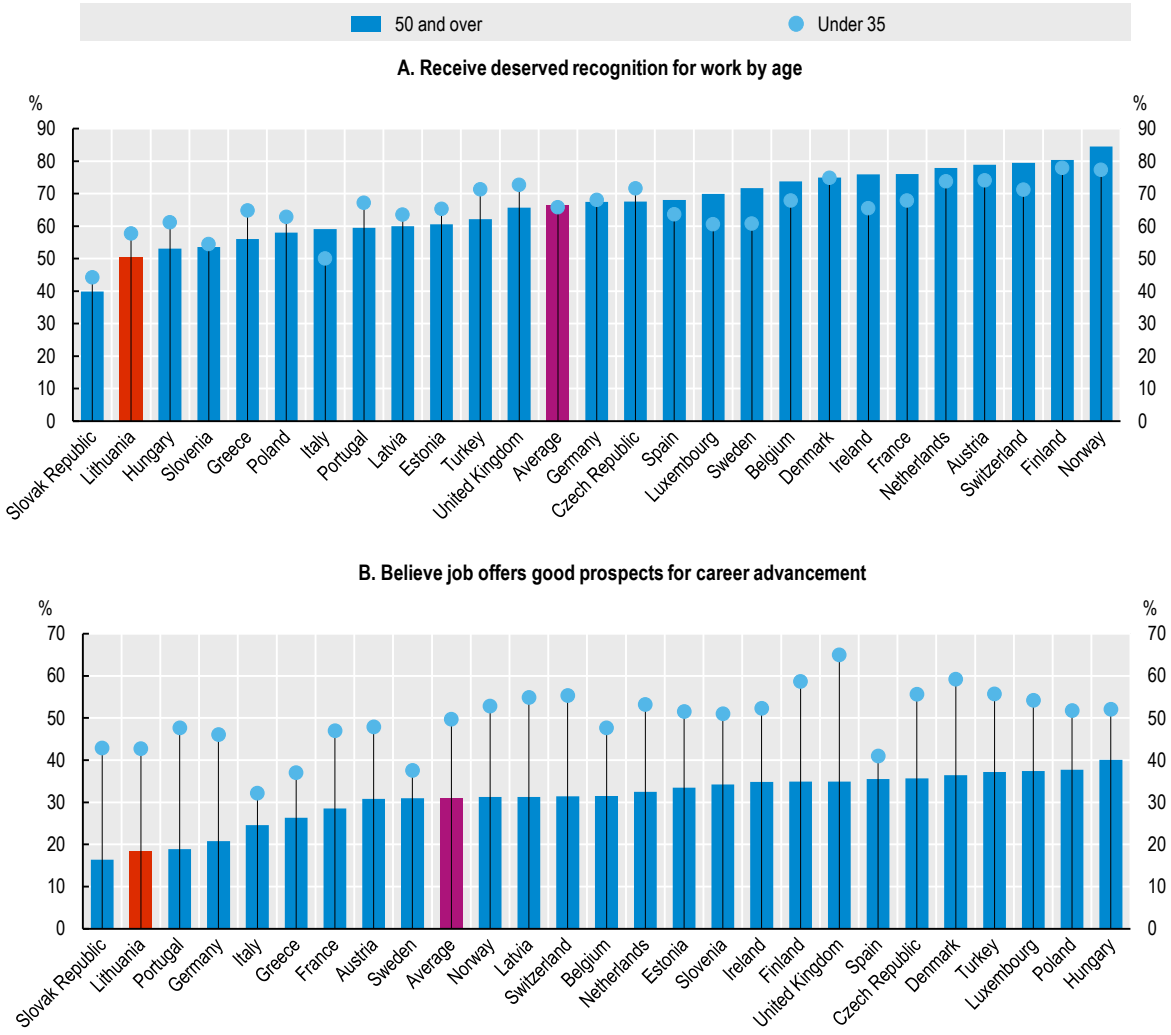
[18] https://www.kofa.de/mitarbeiter-finden-und-binden/mitarbeiter-finden/wen-rekrutieren/aeltere

[19] https://www.eurofound.europa.eu/surveys/2019/european-company-survey-2019

[20] https://www.eurofound.europa.eu/surveys/2019/european-company-survey-2019

Figure 1.21. Older Lithuanians often feel unrecognised and have little opportunities for advancement at the workplace

Share of employees



Note: The purple bars represent the unweighted average of the 26 countries shown.
Source: European Working Conditions Survey - Data visualisation, https://www.eurofound.europa.eu/data/european-working-conditions-survey.

In Lithuania only few evidence on company practices has been identified or collected so far. The few examples named have often been developed in the context of European context or have been implemented by multinational companies that are "exporting" their concepts to Lithuania:

- One example for a European cooperation project is the Best Agers Lighthouse Project in the Baltic Sea Region, running from 2013 to 2014.[21] This transnational project was funded by the Interreg Baltic Sea Region Programme and was led by the Academy of Economics Schleswig-Holstein, Germany, gathering 12 partners from Germany, Poland, Latvia, Lithuania, Finland and Sweden. The project conducted age management interventions in selected companies and public organisations in the participating countries. In each organisation, an external advisor teamed up with an internal mentor from the organisation's staff to analyse the current and expected staff

[21] http://www.best-agers-lighthouses.eu

situation and design and implement appropriate age management measures for the organisation. Managers tended to see more value in the skills of older employees and perceived the benefit of competence transfer. It was crucial to show the cost-benefit relationship to companies (e.g. productivity gain needs to offset the intervention costs of age management). Employees had an increased sensitivity towards age issues in the company, raising appreciation as well as expectations ((Duell, 2015[8]).

- The Lithuanian Trade Union Confederation (LPSK) implemented a project funded by the European Community Initiative EQUAL that aimed to develop and implement the re-integration of older people into the labour market. A mix of different measures was implemented, including organising training of pre-retirement-age persons; creating new techniques for adult learning; and including protective provisions in collective agreements ((Kaminskas, 2016[8]). The project increased the sensitivity to age management issues of both employees and employers (Nurmela, 2014[8]).
- More recent examples include the Swedish supermarket chain Rimi, which conducted an "Age doesn't matter" campaign in Lithuania and the two other Baltic states, in 2018. The supermarket has been hiring an important share of older workers above the age of 50, including older workers above retirement age.[22] The objective is to have 40% of older workers in the company. This requires additional effort for the company in the area of training, as older workers are less familiar and confident to use self-learning tools. The company invested also in mental health services during the pandemic that were accessible for workers of all ages. Ergonomic measures are implemented for all ages. The company's motivation was driven by corporate social responsibility, as older workers face greater difficulties to be hired. The company cooperates therefore with the Lithuania Employment Service as well as institutions for people with disabilities (interview during mission).

More companies might have implemented relevant packages of measures and strategies, but their practices would need to be collected and published and made available for other companies.

Depending on their health status, income and family situation older worker may need more flexibility in working hours, which is more difficult to implement in a country like Lithuania, where a full-time working culture prevails (information provided by the Union of pensioners). Labour Force Survey data indicate that in general employed in Lithuania have less flexibility to decide about their working time than on EU27 average. In Lithuania, 78% of respondents indicate that the employer mainly decides on the working time organisations, while on EU average only 59% gave this answer. There was no big difference between younger age groups and older workers aged 50 and above in Lithuania, in contrast to EU27 average. On EU27 average 22.8% of older employed (50+) stated they could fully decide on their working time and 20.4% could decide with certain restrictions, this was only the case for 11.6% and 9.5% of older employed in Lithuania respectively. Nevertheless, good practice examples can be found in Lithuania at municipal institutions which are increasingly using flexible working hours for older people and young mothers raising children (information received by municipalities).

[22] https://www.rimibaltic.com/rimi-lithuanias-agedoesnotmatter-campaign-wins-prestigious-awards/

1.4. Promoting lifelong learning

1.4.1. The importance of lifelong learning for older people

Lifelong learning is essential for maintaining older worker's productivity and meeting employers' skill needs

From a life cycle perspective of the individual worker, the objectives of lifelong learning strategies are manifold. They include, for example, avoiding skills depreciation of skills over time, adapting skills to labour market needs, increasing internal and external job mobility. Enhancing skills could also break the vicious circle between low skills (or skills not in demand) and low quality of work or poor employment prospects as well as increase incentives to work longer. Human capital formation happens through formal, non-formal and informal learning. Participating more often in all forms of learning over the life cycle, including at midcareer and older age would significantly contribute to improve the skills of older worker.

From the perspective of firms, investments in continuing training are beneficial in many ways. When the skills available through the VET system are not sufficient for a firm or when firms need to take advantage of the newest technology, firm-specific training can increase worker's productivity. Also, firms can provide training to retain workers while increasing their motivation when upskilling and reskilling workers of the company is cheaper than hiring new workers or laying off old workers, or when firms perceive training as a central element of workforce development.

Many jobs are likely to be exposed to automation in the near future, which could increase training needs for the elderly

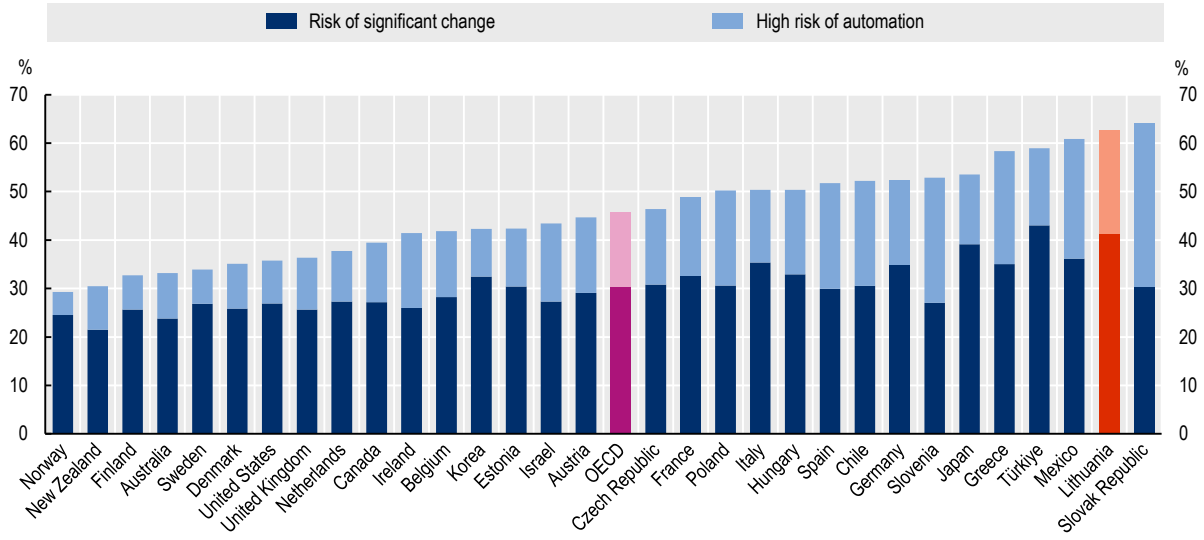
As firms increasingly adopt technology and new technologies are being developed, one could expect more and more tasks to be automated – a trend that is now exacerbated by the COVID-19 crisis. Using experts' view on the automation potential of technology for certain tasks, OECD estimates that 21% of jobs in Lithuania have a high risk of automation, and another 43% of jobs could face significant changes due to automation, which is significantly higher than the OECD average[23] (Figure 1.22). Overall, Lithuania is more exposed to changes due to technology adoption in the workplace than the average OECD.

When controlling for individual and workplace characteristics, occupation, and industry, older people in Lithuania (aged 55-65) are not significantly different in automation risk than younger generations (aged 25-34), indicating that the risk does not decrease with older age. Yet, automation does not necessarily lead to job destruction, as it often implies that jobs change rather than disappear. As tasks for the jobs change, there is an increasing need for older workers to upskill and reskill workers' skills to perform their work.

[23] Differences in automation probability between countries are due to differences in the composition of occupational structure and differences in the job content (i.e. whether workers carry out less automatable task, such as planning other workers' activities, influencing people and solving problems, even within the same occupation). This means that Lithuania employs more workers in occupations that have a relatively high risk of automation than in many other OECD countries.

Figure 1.22. A large share of jobs in Lithuania face are at risk of change because of automation

Share of jobs which are at a high risk of automation or a risk of significant change



Note: Jobs are at high risk of automation if the likelihood of their job being automated is at least 70%. Jobs at risk of significant change are those with the likelihood of their job being automated estimated at between 50% and 70%. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland. OECD is an unweighted average of the 31 countries shown.
Source: Nedelkoska, L. and G. Quintini (2018), "Automation, skills use and training", *OECD Social, Employment and Migration Working Papers*, No. 202, OECD Publishing, Paris, https://dx.doi.org/10.1787/2e2f4eea-en, OECD (2021[1]) "Creating Responsive Adult Learning Opportunities in Japan", Getting Skills Right, OECD Publishing, Paris, https://doi.org/10.1787/cfe1ccd2-en.

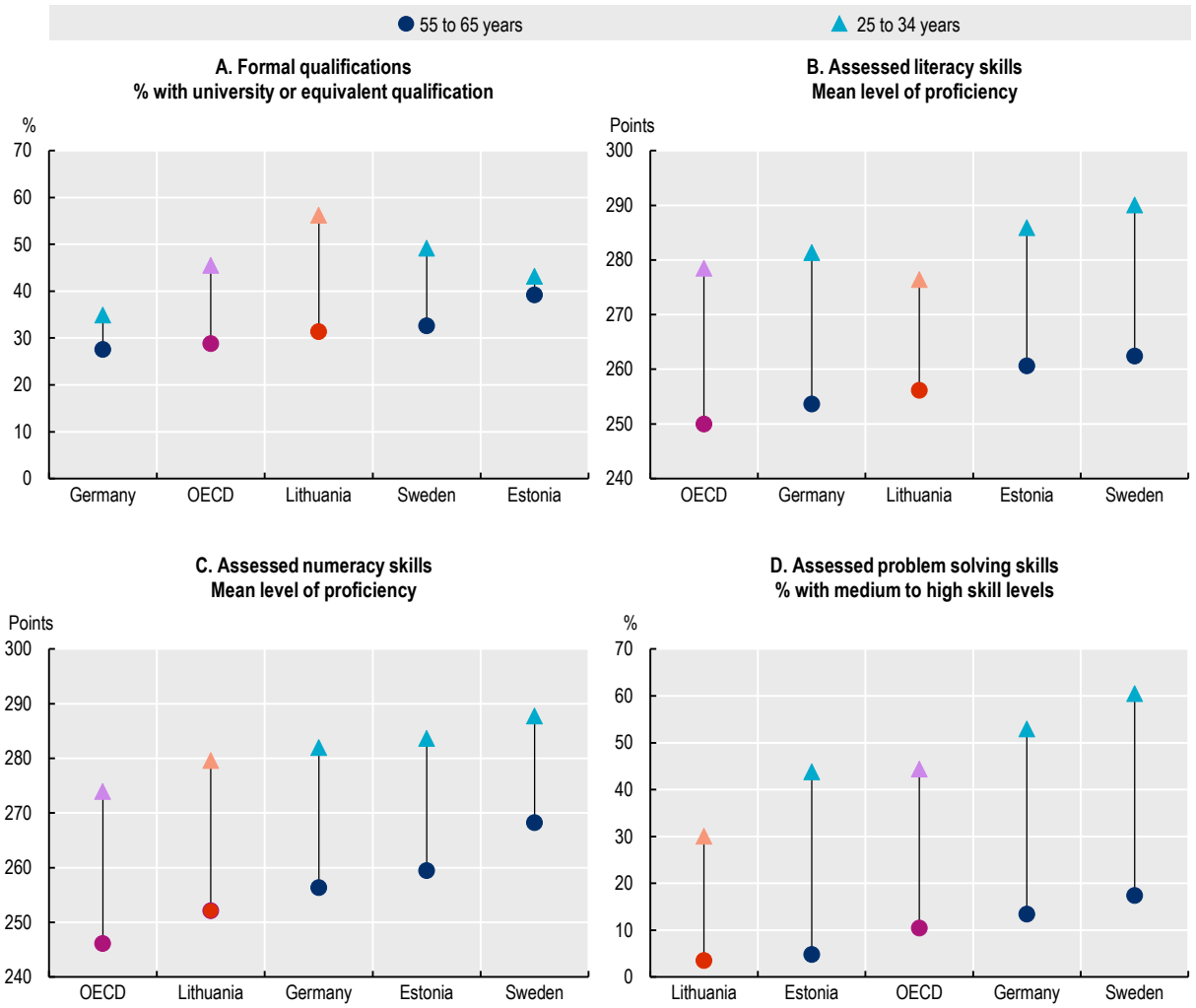
1.4.2. Skill levels of older people and skill use at work in Lithuania

Skill levels of older workers lack behind those of younger workers

In order for companies to increase the employment of older workers and at the same time increase their productivity, it is important to recognize the skill status of older workers and to better adapt their skills to job needs. This section given an overview of the skills of older workers. Several factors determine how skills evolve over the lifecycle. A key determinant is the skills obtained at a younger age through education and training as well as those acquired through participation in further training.

Older people aged 55-65 in Lithuania score relatively low in basic skills compared to the 25-34 year-olds. They have slightly more often a tertiary educational attainment as compared to OECD average, but they have to compete for jobs with younger ones who have nearly twice as often a tertiary degree (Figure 1.23, Panel A). The PIAAC data indicates that older people also have higher literacy proficiency than OECD average, and slightly higher numeracy skill, but the level is relatively low compared to younger age groups as in other OECD countries (Figure 1.23, Panels B and C). The problem-solving skill of older workers with medium to high skill level is lower than OECD average, and lower than in Estonia, Germany and Sweden (Figure 1.23, Panel D). One reason for the lower level of problem-solving skill may consist in their lower level of participation in adult learning and the often low learning content of jobs, as 46% of workers aged 50 and above indicated that their job does not involve learning new things, which is a lower share than EU average (33%) and Sweden (8%, the lowest share in the EU) (results of the Sixth Survey on Working Conditions conducted by Eurofund[7] in 2015).

Figure 1.23. Skill levels of older workers lack behind those of younger workers



Note: In Panel A, age group 55-65 refers to 55-64 and year 2020. OECD is an unweighted average of all 38 member countries. In Panels B-C, the OECD average excludes Chile, Colombia, Costa Rica, Hungary, Iceland, Latvia, Luxembourg, Mexico, Portugal and Switzerland. In Panel D, the data refer to problem solving skills in a technology-rich environment. Medium refers to Level 2 and High to Level 3. Additional country exclusions are France, Italy and Spain.
Source: Panel A: *OECD Dataset on Educational Attainment and Labour Force Status*, http://stats.oecd.org//Index.aspx?QueryId=93192, Panels B-D: Survey of Adult Skills (PIAAC) (2012, 2015), https://www.oecd.org/skills/piaac/.

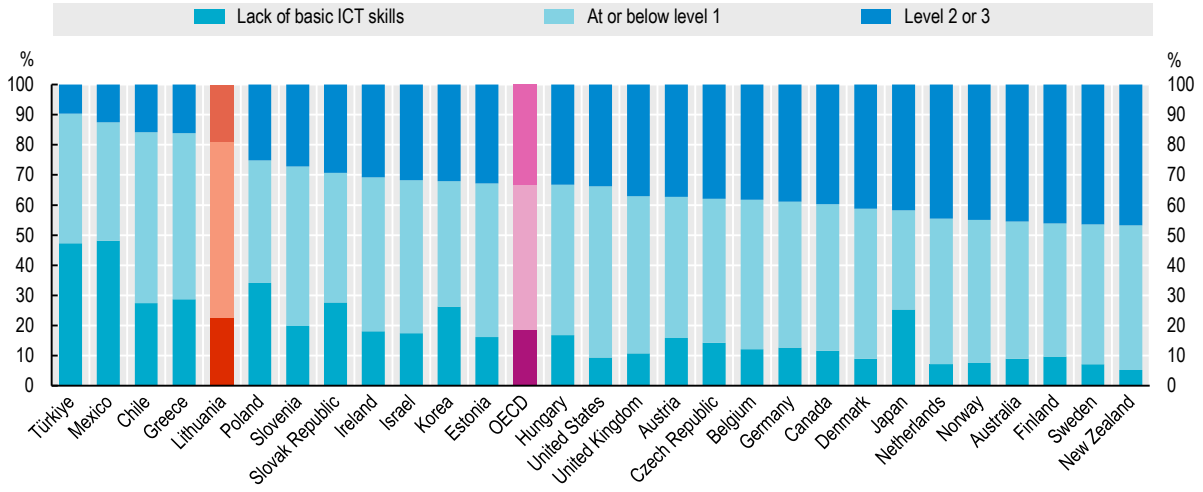
There is a large disparity in digital skills among the elderly

More and more jobs require digital skills, although at different levels. Older generations may have had less possibilities to acquire digital skills. With ongoing digitalisation of the economy, including in work processes, those not possessing the necessary digital skills have a higher risk of being excluded not only from the labour market but also social and public life.

The situation is somewhat unfavourable when looking at the digital problem-solving skills of Lithuanian adults. Lithuania has a higher percentage of adults who lack basic ICT skills compared to the OECD average (22% vs. 18%), and the combined percentage of adults with low digital problem solving skills (at or below level 1) is relatively low among OECD countries (81% vs. 67%) (Figure 1.24).

Figure 1.24. Digital problem-solving skills in Lithuania are low

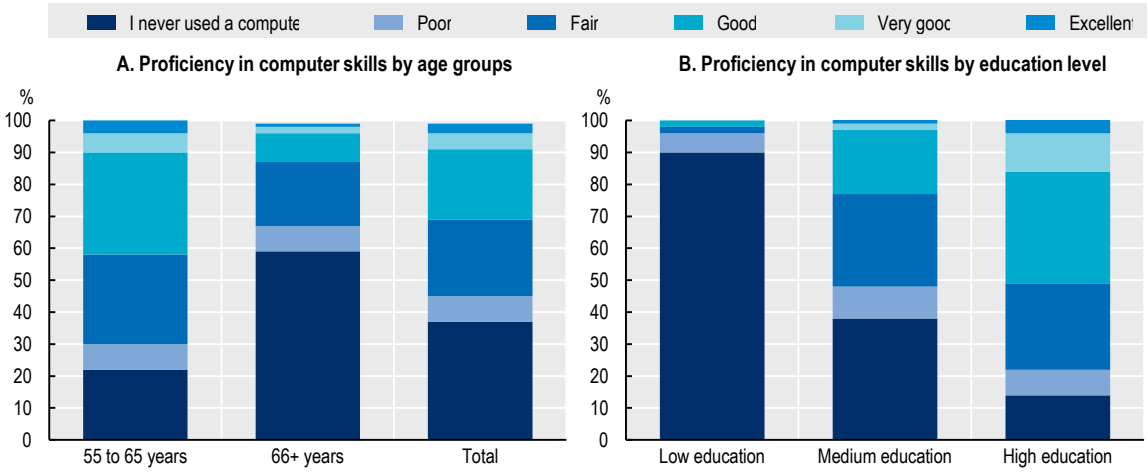
Percentage of adults with low, medium and high-level problem-solving skills in technology-rich environments



Note: OECD is the unweighted average of the 28 countries shown. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland. For a definition of proficiency levels for digital problem-solving, see https://nces.ed.gov/surveys/piaac/pstreproficiencylevel.asp#:~:text=Level%201,-241%20%2D%20290&text=At%20this%20level%2C%20tasks%20typically,required%20to%20solve%20the%20problem.
Source: Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

Self-reported computer skills are also lower among older adults. According to results of the Survey of Health, Ageing and Retirement in Europe (SHARE), the 55-65 year-olds in Lithuania have more often good or very good computer skills as compared to those aged 66 and above, but there is room for improvement as it can be expected that with ongoing digitalisation good computer skills will be increasingly required (Figure 1.25, Panel A). While there are little differences by gender in terms of proficiency in computer skills, the level of education plays a decisive role, with 90% of people aged 66 and above with a low education level stated they never used a computer (Figure 1.25, Panel B).

Figure 1.25. Self-reported computer skill levels in Lithuania depends on age and education level



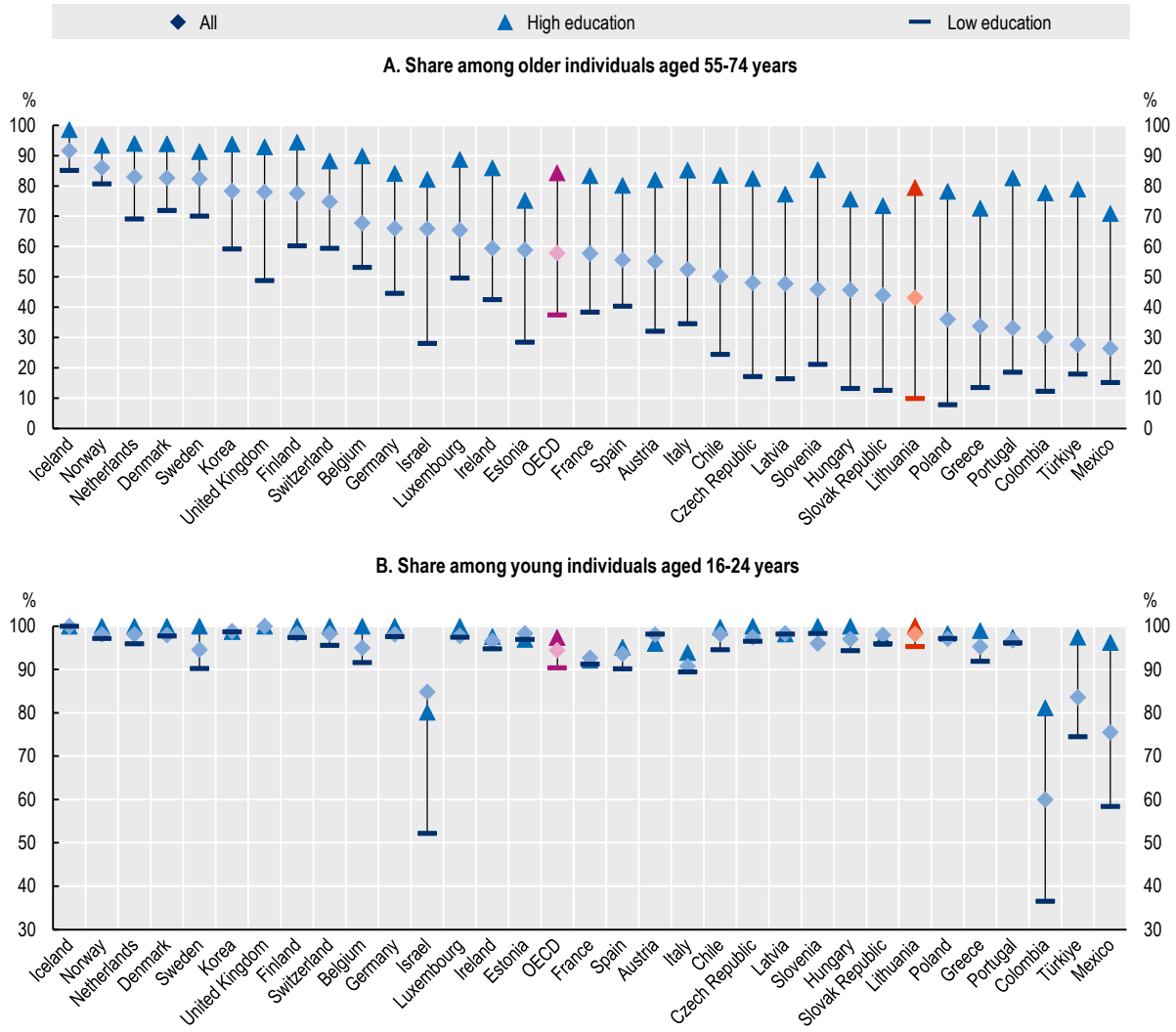
Note: Low education refers to less than upper secondary; Medium education refers to upper secondary and post-secondary non-tertiary; and High education refers to tertiary education
Source: OECD calculation based on Survey of Health, Ageing and Retirement in Europe (SHARE), Wave 8 (2022).

The low computer skills of older Lithuanians may also be related to the frequency of Internet use. Knowing how to use internet is not only necessary in many jobs requiring using a computer, but is also increasingly relevant for accessing online training, for searching for training offers and for job-search. Therefore, lacking knowledge and experience in using internet is putting older workers in a disadvantageous position.

Lithuania is characterized by a high frequency of Internet use compared to the OECD average for young people aged 16-24 and little difference by education level. However, for the older age group 55-74, the frequency of Internet use is lower than the OECD average (43% vs. 58%), and in particular, there is a large disparity by educational level. The difference in Internet use frequency between those with higher and lower education is 70%, which is one of the largest among OECD countries (Figure 1.26).

Figure 1.26. Older people use the Internet less frequently with a large disparity by education level

Frequent internet use by level of education and age group, 2019



Note: Frequent Internet use is by individuals using the Internet every day or almost every day. Individuals with medium formal education attainment are not shown in the figure. Data refer to 2018 (Colombia, Mexico) and to 2017 (Chile, Israel). Panel B: data refer to ages 20-24 for Israel; individuals with high educational attainment are OECD estimates for Denmark, Finland, Iceland Norway, Slovenia and Sweden. OECD is an unweighted average of the 32 countries shown.

Source: OECD (2020) *OECD Digital Economy Outlook 2020*, OECD Publishing, Paris, https://doi.org/10.1787/bb167041-en.

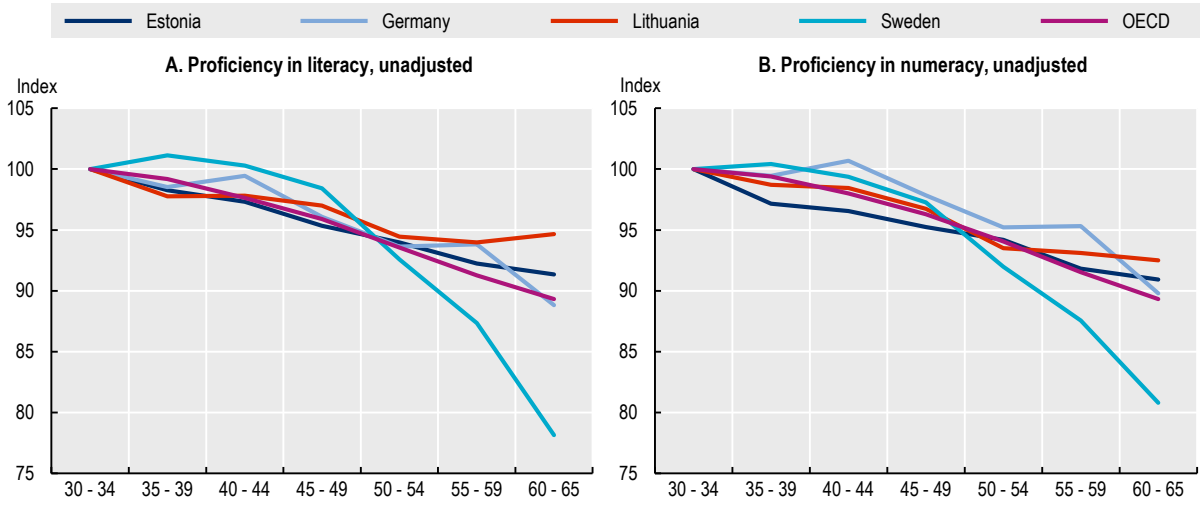
The gap in numeracy and literacy skills between the young and the elderly is small compared to other OECD countries

As noted above, older adults have relatively lower skill levels and lower digital problem-solving skills, including Internet use, than younger adults. However, on a positive side, Lithuania's decline in literacy and numeracy proficiency with aging is lower than in other OECD countries, resulting in a relatively low skills gap with younger people in the country compared to other countries.

Figure 1.27 shows literacy and numeracy proficiency by age. When the proficiency in literacy of 30-34 year-olds is 100, Lithuania has a proficiency in literacy of 95 for those aged 60-65, which is higher than in Sweden (78), the OECD average (89), Germany (89), and Estonia (91). Notably, the skills of the 60-64 year old age group are higher than those of the 55-59 year old age group, a characteristic not seen in other countries. Similarly, the proficiency in numeracy for those aged 60-65 is 92, which is considerably higher than in Sweden (81) and slightly higher than the OECD average (89), Germany (90), and Estonia (91). These facts suggest that, if older workers are motivated and encouraged to train in the workplace and their skills are properly used, opportunities exist to expand employment for the elderly.

Figure 1.27. Lithuania has relatively little age-related skill loss in terms of literacy and numeracy skills

Literacy and numeracy skills Index, by age (age group 30-34=100)



Note: The OECD is a weighted average and excludes Hungary, Iceland, Latvia, Luxembourg, Mexico, Portugal and Switzerland.
Source: OECD calculations based on the Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

Workers' Skills in Lithuania are not fully utilised in the work place

Utilising workers' skills in the workplace increases the potential employability of older workers and is also a useful indicator for measuring employment mismatches. According to data from the PIAAC, employed Lithuanians have higher literacy and numeracy skills than the OECD average as noted above, but the intensity of use of these skills is much lower than in many other OECD countries (Figure 1.28). Workers in countries such as France and Poland more frequently engage in numeracy-related tasks at work, despite having lower numeracy skills than Lithuanian workers on average.

Figure 1.28. Skills are not put to full use in Lithuania

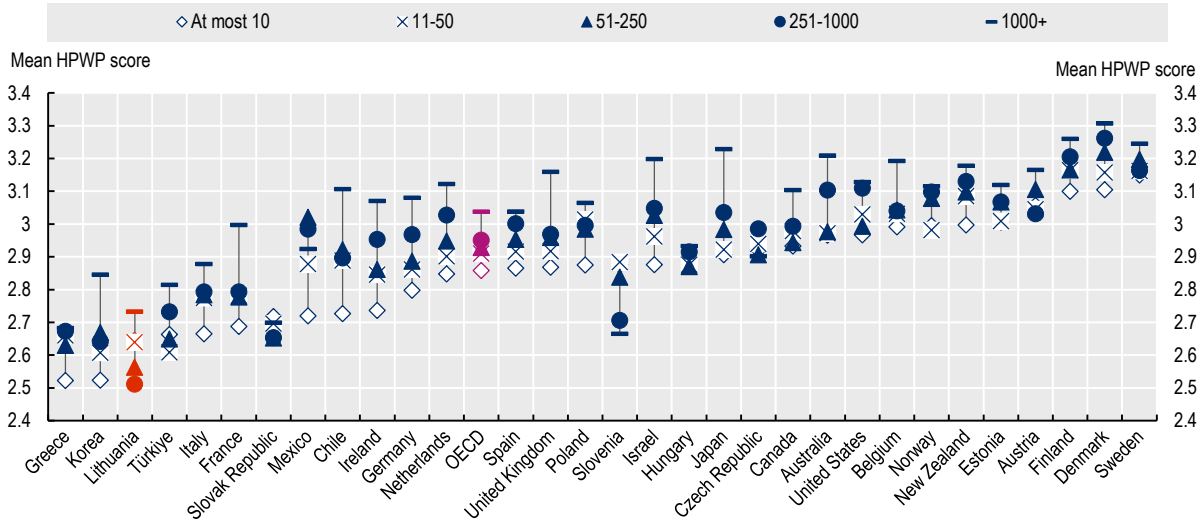
Note: The horizontal and vertical lines represent the OECD average. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland. Numeracy use is a combination of the frequency of calculating prices, costs or budgets; use of fractions, decimals or percentages; use of calculators; preparing graphs or tables; algebra or formulas; use of advanced math or statistics (calculus, trigonometry, regressions). Reading at work is a combination of the frequency of reading different types of documents (directions, instructions, letters, memos, e-mails, articles, books, manuals, diagrams, maps). See OECD (2016[2]) for more details on the calculation of the skill use indicators.
Source: Survey of Adult Skills (PIAAC) https://www.oecd.org/skills/piaac/.

As stated in OECD (2021[3]), the organisation of workplace is arguably the most important determinant of skill utilisation. The low utilisation of skills in Lithuanian workplaces can be largely attributed to the low adoption of High-performance workplace practices (HPWP)[24]. Indeed, in Lithuania, HPWP is not widely used, regardless of the size of the company (Figure 1.29). Aiming to better leverage employee skills by strengthening employee engagement, work autonomy, and talent management practices will also help improve skills performance in Lithuania.

[24] High-performance workplace practices (HPWP) refers to practices known to positively affect the performance of employees and businesses. These include work flexibility and autonomy, teamwork and information sharing, training and development, and career progression and performance management. For more information, see OECD (2021[3]).

Figure 1.29. HPWP in Lithuania is not widely used, regardless of firm size

Mean high-performance workplace practices (HPWP) score



Note: Training practices are excluded from the HPWP scores. The HPWP index is a sum scale of all subcomponents: sequence of tasks; speed of work; how to do work; co-operating with co-workers; instructing, teaching and training others; sharing information with co-workers; organising own time; planning own activities; flexibility in working hours; annual bonus. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland. OECD is an unweighted average of the 31 countries shown.
Source: Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

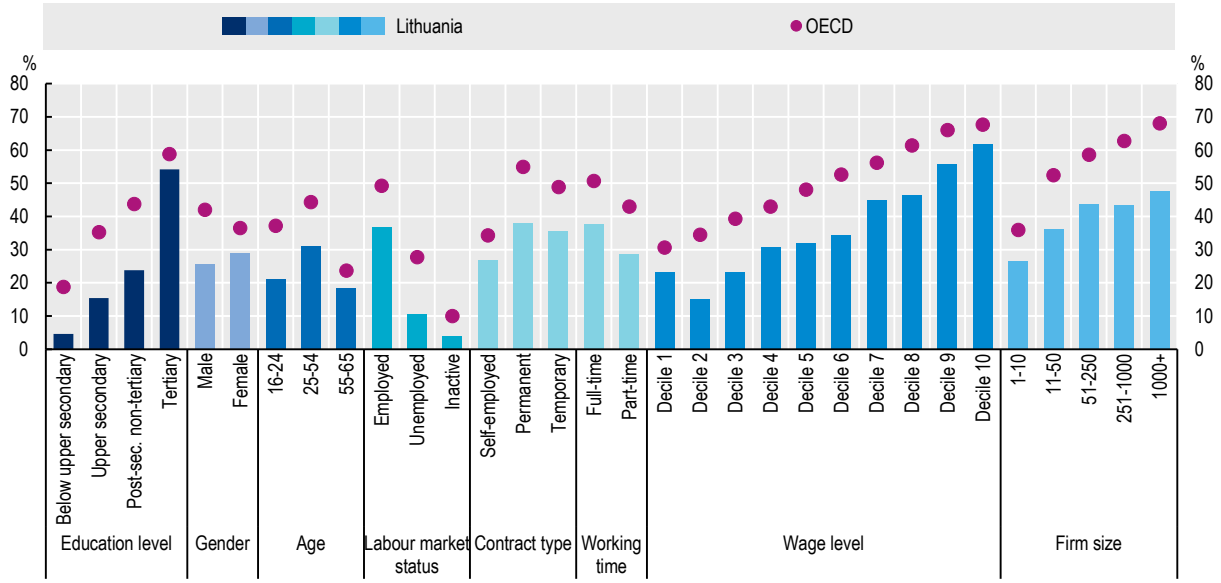
1.4.3. Participation in education and training among older people

Relatively few older people participate in learning activities in Lithuania

The job prospects of older people not only depend on the skills they have acquired early on their lives but also in the extent to which they have kept these skills up to date over their career. Evidence suggests that participation in formal and non-formal education and training is low among older adults in Lithuania. The participation rate in formal or non-formal training in the past 12 months was 27%, which is considerably lower than the OECD average (39%). As shown in Figure 1.30, older adults participate around 13% point less in training than prime age adults in Lithuania. Participation in adult learning increases with education level in Lithuania, with the participation rate of adults with tertiary education qualifications being 50 percentage points higher than that of adults without an upper-secondary education degree. The gap between women and men is not as large as the average in OECD countries. Unemployed and inactive adults have much lower participation in training than employed adults. Although there are some disparities by employment contract type, the disparities are not large compared to the average for OECD countries. Part-time workers are much less often trained than full-time workers. Finally, training participation rates increase with wage level and firm size, both in Lithuania and in OECD countries. The gap is particularly large between small and medium-sized firms with 1-10 employees or less and large firms with 1 000 or more employees. However, when controlling for individual characteristics and workplace characteristics, it should be noted that while education and work status had a significant impact on the training rate, older age did not significantly affect training probability compared to younger age.

Figure 1.30. Access to training in Lithuania is highly unequal

Share of adults participating in formal or non-formal job-related training



Note: Participation in formal and non-formal training refers to the 12-month period before the interview.
Source: Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

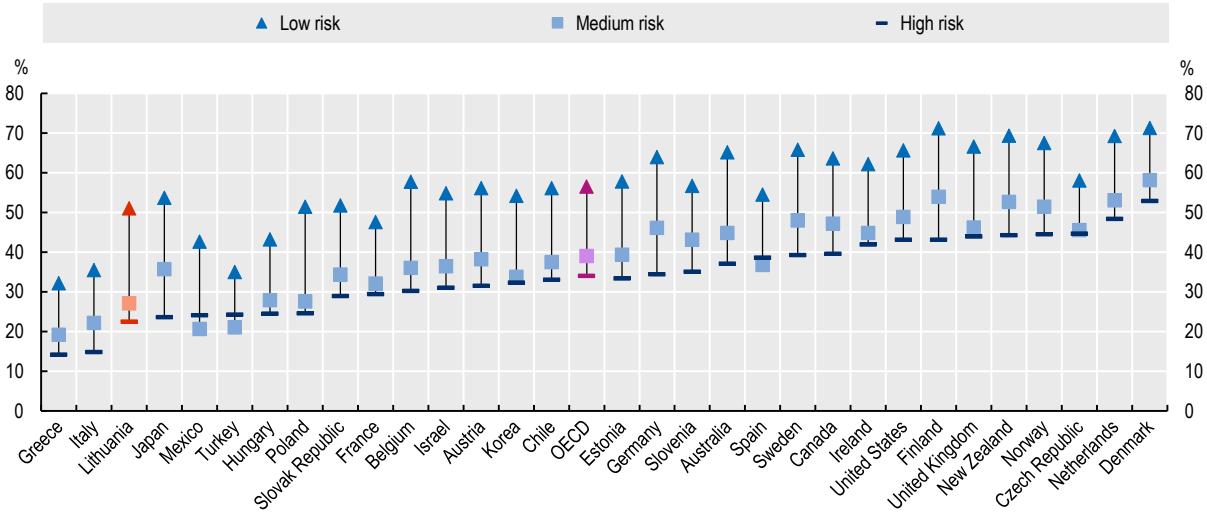
Training opportunities are limited, especially for those in occupations with high automation risk

An effective education and training system not only ensures that training offerings and content are responsive to labor market needs, it also ensures that adults at risk of having skills that have become obsolete or skill gaps due to structural change have access to training opportunities. One group of workers at particular risk of skill obsolescence is workers in jobs at high risk of automation.

Figure 1.31 shows that in all OECD countries, workers in jobs at high or medium risk of automation participate less in formal and non-formal training than workers in low-risk jobs. The gap between workers in high-risk and low-risk jobs is particularly large in Lithuania. 51% of workers in low-risk automation jobs participate in training, while only 22% of workers in high-risk jobs do so. This gap is one of the highest among OECD countries, along with Germany, Japan, and Finland. Furthermore, compared to those countries, workers in the high-risk category have lower training participation rates. A higher percentage of older workers are engaged in occupations with a higher risk of automation than younger workers, suggesting that, there is a relatively large segment of older workers who are not participating in training in occupations with a high risk of automation.

Figure 1.31. Lithuanian workers in jobs with a high probability of automation have limited access to training opportunities

Percentage of workers participating in formal or non-formal job-related training (by risk of automation)



Note: High risk is defined as having an automation probability of at least 70%, medium-risk as a risk between 50% and 70%, and low-risk as below 50%. OECD is an unweighted average of the 31 countries shown. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland.
Source: Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

1.4.4. Barriers to training for older people

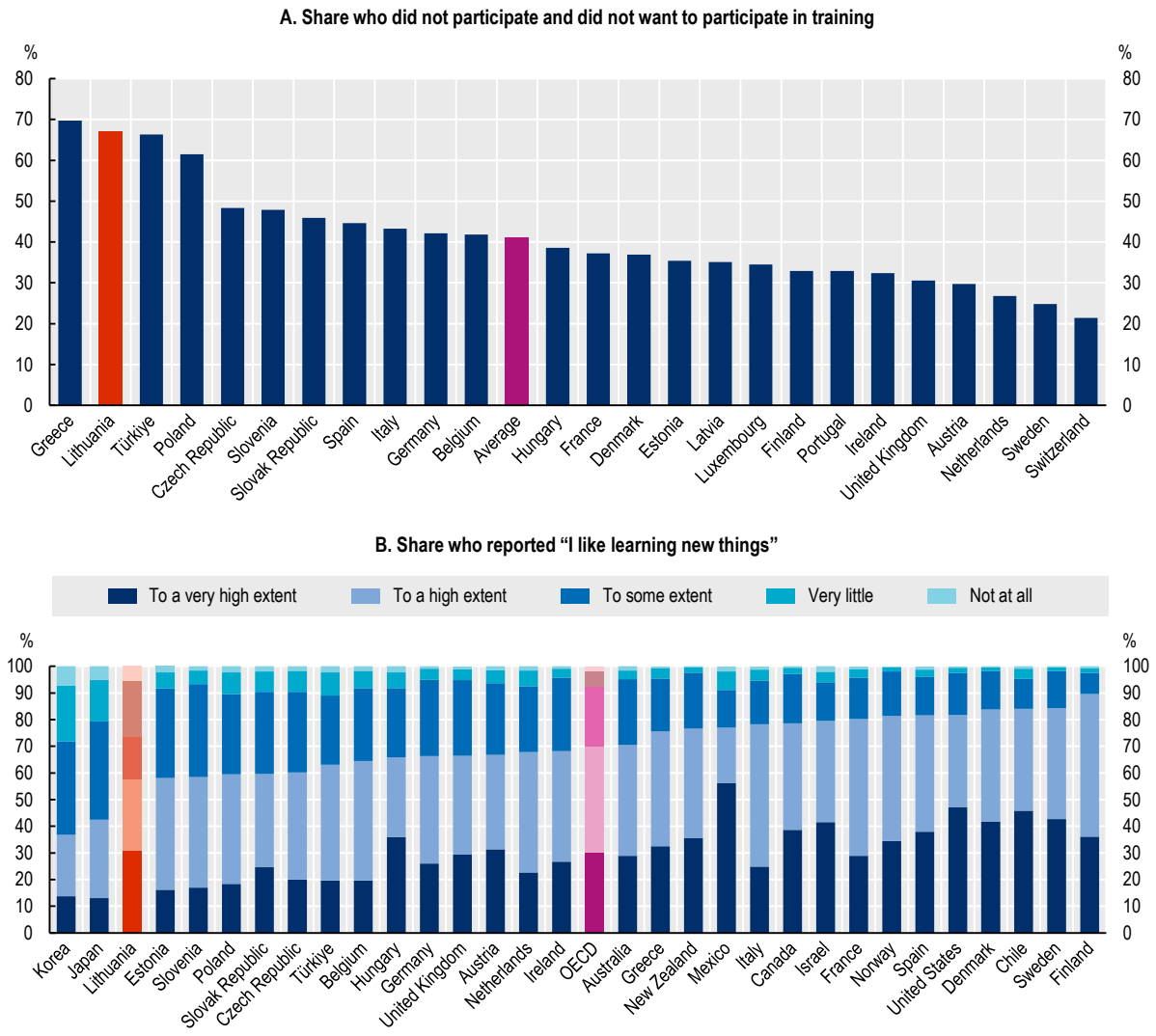
Older people in Lithuania have relatively low motivation to participate in training and learn new things

The main reason of low participation in adult learning in Lithuania is that motivation to upskill and reskill throughout the life course is lower than in other countries. According to the 2016 Adult Education Survey, the percentage of adults who did not participate in training and did not want to participate in training is 67%, which is one of the highest in the EU countries (Figure 1.32, Panel A). While reasons of such low motivation are not always clear, Lithuania's relatively weak interest in learning new things may be related to this. Data from the Survey of Adult Skills (PIAAC) show that in Lithuania, about 58% of adults say they like to learn new things to a high or very high extent. This is higher than in OECD Asian countries such as Japan and Korea, but among the lowest in EU countries (Figure 1.32, Panel B). In addition, when controlling for individual and workplace characteristics for Lithuania in PIAAC data, the greater the degree of learning new things, the significantly higher the probability of training.

However, the Lifelong Learning Survey shows that the share of respondents who stated they did not take part in lifelong learning but would like to learn increases with age, from 21% among 30-49 years old to 26% among the 50-59 years old and 32% among the 60-69 years old. This indicates that there is an unused potential for older workers to engage in learning activities (Strata, 2020[4]).

Figure 1.32. Many Lithuanian adults are reluctant to participate in training and like learning new things

Adults aged 25-64



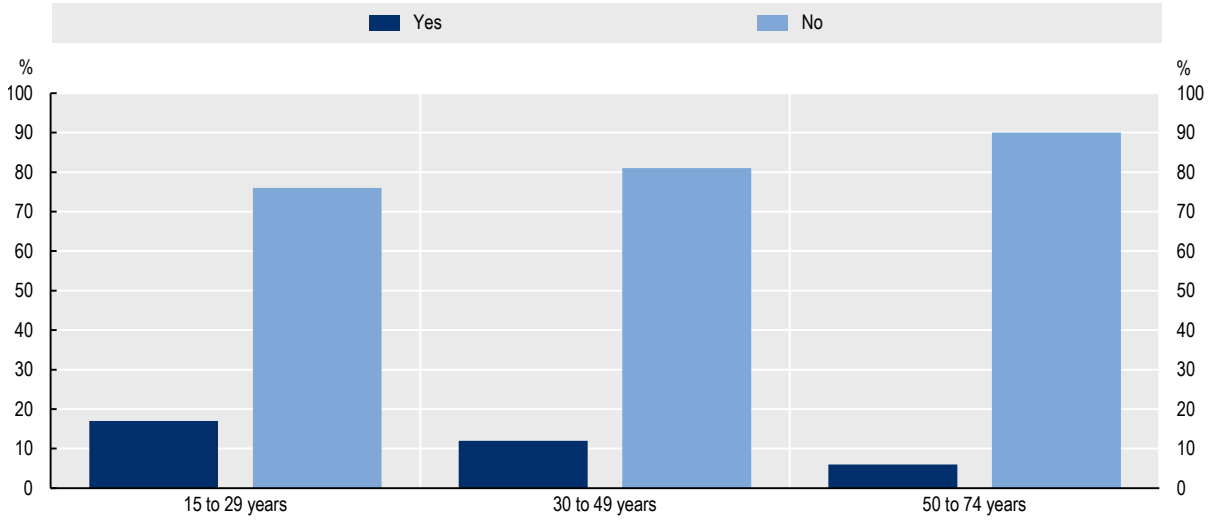
Note: In Panel A, the purple bar represents the unweighted average of the 26 European countries shown. In Panel B, OECD is the unweighted average of the 31 countries shown. Belgium refers to Flanders only, the United Kingdom to England and Northern Ireland.
Source: Adult Education Survey 2016: Population by will to participate in education and training, https://ec.europa.eu/eurostat/databrowser/view/trng_aes_175/default/table?lang=en (Panel A); Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/. (Panel B).

Few older Lithuanians seek career guidance/counselling

These results show that more could be done to engage with adults who have a limited perspective on their future career and low interest in training to help them understand of the importance of training, develop a career plan and identify the most suitable training options. Unfortunately, exposure to career guidance in Lithuania is limited, especially for older people. According to STRATA data, the percentage of those who consulted a career counselor or career guidance specialist in the past year decreases from 17% for those aged 15-29 to 6% for those aged 50-74. In addition to making it more difficult to make major career changes as they get older, this suggests that the intention to advance or change careers decreases (Figure 1.33).

Figure 1.33. Opportunities to use career counsellors or career guidance specialists in Lithuania decrease with age

Percentage of respondents that communicated with a career counsellor/career guidance specialist in the last year



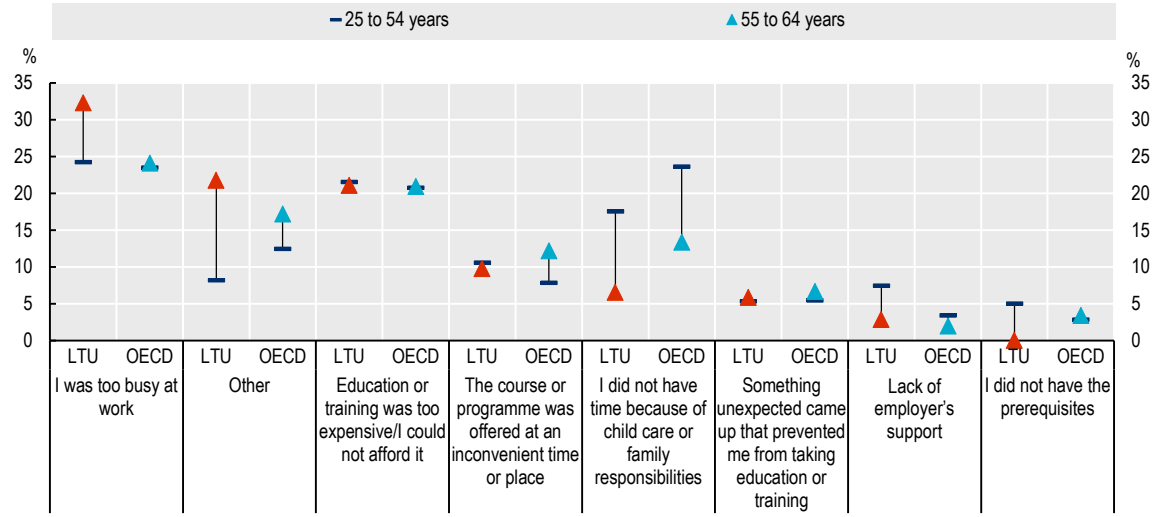
Source: STRATA (2020), Mokymasis visą gyvenimą. Įpročiai, patrauklumas, barjerai, naudos suvokimas: Gyventojų apklausos ataskaita. Priedai [Lifelong learning habits, barriers and perceptions: population survey report. Appendix] https://strata.gov.lt/images/tyrimai/viesi_duomenys/MVG-2020/STRATA_MVG_Priedai.xlsx.

High work burden also prevents older Lithuanians to participate in learning

According to the PIAAC survey, only 8% of adults in Lithuania who did not participate in formal or informal job-related training report that there were learning activities they wanted to participate in but did not. This is one of the lowest in EU countries, behind only Poland, Turkey and the Czech Republic. Looking at the reasons for non-participation in training among them, the cost ("education or training was too expensive / I could not afford it") and the lack of time ("I was too busy at work") are main reasons. On the other hand, different characteristics emerge when looking at the data by age group. In Lithuania, among the older age group (55-65), the most common reason of non-participation in training is "busy at work" (32%), which is higher than among the younger age group in Lithuania (24%) and higher than the OECD average for the older age group (24%). Conversely, "lack of time because of child care and family responsibilities," which has a high response rate among the younger age group, is 7% for the older age group, which is much lower than the younger age group (18%). This suggests that although those in the older age groups in Lithuania who are highly motivated to participate in training are relatively free from family responsibilities such as childcare, they are not able to take advantage of training participation opportunities due to the relatively high work burden (Figure 1.34).

Figure 1.34. Barriers to participation in adult learning

Share of adults wanting to participate in education and training, by reason for not participating



Note: Includes only adults who did not participate in training and did not identify any training that they had wanted to participate in. OECD is an average of the 31 countries participating in PIAAC.
Source: Survey of Adult Skills (PIAAC), https://www.oecd.org/skills/piaac/.

Regression analysis of the association between personal characteristics and barriers to training shows that women were more likely than men to perceive training time and location constraints as the main reasons for reluctance to participate in training, despite their desire to do so. Unemployed were also more likely to be constrained by reasons due to family responsibilities than those who were employed (see Annex Table 4.A.1). On the other hand, older workers are significantly more likely than younger workers to answer "Others" as a reason for not participating in training.

The reason why more older workers tend to answer “Others” as a reason for not participating in training is not clear, but not only the already accumulated human capital will affect the rate of return in investments, but also the expected remaining length in working life. This may be one potential reason why older workers participate less in further training. Evidence from regional level surveys also points to several other important barriers. For instance, research conducted by Panevėžys municipality in 2019 on “Needs and opportunities for non-formal adult learning in Panevėžys”, showed that adults aged 51-55 pointed to a lack of training offers in the desired field. Older individuals were also more like to report lack of information about training and inconvenient timings as biggest barriers to learning.

Shorter working life expectancy and smaller firm size may also reduce incentives for firms to provide training to older workers

From the company's perspective, there are also some factors that would make training opportunities for older workers even lower. The level of engagement of employers in providing training to their workers is far below EU average. In Lithuania, 61.6% of enterprises (with 10+ employees) provide their employees with continuing vocational training (CVT) courses or another form of CVT such as guided on-the-job training or training at conferences and workshops. This is below the EU average of 70.5% and below the rates for Estonia (86.1%) and Latvia (99.9%) (OECD, 2021[5]). As in other countries, participation of small companies is particularly low. One main barrier for employers for providing training consists in identifying training needs, to develop strategic HR planning and to organise the training. As in other countries, these barriers have a higher magnitude in small enterprises, where dedicated HR units are missing. In Lithuania, this barrier is mentioned significantly more often than on EU average. Another factor mentioned

significantly more often than on EU average are the high costs of training (according to results of the Survey on Continuing Training, 2015).

The way training is organised depends on the company size, the transparency of further training market and the availability of relevant offers. In EU countries and in the OECD participation of workers in continuing vocational training is lower in SMEs than in large companies. The impact of training is most often not assessed and those SME that assess the effect of training are the more innovative ones. In particular, small companies often do not perceive a need for training. Also, small firms often report difficulty in accessing training tailored to their needs in terms of type, quality, scheduling, and location. In addition, small companies need polyvalent skills as they perform a variety of different tasks. Economies of scale cannot be made if training needs to be tailored to the need of the company. Also accessing training that is not provided nearby induces additional costs. Therefore, cost of training might be higher for smaller than for larger companies (OECD, 2021[5]; Cedefop, 2019[6]) .

In addition, quite likely also attitudes of the workers (see e.g. (Cedefop, 2010[7])), expectations and prejudices about the remaining working period may lower the investment in further education below the optimal level. For example, in Germany, recent research has shown that an increase in early retirement age by three years has increased participation of older workers in on-the job training (Gohl et al., 2021[8]). Another aspect is that investments in learning at a young age make investments in learning at later ages cheaper and more efficient. Thus, the costs of investment in lifelong learning are lower for people for whom investments in early learning have been larger (Oosterbeek and Patrinos, 2008[9]). Finally, there might be disincentives for the employees to invest in firm-specific skills, as these are not or only partly portable. Policies need to address barriers of workers to engage in lifelong learning, to increase incentives and remove barriers to invest in human capital formation of all workers at all ages.

1.4.5. Policies to promote lifelong learning

The importance of lifelong learning has been recognized in Lithuania, where various policies have been or will be implemented. In the recent agreement of political parties on the development of education, a vision for Lithuania in regards of lifelong learning was defined: 15 % of population will be participating in Life-long learning by 2030. The following section highlights main policies Lithuania can peruse to improve lifelong learning among adults and especially the elderly.

Raising awareness about adult learning benefits and opportunities

Low motivation to participate in training as highlighted above, suggests that Lithuania needs to raise awareness about adult learning benefits and opportunities among all adults in particular the elderly. Older low-skilled individuals in particular are less likely to seek out information on adult learning necessitates a targeted engagement approach.

Engaging in regional/local level partnerships with local stakeholders in awareness-raising initiatives can more efficiently target adults in need. Without a focus on local skills needs and labour market conditions, public awareness campaigns can be less effective at identifying and reaching low-skilled individuals (OECD, 2019[10]). Developing and implementing local awareness-raising initiatives will therefore require working with bodies and partners that have contact with older individuals, including employers, trade unions, social partners and charities, Third-age Universities and Lithuania's PES (Windisch, 2015[11]). Co-ordinating local outreach efforts and awareness-raising initiatives could become the responsibility of adult learning co-ordinators, who are currently responsible for managing local initiatives, designing action plans, and allocating budgets for adult learning initiatives and programmes (Government of the Republic of Lithuania, 2016[13]). Whilst social distancing measures remain in place because of COVID-19, emails, social media, radio and TV can all be effective ways to raise awareness among adults, as Belgium's PES has done (Box 3.2). When social distancing measures are lifted these methods can be supplemented by events (e.g. open days or drop-in sessions at the employer site supported by management) and

testimonials from past learners. Career counselling for older adults should also form part of these initiatives (see discussion below).

Overcoming financial and time related barriers could increase take up of continuous training

The cost of education and training is another major barrier for adults in Lithuania compared to other EU countries. A recent survey on lifelong learning revealed that 65% of Lithuanian adults aged 15-75 used personal finances to fund their learning opportunities (STRATA, 2020). Lithuania has relatively few financial incentives for individuals to engage in training although options have expanded in recent years. The most important source of funding for learning opportunities is provided to jobseekers by the Lithuanian PES. Both unemployed and employed jobseekers receive a subsidy (voucher) that covers the training costs. Unemployed jobseekers can also benefit from a training stipend.

Since 2017, vouchers for vocational training have been available for employed adults. The eligibility criteria for these vouchers have recently been expanded. Vouchers can be used when the employer plans to transfer an employed person to a higher position with an increase in salary of at least 20% as well as for upskilling within the same company. While voucher schemes benefit from being easy to apply for with reduced administration costs, they risk increasing deadweight loss with more high-skilled than low-skilled adults applying. Voucher systems are usually less accessible to low-skilled workers as they entail higher search costs, require digital literacy skills and access to a computer (information received during mission). In 2022, in some cases in which jobseekers wish to train for high-demand professions, bilateral contracts between PES and jobseekers concerning the funding can be put in place.

To further encourage employers to invest in the skills of their older workers, Lithuania could consider targeted financial incentives to firms that train older workers or existing incentives can be made more generous for the training of older workers. For instance, in Germany, employers can benefit from tax and social security-funded subsidies to cover training and wage costs of workers during training. At the same time, efforts on the side of firms need to be complemented by adequate mechanisms to increase the interest and motivation of older adults to invest in their skills. A number of countries have managed to design subsidies targeting low-skilled and older workers to reduce deadweight costs.

Currently, Lithuania is also considering to develop an Individual learning account scheme. These schemes intend to promote participation in training through funding and at the same time boost individual choice and foster responsibility of the learner. Portability of these rights from one employer is another asset. However, a number of requirements need to be met for these schemes to be fully effective. One of the challenges is to assure quality of the training, to increase transparency of training offers and to help workers to identify their training needs, in particular for the lower skilled. ILA's can also be relatively costly to administer and frequently only involve small amounts of money. Experience from other countries show that Individual Learning Account schemes benefit from adult vocational guidance which remains underdeveloped in Lithuania (see section below). For example, in France access to career management and vocational training counselling (*Conseil en évolution professionnelle*) has been proposed for free of charge to employed workers who want to use their individual training account.[25]

To minimise time-related barriers, increasing the flexible delivery of education and training through providing modular courses, part-time options and online and distance learning opportunities can be crucial. For example, Denmark has a long tradition of offering modular programmes and learners are able to combine modules from different types of adult learning provision to obtain a formal qualification. This includes provision as diverse as active labour market programmes, basic education programmes, higher education, vocational training and even non-formal training programmes, allowing adults including older people to obtain qualifications through adult learning (OECD, 2022[12]). Recognising and validating non-

[25] https://www.service-public.fr/particuliers/vosdroits/F32457

formal and informal learning can also help to limit the time and costs needed to complete a formal credential (see discussions below).

Digital tools provide new opportunities to offer distance adult learning, particularly online. This has proved especially important in difficult times such as the recent COVID-19 health crisis, when suddenly much of the training that was originally planned in person had to be transferred online. However, as noted above, a substantial share of adults in Japan lack basic digital problem-solving skills, and might therefore have limited access to online learning. Hence, when promoting online learning, special attention needs to be paid to adults with weak digital skills and those without a broadband subscription. This can be done, for example, by providing accompanying face-to-face basic digital skills training programmes. Another challenge regarding online training is to have quality assurance systems in place guaranteeing that the training that adults are taking is of verifiable quality and the acquired skills can be certified.

Promoting skills information and lifelong career guidance of all ages

With the advent of technological innovation, more frequent job changes, more non-standard forms of work, and longer working life, adults of all ages are in need of upgrading and reskilling. Career guidance can be a catalyst for continued adult learning and training, but in Lithuania, current support measures are skewed toward younger adults, especially offered by schools in economically stronger areas (OECD, 2021[3]). In fact, the implementation rate of career guidance declines significantly as the age increases as discussed above. Older age groups, especially those with less experience in career change, are more likely to lack awareness and information about the benefits and opportunities of adult learning, which can lead to lower willingness to participate in adult learning. Therefore, expanding career guidance resources across all age groups including older adults, would be particularly useful in terms of ensuring training opportunities for older adults. An example of this is Scotland, which has taken an approach to providing career guidance for all ages across the life course, ensuring that everyone has access to free career guidance opportunities (OECD, 2021[3]).

Lithuania is currently assessing whether to expand the one-stop shop model of the Alytus Career Guidance Centre as “regional career centres” across multiple regions, with the PES as lead responsibility. However, it is important that such an expansion addresses current service gaps e.g. employed older adults and older jobseekers. In addition, Lithuania should harness technology to increase the supply of online career guidance services, in particular by strengthening and consolidating existing digital modes of delivery. This would be a cost-efficient way of relieving overburdened counsellors, addressing the target groups who have received less attention thus far (e.g. employed adults). Finally, Lithuania should assess if the agency given responsibility for career guidance (whether the PES or another agency) has sufficient capacity to fulfil its role in the context of the pandemic, given that existing career guidance services appear to be stretched. Such capacities include financial resources, but also the expertise to meet the specialised needs of new target groups. For example, employed adults are likely to expect different types of advice (e.g. career progression, changing jobs) to unemployed adults and youth (OECD, 2019[10]).

To promote the use of career guidance for older workers and provide skills information, some countries have provided funding to increase the incentive for career guidance for workers including those in mid-career. In the Netherlands, the Ministry of Social Affairs and Employment had introduced a subsidy program called "Development Advice for All People over 45" (Ontwikkeladvies). This program provided career guidance subsidy to workers over the age of 45 who work at least 12 hours per week. The guidance included insight into the worker's current job, capabilities, and future career prospects. It also included advice on how to reach retirement age while still employed, how to prevent absenteeism close to retirement age, and favour a smooth transition into retirement. The selected counsellor was responsible for applying for a subsidy (EUR 600) to the government. The counselling was confidential and employers were not informed of the worker's participation in the program. Guidance can be provided by private career counselling providers or trade unions (OECD, 2020[13])

Some countries are conducting outreach activities including career guidance in order to motivate older people to train and guidance with a targeted approach. In Australia's Jobs Victoria Advocates programme, advocates go out into the community (e.g. libraries, schools, community centres, workplaces) to connect adults with social services, including career guidance. This type of method might be particularly effective for older adults who may be less comfortable researching services online. This programme employs over 100 advocates and they refer people to employment, training, and related services in Victoria and also provide career guidance.

To prevent a lack of information and help people make informed training choices or motivate training, some OECD countries have focused on disseminating training information aligned with the needs of the labour market. For example, the Danish website "*UddannelsesGuiden*" compiles information on about different educational options, the structure of the Danish labour market, and the role of industries and companies. There is also a tool called "*JobKompasset*," which allows individuals to learn about the different occupations in the sector. The information includes average earnings, tools and equipment used, as well as future outlook for the occupation. This tool also provides direct links to vocational training courses that prepare and certify people in these occupations. Users can easily access further information and guidance via chat, phone, or email (OECD, 2019[10]).

Strengthening the recognition and quality of non-formal adult education and training

In Lithuania, the majority of structured adult learning takes place within non-formal education and training. Municipalities have a key role in the provision of non-formal adult education mostly by funding the programmes of NGOs operating in municipalities (e.g. the University of the Third Age, educational programmes for rural and urban communities, etc.). For example, Panevėžys municipality has entered into an inter-institutional partnership with museums, libraries, and universities. Projects with partners include "Family Health Laboratories", "Clean Environment-Well-Being", "Stronger Together", "Sustainable Development of Panevėžys Non-Formal Adult Education" (information received by the municipality).

Among providers of non-formal education, Third Age Universities are important actors in Lithuania. For example, Kaunas District University of the Third Age cooperates with various Lithuanian higher education institutions. The lecturers of these institutions conduct trainings (lectures and practical classes) for the elderly, but this is not a special vocational training programme. The Third Age University Panevėžys (TAU PF) focused on developing IT skills, healthy living, learning about Lithuanian history and culture, and learning languages (English, German, Polish, French, Esperanto) (information provided by the municipalities). However, main participants in Third Age Universities are in retirement age. In principle Third Age Universities could expand their training offers for older workers, but they would not get funding for the provision of specific upskilling measures for workers (information received during mission).

The diversity of non-formal offerings can present a challenge to ensure that learning outcomes are recognised and that training is of high quality. Recognising learning outcomes can be encouraged by certifying non-formal education and training and recognising non-formal and informal learning in national qualification frameworks. This recognition of prior learning (RPL) can also mean adults are able to re-engage with formal learning by limiting the amount of time required to complete a qualification, which helps to overcome time-related barriers to participation in training for individuals. For employers, having a better understanding of the skills of their employees can help to avoid skills mismatches and lead to higher productivity and reduced staff turnover. Lithuania has taken important steps towards creating a national system of RPL over the past few years; however, the quality of processes to recognise and validate non-formal and informal learning is still unequal between providers Lithuania should consider strengthening ex ante and ex post quality assurance mechanisms to improve the quality of publicly funded non-formal education. Higher quality learning opportunities can lead to strengthened learning outcomes and increased motivation to participate in education, which is low in Lithuania (OECD, 2021[3]).

Increasing basic digital skills

Increasing digital skills of older workers is one of the major challenges in Lithuania. To increase basic digital skills the government has implemented 'Connected Lithuania: effective, secure and responsible digital society in Lithuania', targeted at people who are not using the Internet or do not have the skill to do so.[26] The programme was run from September 2018 to September 2021 and was co-funded by the European Regional Development Fund (EUR 5.9 min). Training courses were organised in public libraries. Courses were offered for beginners (18 hours) as well as basic skills courses (six hours). Just over a fifth of participants (22%) were older than 65 years with 42% aged 51-65. The majority (80%) of participants were women while just over half (51%) were not in employment. As of November 2021, there has been 104 000 training participants (out of 500 000 potential participants according to the programme's estimates). The share of internet users was raised from 72% to 85% over the project period. The programme worked with a network of volunteers comprising 1 280 digital advisers, 524 digital leaders and 1 600 e-scouts who organized activities in 1 000 library branches in 691 local communities.

Nonetheless, there is still an insufficient supply of online courses from vocational and HEIs delivered in the Lithuanian language. The Economic Recovery and Resilience Facility Plans "New Generation" includes a change in the Law on Employment as of July 2022 with the objective to support reforms to support employed and unemployed seeking to obtain qualifications and/or competences for high value-added jobs.[27] It is estimated that during the period 2022-2026, 19 350 participants will participate in training measure. Of these, 10 000 are expected to take part in digital skills training programmes. About EUR 46 million from EUR 77 million shall be allocated for acquiring digital skills.

A number of countries have implemented programmes targeted to improve the digital skills of the elderly which can be perused to increase the digital literacy among this group. In Spain, in 2019 the State Public Employment Service of Spain (SEPE), the State Foundation for Training in Employment (Fundae) and several large technology companies have signed an agreement to create a package of training resources in digital skills, completely free and open to the public. These companies include Amazon, Cisco, Cloudera, Accenture Foundation, Google, Huawei, IBM, and Oracle, and SAP. Workers from SMEs, as well as the unemployed and freelancers, have free access to training resources offered by these large companies in courses of various levels, languages, and durations through SEPE's and Fundae's corporate websites (CEDEFOP, 2020[14]).

[26] https://digital-skills-jobs.europa.eu/en/inspiration/good-practices/connected-lithuania

[27] See Component 7 of that plan.

Annex 1.A. Additional tables and figures

Annex Table 1.A.1. The link between personal and work characteristics and training barriers in Lithuania

Marginal effects after multinomial logistic regression (dependent variable: Reason for not participating in (more) training, despite having interest in doing so)

	Lack of prerequisites	Lack of finances	Lack of employer support	Too busy at work	Inconvenient time or place	Family responsibilities	Unexpected events	Other
A. All adults								
Training participation (reference group: Did not participate in training)								
Participated in training	-0.032	0.077*	0.010	0.039	0.022	-0.105**	-0.002	-0.009
Gender (reference group: male)								
Female	-0.026	0.055	-0.048*	-0.041	0.076***	0.023	-0.011	-0.029
Age (reference group: 16-34)								
35-54	0.018	0.025	-0.003	0.010	-0.020	-0.052*	-0.017	0.039*
55-65	-0.0156*	-0.116*	-0.012	0.131*	-0.065	-0.112***	0.010	0.179**
Education (Reference group: at most upper-secondary or post-secondary non-tertiary)								
Tertiary	0.004	-0.015	-0.002	-0.016	0.029	0.034	-0.005	-0.030
Labour market status (reference group: Employed)								
Unemployed or inactive	-0.008	0.095	-0.030	-0.300***	-0.057	0.123***	0.079*	0.097**
Children (reference group: None)								
One or more	-0.010	-0.043	-0.003	-0.032	0.013	0.114***	-0.010	-0.028
Health status (reference group: Good, very good or excellent)								
Fair or poor	-0.003	0.104*	0.017	-0.041	-0.038	-0.030	0.016	-0.024
B. Employed adults								
Training participation (reference group: Did not participate in training)								
Participated in training	-0.037	0.041	0.014	0.045	0.037	-0.096***	-0.021	0.017
Gender (reference group: male)								
Female	-0.034*	0.052	-0.053*	-0.022	0.079**	0.015	-0.009	-0.027
Age (reference group: 16-34)								
35-54	0.022	0.044	-0.007	0.013	-0.033	-0.047	-0.011	0.019
55-65	-0.017*	-0.125**	-0.008	0.194**	-0.085*	-0.079**	-0.005	0.126
Education (Reference group: at most upper-secondary or post-secondary non-tertiary)								
Tertiary	0.006	-0.037	-0.004	-0.015	0.035	0.038	0.009	-0.033
Contract type (reference group: permanent)								
Temporary	-0.015	0.007	-0.031	-0.022	-0.030	0.075**	0.017	0.000
Working time (reference group: full-time)								
Part-time	0.088	-0.061	-0.036	-0.081	-0.012	-0.004	0.008	0.099
Children (reference group: None)								
One or more	-0.020	-0.074	0.004	-0.041	0.018	0.085***	0.011	0.016
Health status (reference group: Good, very good or excellent)								
Fair or poor	-0.012	0.134*	0.025	-0.066	-0.059*	-0.019	0.023	-0.026

Note: The regression in panel A is based on 726 observations, the regression in Panel B on 599 observations. Only includes adults who say that there were (more) learning activities they wanted to participate in but did not. Temporary also includes workers without a contract and apprentices. *** Significant at the 1% level, ** 5% level, * 10% level.
Source: Authors' calculations using the Survey of Adult Skills (PIAAC).

1.5. Bringing older people back to work

1.5.1. Introduction

Bringing older people back into work is one of the major challenges facing Lithuania to further boost labour supply and inclusiveness. As noted in earlier chapters, unemployment among the elderly in Lithuania is high compared to the EU average, and has been increasing since the COVID-19 pandemic. This chapter outlines key challenges facing older unemployed in Lithuania and suggest ways to support their reintegration into the labour market.

1.5.2. Barriers for older jobseekers to access the labour market

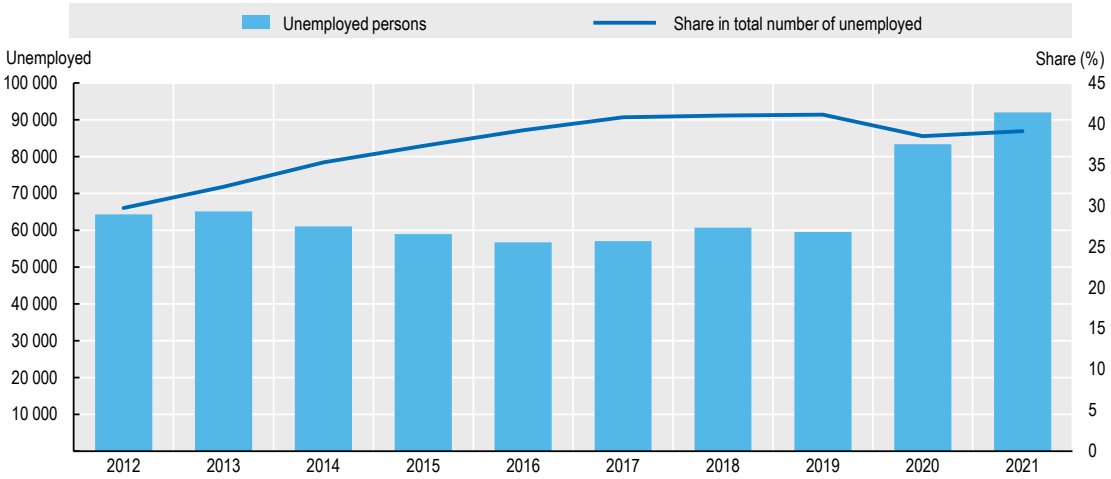
Older workers tend to experience longer periods of unemployment than younger workers

According to the Lithuanian administrative data, older people (aged 50 and over) account for about 40% of the total unemployed population, a level that has been rising in the last 10 years, with a sharp increase in numbers in 2020 and 2021 partly due to the COVID-19 crisis (Figure 1.35). Moreover, around 47.4% of the unemployed aged 50 and older, had been looking for work for more than a year suggesting a need for more effective and more targeted support to get older jobseekers back into work more quickly (Figure 1.36)

Many older people in Lithuania face multiple barriers including poor health, lack of right skills, discrimination and prejudice for being successfully employed in good quality and productive jobs. The average duration of unemployment for older age group (50+) had been increasing even before the COVID-19 pandemic, rising to 13.4 months in 2021 (January to October), compared to 10.5 months in 2020 and 11.0 months in 2019 (information provided to the Secretariat during the mission to Lithuania). The share of long-term unemployment is particularly high for women. This contrasts with the fact that the gender gap in employment rates in Lithuania is very low compared to other OECD countries as a whole as discussed in Chapter 1.

Figure 1.35. The share of registered unemployed persons aged 50 and over is increasing

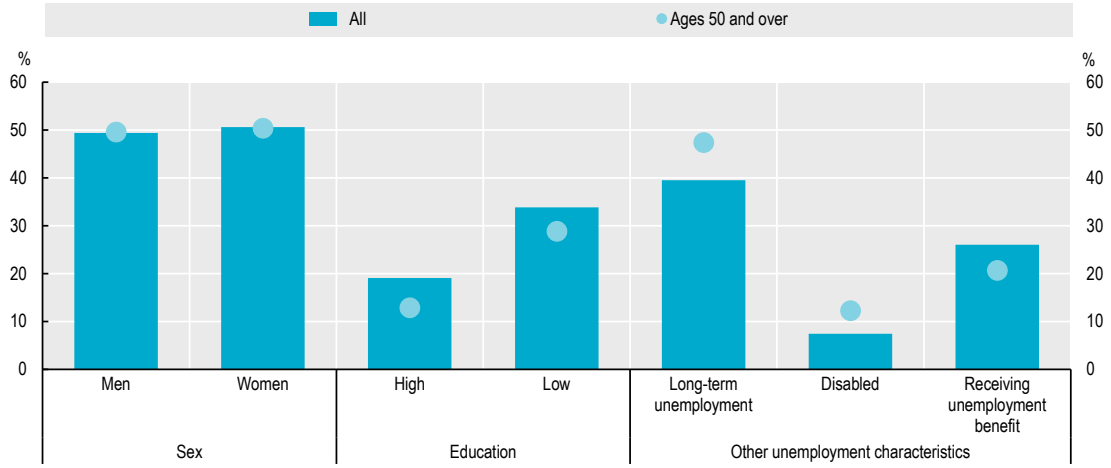
Share and number of registered unemployed persons aged 50 and over, Lithuania, 2012-2021



Note: Data are monthly averages over the year with the exception of 2021 which covers the period January to October.
Source: OECD calculations based on Lithuanian administrative data provided by the Lithuanian government.

Figure 1.36. Long-term unemployment is a major challenge for the elderly

Share of unemployed by age for each characteristic as of November 2021, Lithuania



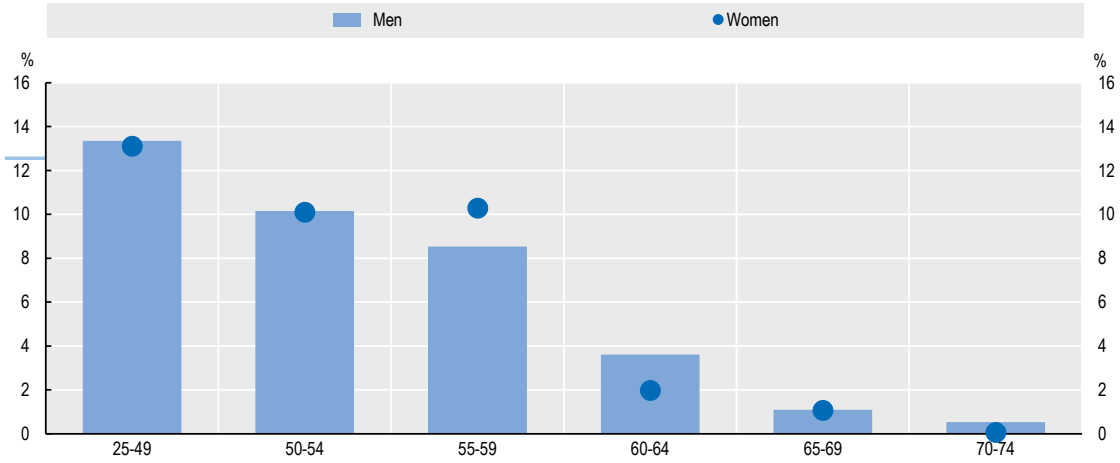
Note: Long-term unemployed refers to being unemployed for more than one year (more than 25 years old).
Source: Lithuanian administrative data provided by the Lithuanian government.

It is important to mobilise those who are not searching work but who would wish to work

The elderly not only have higher unemployment rates but also a lower percentage of those looking for work, even if they want to work. In particular, many elderly who retire at age 60 or more do not search for jobs, and pensioners rarely look for work (Vyriausybės strateginės analizės centras, 2020[1]). Many women aged 60-64 are more often willing than men to work but are not job-seeking (Figure 1.37). This may reflect the fact that many elderly people believe that old age is a disadvantage in employment selection and there are few jobs that match the needs of women who want to work short-term and flexibly, given the fact that Lithuania has a high percentage of regular employment. Indeed, according to the 2020 European Union Labour Force Survey, among those aged 60-64 who wish to work but do not search for a job, 20.1% of women believe that there is no work available, which is almost double the share of men (11.7%).

Figure 1.37. Elderly people seeking employment after the age of 60 drops sharply in Lithuania

Share of inactive population not seeking work among those who want to work, 2020



Source: OECD calculations based on the Lithuanian Labour Force Survey.

On the other hand, according to a survey conducted by Third Age University in Lithuania, about 10-30% of participants actually want to work (information provided to the Secretariat during the mission to Lithuania), and in view of the daunting challenge of population ageing, it is important to mobilise those who wish to work. It is necessary to create a system in which elderly workers who are willing to work choose to do so regardless of whether or not they receive a pension.

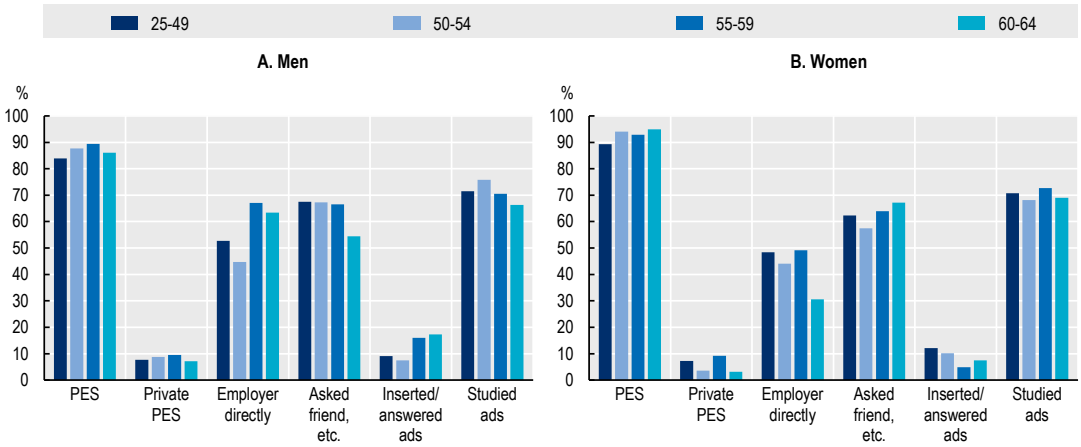
1.5.3. Supporting older workers in job-search activity through public employment services and active labour market policies

Lithuanian PES system is an important job-search channel for the elderly

Public Employment Services play a central role in matching labour supply and demand through providing labour market information, job placement, career guidance, and proactive support services. Lithuanian Employment Service (Lithuanian PES), the executive agency under the Ministry of Social Security and Labour is responsible for assisting job seekers, including the elderly, to re-enter the labour market. The Lithuanian PES is the most common channel of job finding in Lithuania for all workers and especially so among older adults aged 60-64 years (Figure 1.38). Nevertheless, evidence suggests that only around 12% of those who have recently started a new job say they actually found it through the Lithuanian PES (Pacifico et al., 2018[2]). This suggests the need for improving job-matching function of the Lithuanian PES.

Figure 1.38. PES is the most used job finding tool for the elderly in Lithuania

Method used to find work (as a share of unemployed persons), by age and gender, 2020



Source: OECD calculations based on the Lithuanian Labour Force Survey.

PES provides a variety of employment services but there are significant gaps for the older unemployed

Public employment services in Lithuania are available to all jobseekers regardless of whether they are entitled to unemployment benefits, though, by law, only specific target groups have access to active labour market programmes. According to Law on Employment services, jobseekers (including jobseekers 45+) can benefit from labour market services such as career consultations, planning of vocational career and psychological consultations as well as assessment of employment opportunities and employment intermediation. However, a number of factors hinder effective delivery of support and services to disadvantaged jobseekers such as older long-term unemployed and jobseekers facing multiple barriers.

Little capacity to offer individualised counselling to hard-to-place jobseekers

The Lithuanian PES system is under-staffed. Caseloads of counsellors working at the Lithuanian PES are high, which limits the capacity to follow up on the most disadvantaged older people and to enforce the conditionality of income support to programme participation. Of the all 1 280 PES staff in Lithuania, 80% were responsible for front-office operations in direct contact with job seekers, and 45% were caseworkers of which only . Around 100 of PES staff are in charge of jobseekers who have difficulty finding employment (Information provided by the Ministry of Social Security and Labour) Therefore caseload for staff is relatively large, especially when dealing with the long-term unemployed and jobseekers with For example, the caseload per case worker was 350 to 400 in 2021. .

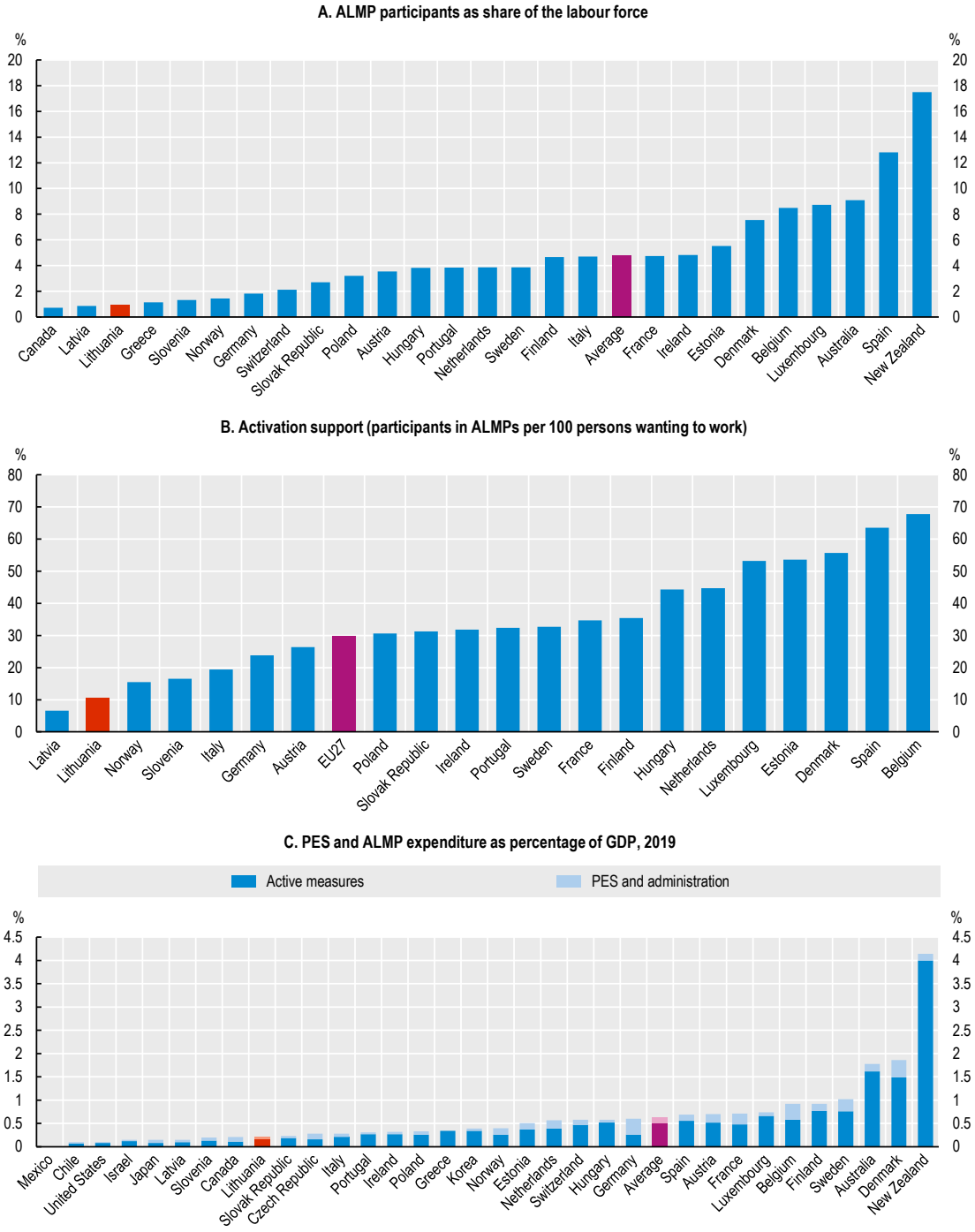
Reforms in Lithuania in 2018 included the establishment of a new service model that emphasizes a face-to-face client approach and the introduction of a new performance management system based on uniform indicators for all staff. In addition, the number of PES staff working directly with customers has been increased by 13% to address staffing shortages, and these are important steps to alleviate staff shortages at PES and make the service more customer-oriented (OECD, 2020[3]). However, as discussed later in this chapter, there has not been a significant increase in ALMP expenditure for this reform.

Spending on both PES and ALMPs remain low compared to other countries

Effective active labour market policies are instrumental in integrating jobseekers and those with no or weak labour-market attachment into good-quality employment. However, international comparison suggests that activation of jobseekers overall remains significantly less frequent in Lithuania than in most other OECD countries based on various measures. For instance, the percentage of labour force participating in ALMPs was 0.9% in 2019, compared to an OECD average of 4.8% (Figure 1.39, Panel A). Lithuania ranks relatively low even when only the unemployed looking for work are taken into account i.e. the participation rate in active measures per 100 job applicants is among the lowest in the EU (Figure 1.39, Panel B). Data on participation in ALMPs is not available but anecdotal evidence suggests that older workers in Lithuania are less like to participate in ALMPs.

Low participation in ALMPs is likely related to the budget spent both on PES and ALMPs, which may make it particularly difficult to reach out to the elderly who need assistance. Spending on ALMPs in Lithuania in 2019 as a percentage of GDP was 0.17%, less than half the EU average of 0.39%. From the international perspective, spending on active labour market measures per unemployed person as a percentage of GDP per capita is the second lowest in the EU and well below the EU average (Figure 1.39, Panel C).

Figure 1.39. Participants and expenditure of ALMPs in Lithuania was low in 2019



Note: Active Labour Market Programmes (ALMPs) data covers the following five categories: Training, Employment incentives, Sheltered and supported employment and rehabilitation, Direct job creation and Start-up incentives. For category details see: https://www.oecd.org/els/emp/Coverage-and-classification-of-OECD-data-2015.pdf. Panel A: Data for non-EU countries refer to 2018. The purple bar represents the unweighted average of the countries shown. Panel B: EU27 is an unweighted average and excludes the Czech Republic. Panel C: The purple bar represents an unweighted average of the countries shown.

Source: European Commission/OECD Labour Market Policies Database. https://stats.oecd.org/Index.aspx?DataSetCode=LMPEXP and Eurostat database.

Little support to meet needs of those with health limitations unless have certified disability

Evidence suggest that health limitations are one of the most frequent employment barrier in Lithuania. Using a statistical clustering approach, (Pacifico et al., 2018[2]) show that around older labour-market inactive individuals with limited work experience and health limitations represent 6% of the working-age population and likely to benefit from access to labour market services that are offered by the Lithuanian Public Employment Service (PES).

Jobseekers with a recognised disability are provided with various services, including employment subsidies and vocational rehabilitation. In addition, from January 2020, disabled people using Employment Services are handled by the assigned case managers to give individual assistance in finding a job suited to the individuals' abilities and needs, and give support to the individual in establishing themselves in the workplace. Previously, the labor law provided employment incentives for social enterprises to hire workers with disabilities. The Government amended the Law on Employment in 2022, to move away from these sheltered employment schemes in the social enterprises as they segregated workers with disabilities. The focus is now on promoting access of persons with disabilities to employment in the open labour market.

However little or no support such as specific vocational rehabilitation is provided to jobseekers with health limitations but not classified as disabled (i.e. those under certified level of disability of at least 45%), although they can participate in ordinary vocational training and other support for learning measures, choosing profession that would be suitable according to their health issues and confirmed by a doctor that the person can study and work in the relevant profession. The under investment in vocation rehabilitation is also reflected in the low share of ALMP spending on this category (see Figure 1.40). Experience from other countries show that vocational rehabilitation can be an effective way to improve entry to regular paid work, assist participants in finding meaning in life and reduce risk of permanent disability (Andersen, Stochkendahl and Roessler, 2022[4]). Evidence also shows that effective vocational rehabilitation depends on work-focused healthcare and accommodating workplaces. Both are necessary: they are inter-dependent and must be coordinated (Waddell et al., n.d.[5]).

A move towards case management and integrated approaches will be crucial to tackle multiple barriers of the older long-term unemployed

Given that older adults in particular face barriers to integration that go beyond health issues, such as lack of skills, low motivation and self-esteem and mobility difficulties, successful social integration of older vulnerable populations into the labour market requires close cooperation between all stakeholders. Recognising this, since 2017, the Lituanian Public Employment Service has been undertaking pilot projects with 14 local authorities under the *Užimtumo Didinimo Programa* (Employment Enhancement Programme). The programme was designed to support those who have difficulty finding employment by bringing together the business, education, and labour sectors, as well as involving social partners and municipalities in the development of the programme. It is funded by the national government and the municipalities respectively. The programme does not target only the elderly, but unemployed persons over 40 years old are one of the priority targets of this program's assistance. The programme is characterized by its individualised approach to providing assistance toward employment for each target group and municipalities take the lead in providing such support. I n2019, pilot project to support the most vulnerable people who need case management to find employment were introduced in six local municipalities.

The new labour law reforms which will take effect in July 2022 provide an opportunity to strengthen collaboration between the PES and other local level organizations. Under the new law, unemployed person with multiple disadvantages e.g. debts, addictions, taking care of children / relatives, transport problems etc.) would be classified as 'person preparing for the labour market'' and would remain covered by state health insurance. Under this policy, case managers both from Lithuanian PES Offices and municipal institutions will be required to jointly assess individuals' needs and barriers and provide comprehensive

support in solving problems and facilitate their reintegration in the labour market. (LIETUVOS RESPUBLIKOS, 2022[6]).

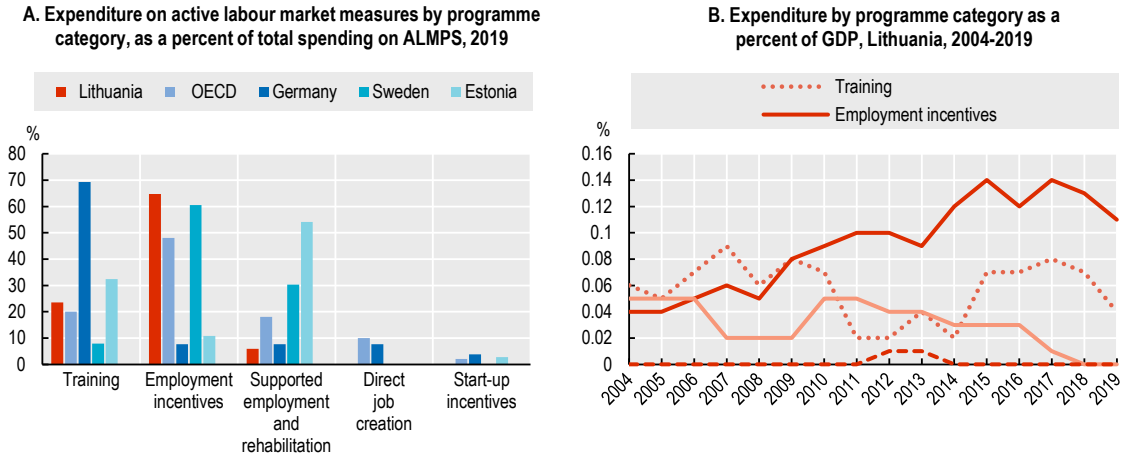
While these reforms go in the right direction, their success hinges upon willingness to co-operate among all parties and at least some capacity to do so. A number of key lessons from other countries can be learnt to ensure these new reforms for the more vulnerable groups including long-term unemployed are effective. Going forward, the implementation of the new law and its implications on services for older unemployed should be closely monitored.

Improving access to training, and better targeting of wage subsidies would benefit older unemployed

Policy effects of subsidies and vocational training for older people

In the Law on Employment , long-term unemployed and older working age individuals (50+) are both included in the target groups for a number of employment projects. However majority of the focus has been on subsidised employment measures. As such, employment incentives represent the biggest category of ALMP spending in Lithuania in 2019 (65% of total spending) (Figure 1.40, Panel A) and representing 0.11% of GDP (Panel B), while spending shares on rehabilitation measures i.e. for those with disability and health limitations, direct job creation, but also on training and re-training programmes were small compared to other countries (Figure 1.40).

Figure 1.40. Lithuania's employment policy budget allocation is concentrated on employment incentives



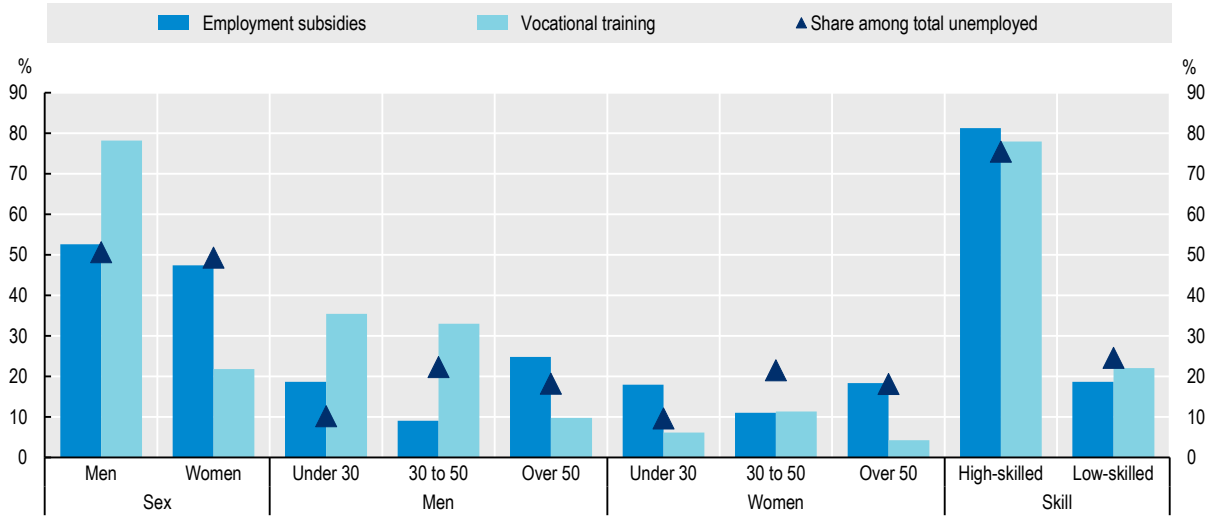
Note: ALMP data covers the following five categories; Training, Employment incentives, Sheltered and supported employment and rehabilitation, Direct job creation, Start-up incentives.
For category details see: https://www.oecd.org/els/emp/Coverageand-classification-of-OECD-data-2015.pdf.
Source: European Commission/OECD Labour Market Policies Database. https://stats.oecd.org/Index.aspx?DataSetCode=LMPEXP.

When looking at usage of ALMPs by age group, the reliance on employment subsidies is higher for older people. The share of ALMPs using employment subsidies is the highest for older people aged 50 and over, and the share of older people in total subsidies is higher than the proportion of older people in total unemployed people (OECD, 2022[7]). On the other hand, the training participation rate of older people is extremely low compared to younger groups. This trend is particularly reversed with men under 30 (Figure 1.41).

Evidence from Lithuania suggests that employment incentives through subsidies are a particularly powerful policy instrument for older people: econometric estimates by the OECD using administrative data show that women, especially those aged 50 and over, significantly increase their probability of employment 24 months after the start of employment subsidies by 21%, which is significantly higher for those under 30 years old (11.9%) and for those aged between 30 and 50 (18.2%) (OECD, 2022[7]). The employment subsidies also increased the probability of employment by 15% for men aged 50 and over, although the difference by age was not as large as for women. Notwithstanding the relative positive outcomes of subsidies in Lithuania, international experience suggests that employment incentives can be a useful tool for promoting employability of low-skilled workers by bringing their labour costs in line with productivity, with large deadweight losses, i.e. hiring in many cases would have occurred also without the subsidy (Boone and van Ours, 2004, Kluve, 2010). To be effective, wage/hiring subsidies need to be well targeted at disadvantaged older workers, such as low-wage earners and jobseekers who have been unemployed for a long time, e.g. more than six months for the least skilled and more than a year for the others.

Figure 1.41. Older people's access to employment support is concentrated on subsidies

Share of individuals within each category, Lithuania



Note: Statistics for stocks of all unemployed are calculated based on averages of monthly statistics during the 2014-2020 period. Participant numbers refer to totals during the 2014-2020 period for individuals entering either vocational training or employment subsidies.
Source: OECD (2022), *Impact Evaluation of Vocational Training and Employment Subsidies for the Unemployed in Lithuania*, Connecting People with Jobs, OECD Publishing, Paris, https://dx.doi.org/10.1787/c22d68b3-en.

Moreover, there is a greater room for more effective allocation of resources among the different ALMPs especially as many older job seekers in Lithuania also face a set of employment barriers including scarce job opportunities, limited work experience and low work-related skills. Their re-integration in the labour market is challenging and requires a package of targeted measures aiming at supporting employability through work-experience and training programmes. Training programmes that successfully adapt workers' skills to the needs of the labour market and to technical change tend to have better medium- to long-term outcomes (Card et al., 2010, 2015). Estimates using administrative data in Lithuania also show that the employment effects of vocational training are positive for all age groups, but stronger for older jobseekers, and this is particularly evident for women. For women aged 50 and over, at 24 months after the start of vocational training, the estimated effect on employment is 10.7 percentage points, which is almost twice as high as for younger age groups (OECD, 2022[7]). Training also has a greater employment effect for the

long-term unemployed than for the unemployed with shorter periods of unemployment, which could serve as an effective policy option given the high proportion of long-term unemployed in the older age groups.

As part of the COVID-19 response, the government has increased PES funding for vocational training, apprentices while employment restrictions have been relaxed to boost labour demand. However, such programmes need to ensure that are easily accessible to and match the skills needs of older workers. Currently, there are no ALMP measures targeted at older unemployed albeit the under the *Take an opportunity* project (*Pasinaudok galimybe)*, funded by the European Social Fund, older people registered in PES aged 55 and over can receive assistance towards employment (Box 1.1). However to date there are no evaluation on the effectiveness of the project as it will be ended in October 2022.

Overall, given the multitude of challenges faced by older Lithuanians, a comprehensive programme combining job-search assistance, training and subsidies targeted at the elderly would be essential to foster return to work of older unemployed. One good and effective approach has been used by Germany under the *Perspektive 50plus programme* which includes age-specific measures addressing, health problems, lack of mobility, care obligations and other obstacles for placement. In this respect, it appears that not only older workers, but also employers should be targeted. Existing research results suggest that this approach is successful not only with respect to older workers, but may be extended to all of the unemployed with specific placement needs (Boockmann and Brändle, 2015[8]). Similarly, in Switzerland, job coaches are heavily involved in the job-search and job placement of jobseekers aged 50 and over and whose re-entry into the labour market is difficult. Moreover, the *"Impulse programme"* provides specific support in particular for older job-seekers aged 50 years and above, who face difficulties reintegrating into the labour market.

Box 1.1. *Take an Opportunity* project in Lithuania

Take an Opportunity project was implemented to help unemployed older people acquire qualifications, improve their skills and integrate into the labour market. This project will last approximately five years, from December 14, 2017 to October 12, 2022.

The programme targets unemployed people aged 55 and older. Around 7 225 are expected to participate in vocational training with 8 328 engaged in supplementary employment. A budget of EUR 28 709 450 was contributed to the project.

As of September 30, 2021, 13 429 unemployed persons were involved, 5 105 participated in vocational training, 8 324 were in subsidised employment; 35% obtained some kind of qualification and 67.9% were employed, including self-employed

Source: Information provided to the Secretariat during the mission to Lithuania

Entrepreneurships are under-developed

Promoting entrepreneurship of older workers is one avenue for elderly to remain active beyond the typical retirement age for those who wish to do so and can be effective in areas where there are no suitable job vacancies for older jobseekers In addition, there are many other potential benefits, including improved physical and mental health, maintaining social connections, and creating economic value. There is also untapped potential to leverage the experience of older entrepreneurs in supporting younger entrepreneurs. Moreover, encouraging experienced older individuals can support other business start-ups through mentoring, coaching and providing financial assistance. (OECD/European Union, 2015[9]) .

Despite its potential benefits, the share of self-employed older people (aged 55-64) in Lithuania is relatively low, and decreasing from 13.9% in 2010 to 5.5% in 2020. The EU and OECD averages for the same period also show a decrease in the share of older people who are self-employed, but the share is almost three to four times higher (17.6% and 21.8% respectively). No systematic support was provided in Lithuania to encourage entrepreneurship, develop business plans, provide coaching and training in the early stages of entrepreneurship, and there was no specific support for older people. Indeed, the share of proportion of older people aged 50 and over who receive self-employment support is only 18% of the total unemployed population, and entrepreneurship support does not occupy a significant place as a labour policy for older people. Good practice from other countries include increasing awareness about business creation and self-employment, providing training to fill knowledge and skills gaps, and ensuring that tax and social security systems do not contain disincentives to entrepreneurship for older people, including investment in other businesses.

The latest amendments to the Employment Law, effective July 1, 2022, established new business creation assistance measures, which will partially remedy this situation. Business creation assistance will be provided if all of the following conditions are met (1) the workplace is established for an individual or for an unemployed person sent by the PES; (2) the individual creates employment in a very small company; and (3) the workplace meets the priorities of the business creation support measure, including the implementation of digital and green transformation objectives, promoting a circular economy, and helping to mitigate the COVID-19 disease; and (4) the employed or unemployed person participates in the business creation consulting and/or business creation assistance training provided in accordance with procedures established by the PES director. When business creation consulting is provided, post-establishment business support, such as providing individual consultations on financing, law, marketing, human resource management, and business development, will also be provided.

2. Diagnosis and analysis of the existing situation of older people in the area of social integration

2.1. General context of social participation

Given ageing prospects, issues about the social participation of older people will affect an increasing share of the Lithuanian population. Tackling social exclusion in old age is a complex undertaking as disadvantages accumulate over the life course and exclusion in one area of life limits opportunities in other areas (OECD, 2017[1]). The Active Ageing Index (AAI) developed by the European Commission (DG EMPL) and UNECE is a tool to assess older people's ability to control their own lives and (capacities for) participation in both society and the economy. By covering various areas of the lives of older people, the AAI aims to capture this complexity. Based on the overall index, Lithuania ranks only 20th in the European Union.

The AAI contains four domains that have an equal weight: employment (which is the topic Activity 1.2 focuses on); social participation; independent, healthy and secure living; and, capacity and enabling environment for active ageing. In addition to the social participation domain itself, the latter two domains are important for social participation as they assess the preconditions that need to be fulfilled for older people to realise participation. Lithuania scores particularly poorly on the social participation domain, the second lowest in the EU, with on average across four indicators only 11% of older people taking part in the activities assessed under this domain. The AAI indicates that the quality of life of older Lithuanians is relatively low and that the preconditions for its improvement in terms of independent, healthy and secure living, capacity and enabling environment currently are limited (UNECE / European Commission, 2019[2]).

As such, social isolation and loneliness are an important problem for older people in Lithuania. More than half of Lithuanian people aged 60 and over living alone experience feelings of loneliness – this includes the feeling that you lack people that you feel close to, that you can rely on or turn to for help – at least sometimes (Mikulionienė, Rapolienė and Valavičienė, 2018[3]). According to EUROSTAT data, only 3.9% of older people in Lithuania maintain social communication every day. Meanwhile, the average of the European Union countries is 19.2%. COVID-19 has exacerbated old-age exclusion as the higher risk of serious illness in older people has resulted in reduced opportunities for older people to participate in social and work activities. The epidemic control measures that were taken to contain its spread have further increased the need for psychological assistance to older people.

This note as part of Activity 1.3 aims to assess existing opportunities and barriers to social participation of older people in Lithuania. Previous research has identified various determinants of active ageing in the area of social participation, including: health determinants in the form of access to health services; health behaviours (nutrition, physical activity, smoking and alcohol consumption); environmental factors such as housing, transportation and safety; social determinants in the form of size and depth of social networks; and, economic determinants such as access to work and pensions and income (Aartsen et al., 2018[4]).

Specifically for Lithuania, Strata (2020[5]) identifies poor health, low income and the absence of a culture of volunteering as sources of low social participation of older people. Qualitative research furthermore indicates that older Lithuanians in particular experience a lack of financial resources, of mobility and social activities, which constitute barriers to participation (Mikulioniene and Rapolienė, 2020[6]).

This note enriches data at the national level in Lithuania with data from three selected municipalities where possible, as the age composition of the population differs between urban and rural environments (OECD, 2017[1]) and as many of the policy levers affecting social participation of older people are situated at the municipal level. The three selected municipalities in this project are the rural Švenčionys District Municipality, the suburban Kaunas District Municipality and Panevėžys City Municipality. The selection of municipalities ensures that the analysis includes older people's opportunities and barriers to social participation in both less and more densely populated areas.

The note is made of four chapters. This first chapter sets the scene for the remainder of the note by presenting the AAI, basic demographic information and relevant policy documents. The other three chapters analyse specific barriers and opportunities to social participation of older people in Lithuania in depth. The second chapter deals with healthy ageing and resilience, honing in on health status of older people, preventive health efforts to promote and preserve good health, and the enabling environment minimising the impact of health problems on active participation in social life. The third chapter focuses on spatial factors providing opportunities or barriers to social participation, in particular housing and transport. Finally, the fourth chapter covers issues in relation to financial and social resources of older people.

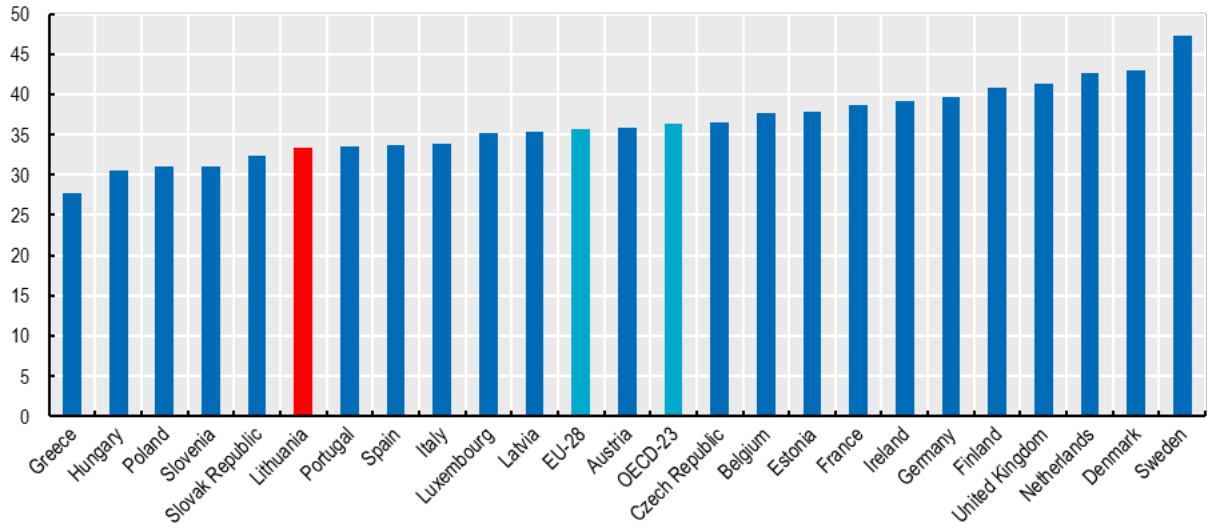
This chapter has three sections. The first section presents Lithuania's position on the AAI and its domains affecting social participation of older people. The second section provides a brief overview of the Lithuanian context: it provides information on political plans and strategies in relation to social participation of older people, and sketches the demographic context. Finally, the chapter concludes with an overview of key findings.

2.1.1. Active ageing and social participation

The Active Ageing Index (AAI) aims to provide a general picture of older people's capacity for participating in all areas of life. Countries with a higher overall AAI score tend to have higher levels of life satisfaction among older people (Strata, 2020[5]). Lithuania scores below the OECD and EU averages in the AAI, indicating a lower involvement of older people in various aspects of life (Figure 2.1). Nonetheless, Greece as well as several other Central and Eastern European countries – Hungary, Poland, the Slovak Republic and Slovenia – have a lower score than Lithuania. The Nordic countries – Denmark, Finland and, in particular, Sweden – record the highest scores, as well as the Netherlands and the United Kingdom.

Figure 2.1. Lithuania scores below average on the Active Ageing Index

Overall score on the 2018 Active Ageing Index



Source: UNECE / European Commission, 2019 ([2])

Lithuania has the lowest score of all European OECD countries in the domain of social participation (Figure 2.2, Panel A). The domain includes indicators on four non-paid activities: volunteering, informal care provision to children and grandchildren, informal care provision to older and disabled people, and political participation (see Activity 1.4). Overall, scores in this domain are low compared to those in the other domains assessed: on average across these four activities, 11% of older people in Lithuania enrol in such activities compared to 18% in the EU on average. Lithuania is one of five EU countries where its AAI score in the social participation domain decreased between 2008 and 2016 – particularly due to a decrease among men –, together with Germany, Hungary, Italy and Slovenia (UNECE / European Commission, 2019[2]). The Benelux countries, France and Sweden, on the other hand, have the highest scores in the social participation domain, especially as they also made the biggest gains in this domain between 2008 and 2016, together with Spain which started from a low level (UNECE / European Commission, 2019[2]).

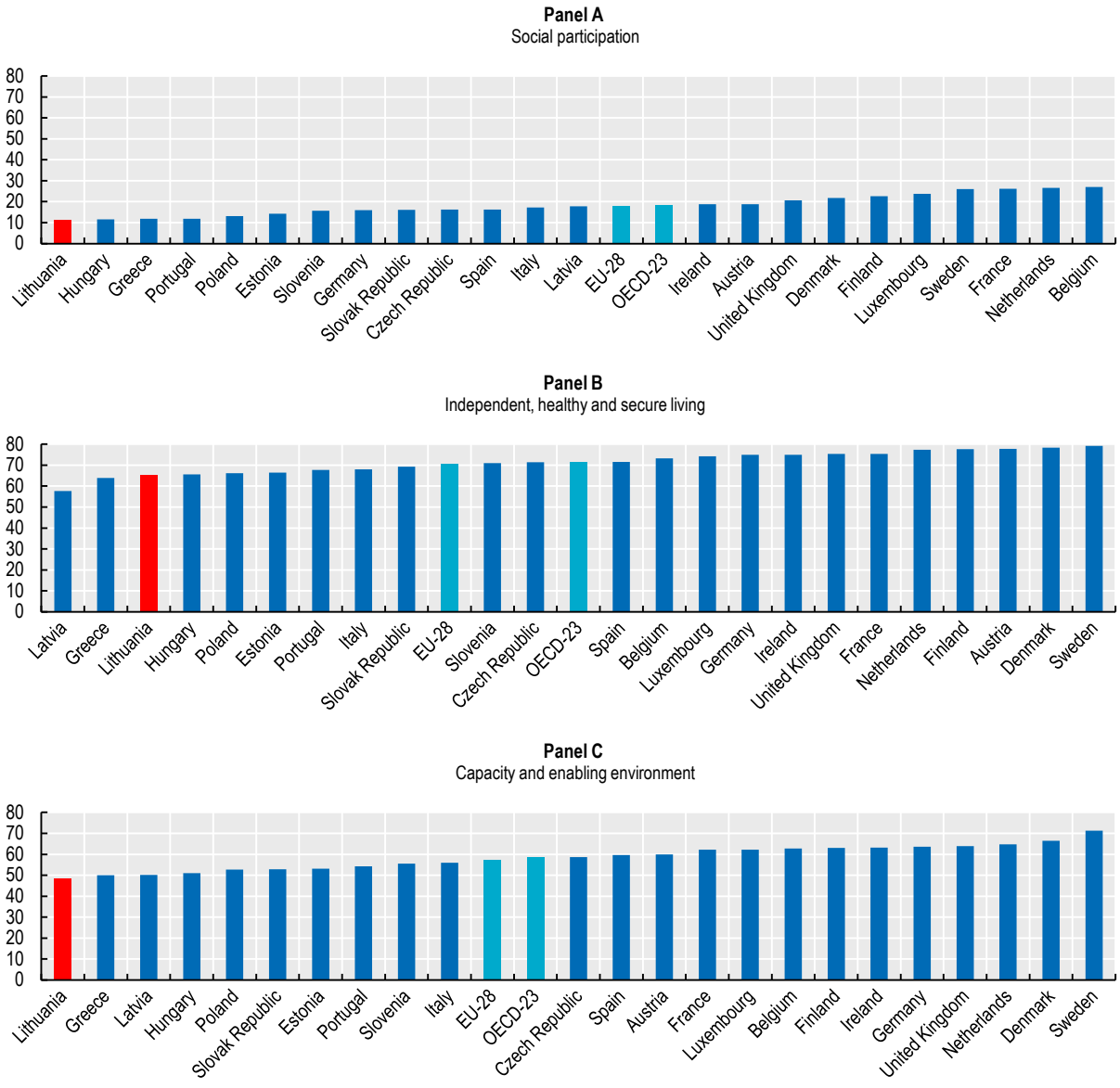
In the domain of independent, healthy and secure living, Lithuania has the third lowest score across OECD countries, after Latvia and Greece (Panel B). The domain includes a series of indicators covering health (physical exercise, access to health and dental care), housing (share of older people living alone or as a couple), economic resources (relative income, relative poverty risk, material deprivation), safety (feeling safe) and life-long learning. With the exception of the latter, which is dealt with in Activity 1.2, all these indicators are determinants of social participation and therefore covered in this note. Lithuania improved its performance in this domain slightly between 2008 and 2016, largely the consequence of an improvement among men (UNECE / European Commission, 2019[2]). The highest scores on the domain of independent, healthy and secure living are found in the Nordic countries, Austria, France and the Netherlands.

The other domain, capacity and enabling environment for active ageing, includes six indicators on health, social networks and skills (see Activity 1.2) among older people: remaining life expectancy; healthy life expectancy; mental well-being; use of ICT; social connectedness; and, educational attainment. Lithuania has the lowest score in this domain (Panel C). Greece and Latvia complete the bottom three positions. Sweden performs markedly better in this domain than any other country. Denmark, the Benelux countries, France, Germany, Ireland and the United Kingdom also have similarly elevated scores in this domain. All

countries improved in terms of capacity and enabling environment for active ageing in the period 2008-2016. Lithuania's score in this domain increased by four points, just below the EU average. Lithuania's advancement in this domain was almost entirely the result of an improvement among women – no other country had such a pronounced gender difference in the evolution over this period (UNECE / European Commission, 2019[2]).

Figure 2.2. Lithuania scores very low on the social areas of active ageing

Score on three domains of the 2018 Active Ageing Index



Source: UNECE / European Commission, 2019 ([2])

2.1.2. The Lithuanian context

This section provides a brief overview of the political and demographic context in which the issue of social participation of older people in Lithuania should be considered. First, relevant strategic policy documents are discussed, and then some basic demographic data are presented.

Political plans and strategies

At the EU level, the right of older people to live a life of dignity and independence and to participate in social, economic, cultural and civic life is embedded in the EU's commitment to promote active ageing and solidarity between generations (Council of the European Union, 2012[7]). Fulfilling this commitment requires strengthening social cohesion, inclusion and participation across a person's lifetime by: ensuring access to services and to political, social, recreational and cultural activities; volunteering, which helps to maintain social networks and reduce isolation; and, gaining new competences, which contribute to personal fulfilment and wellbeing.

In Lithuania, policies aiming to improve social participation of older people are fragmented. Active ageing and social inclusion of older people affect several areas of government, and municipalities play a key role in executing policies in these areas. Strata (2020[5]) stipulates the need for a more integrated approach of active ageing and inclusion of older people.

The social participation of older people is an important policy priority in Lithuania and is included in several strategic policy documents. Both the previous and the current government of Lithuania set the inclusion of older people and their well-being as one of their objectives. The programme of the Government of the Republic of Lithuania 2016-2020 included the promotion of participation of older people in public life based on the activities of community organisations and civil society organisations, as well as through the development of integrated services. The current Government programme (2020-2024) extends these efforts, providing for the development of measures for active citizenship of older people and healthy ageing.

The National Strategy for Demography, Migration and Integration for 2018-2030, approved by the Parliament in 2018, aims, among others, to provide opportunities for older people to integrate into society, participate in social and political life, the labour market, and strengthen intergenerational relations. The strategy lists a number of outcomes it aims to achieve including four in relation to the social integration of older people:

- to keep the average pension replacement rate constant at 35% throughout the full period of the strategy.
- to increase the share of people aged 25-64 in life-long learning activities from 5.9% to 15%.
- to increase the share of people aged 46+ involved in volunteering from 6.5% to 15%.
- to increase Lithuania's score on the Active Ageing Index from 31.6 to 34.8.

In order to achieve these outcomes by 2030, inter-institutional implementation plans are drawn up, each covering only a part of the 2018-2030 period – the current inter-institutional plan covers the period 2020-2022. The implementation plans contain a detailed set of concrete initiatives and connected targets. . For example, in relation to the Strategy's aim to increase the share of older people involved in volunteering, the 2020-2022 implementation plan sets initiatives in terms of including people aged 54+ in volunteering, strengthening older people's capacities to volunteer, and promoting intergenerational contact between younger and older people through volunteering, for instance through programmes transferring IT knowledge and skills.

The implementation of the Strategy is coordinated by the Ministry of Social Security and Labour, but the implementation plans assign the responsibility for each concrete initiative to the relevant ministry or ministries. These ministries then annually report back to the Ministry of Social Security and Labour and the Office of the Government on the progress made on the initiatives they are responsible for as well as on

the connected targets. The targets set for the period 2020-2022 are not very ambitious: they refer to procedural outputs (e.g. the number of projects involving older volunteers that receive project funding) rather than outcomes (e.g. the number of older people volunteering in funded projects), , and the plan does not aim for an increase in the targets over this three-year period.

The National Progress Plan for 2021-2030, approved by the Government of the Republic of Lithuania, emphasises improving the well-being of older people, but does not include an indicator on this issue. The Lithuanian Health Strategy 2014-2025, coordinated by the Ministry of Health, calls for efforts to ensure healthy ageing, in particular to improve mental well-being of older people. As such, the Strategy approaches healthy ageing as a form of suicide prevention. It acknowledges that several policies affect health in retirement, including pension and health care policies, and that social participation is a determinant of health outcomes in old age. It further calls for increased participation of older adults in health promotion programmes, and in particular in programmes promoting physical activity. None of the indicators mentioned in the strategy, to be monitored annually as well as in the mid-term and the final evaluation, refer specifically to older people. In the Action Plan for the Reduction of Health Inequalities 2014-2023, Lithuania set as a goal to improve healthy life expectancy by two years, as well as to reduce mortality. These goals should be achieved through improving people's social outcomes (reducing social exclusion, creating a safer social environment) and health outcomes (reducing health inequalities, promoting a healthy lifestyle and living environment, improving health care). Older people, however, are not a specific target group of the Action Plan.

In sum, several strategic documents aim to improve the conditions of older people in Lithuania. Implementation is coordinated across ministries through implementation plans, each covering only a couple of years of the full period covered by the strategy. These implementation plans contain a more detailed set of initiatives and connected targets, and allocate each initiative to the relevant ministry or group of ministries. The implementation is evaluated through the administration informing the government on the development of a predefined set of indicators. Yet, the situation of older people is not always monitored separately, making it difficult to assess the progress being made in improving their lives in some areas.

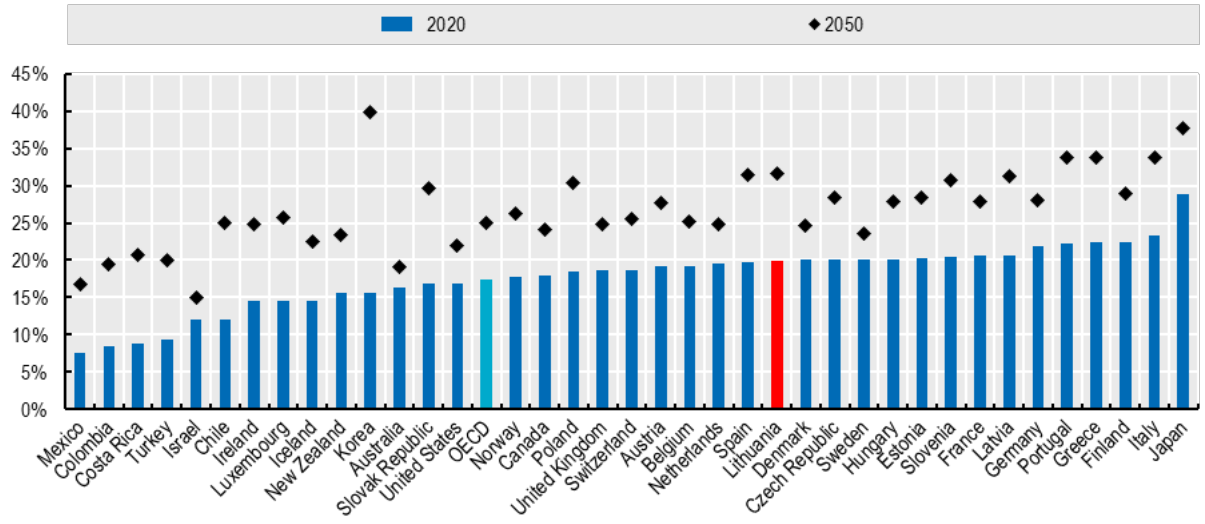
Basic demographics

The structure of the Lithuanian population is subject to fast ageing. In 2020, 20% of the Lithuanian population was aged 65 or older, somewhat above the OECD average (Figure 2.3). The share of the 65+ population varies widely across OECD countries, ranging from below 10% in several Latin American countries and Turkey to over 25% in Japan. By 2050, that share is projected to reach 32% in Lithuania compared to 25% in the OECD on average.

Over this 30-year period, Lithuania is among the countries with the largest projected percentage-point (p.p.) increase in the population aged 65+, with an increase of around 12 p.p. being also expected in Poland and the Slovak Republic, as well as in Chile, Costa Rica and Spain. The expected increase is 1 p.p. lower in Latvia and 4 p.p. lower in Estonia compared to Lithuania. Korea will experience by far the largest increase, of 24 p.p. The sharp projected increase is connected to emigration of people of working age, a trend that reversed in 2019 from a negative to a positive net migration rate (Statistics Lithuania, 2021[8]); if sustained, this can significantly slow down population ageing.

Figure 2.3. Lithuania will be among the fastest ageing countries in the OECD

Share of the total population aged 65+, in 2020 and 2050



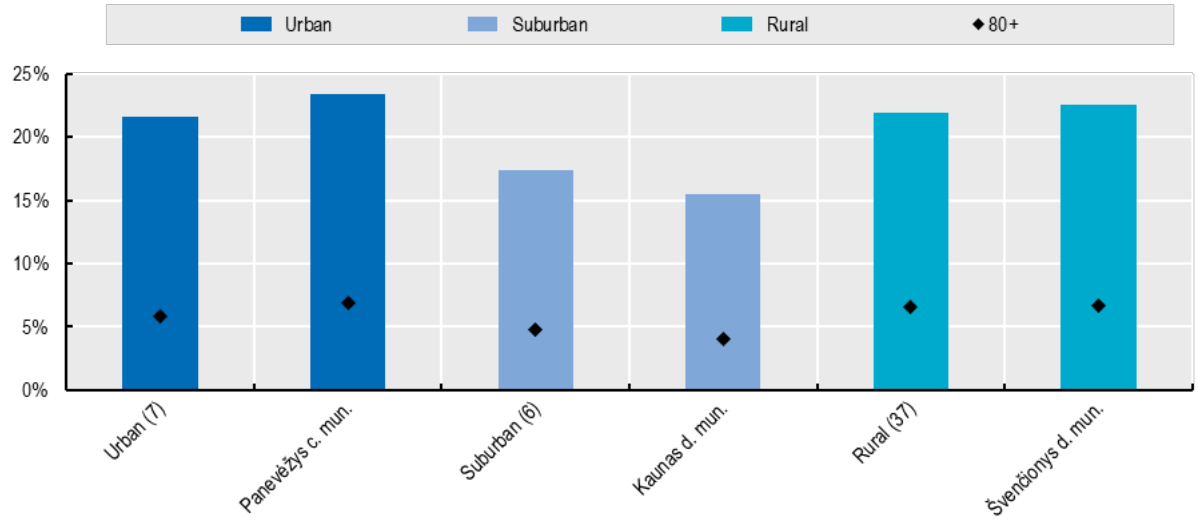
Source: OECD Demography and Population Database

There is a large variation within the country in the share of the population aged 65+. At the municipal level, it ranges from 14% in Klaipėda District Municipality to 26% in Ignalina District Municipality. With 17% of the population on average being 65+, the suburban municipalities surrounding major cities have a relatively low share of older people (Figure 2.4): Klaipėda, Vilnius and Kaunas District Municipalities are the municipalities with the lowest rates of older residents – in the latter it concerns 16% of the population. The cities they surround house a larger share of older people, 22% of the population, particularly in Klaipėda and Kaunas. The same is true for Panevėžys: 23% of residents of the City Municipality are 65 or older, 4 p.p. more than in the surrounding District Municipality. The share of people aged 65+ on average is the same in urban and rural municipalities, at 22%. In Švenčionys District Municipality, 23% of the population is 65 or older.

Lithuania's older population is overwhelmingly female. Of all people aged 65+, 66% are women (Figure 2.5). The only other countries with a similarly unbalanced gender distribution among older people are Estonia and Latvia. The significantly female population in old age is the consequence of a large gender gap in life expectancy in the Baltic states in general and in Lithuania in particular (Chapter 2). In the OECD on average, the share of women in this age group is a full 10 p.p. lower, at 56%, and it is as low as 52% in Iceland. Lithuania is expected to move significantly towards a more equal gender distribution in old age, however, just like the other Baltic states and CEECs more generally. By 2050, 59% of people over age 65 would be women in Lithuania, compared to an OECD average of 55%.

Figure 2.4. Suburban municipalities house relatively few older people

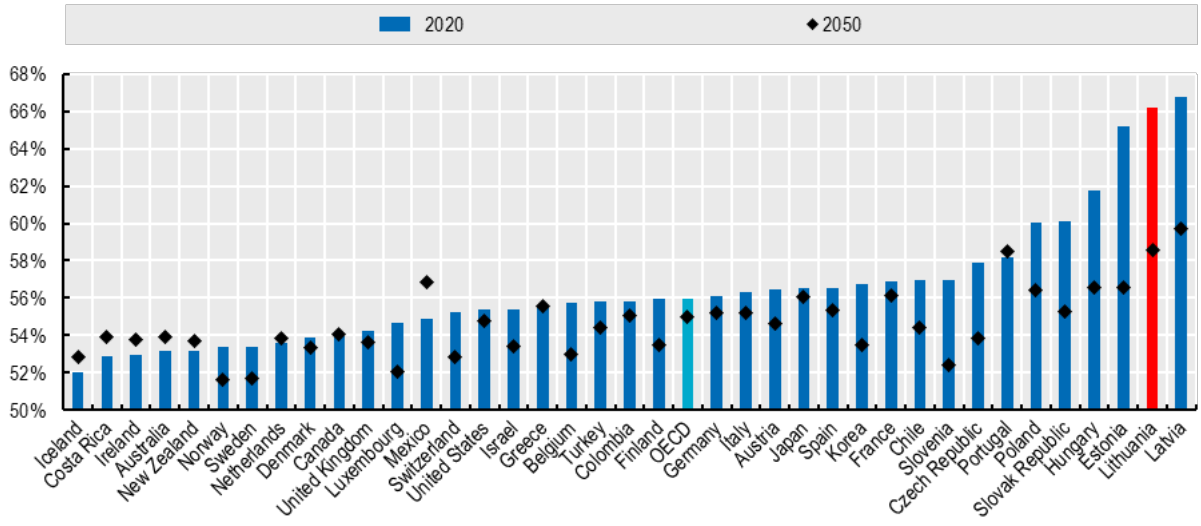
Share of the total population aged 65+ and 80+ on January 1st 2022, by municipality



Note: The number of municipalities included in each category is indicated between brackets. The seven urban municipalities are the Alytus, Kaunas, Klaipėda, Palanga, Panevėžys, Šiauliai and Vilnius City Municipalities. The six suburban municipalities are the Alytus, Kaunas, Klaipėda, Panevėžys, Šiauliai and Vilnius District Municipalities.The 37 rural municipalities include all other District Municipalities.
Source: OECD calculations based on Statistics Lithuania.

Figure 2.5. Women represent a very high share of the older population in Baltic countries

Share of the population 65+ that is female, in 2020 and 2050



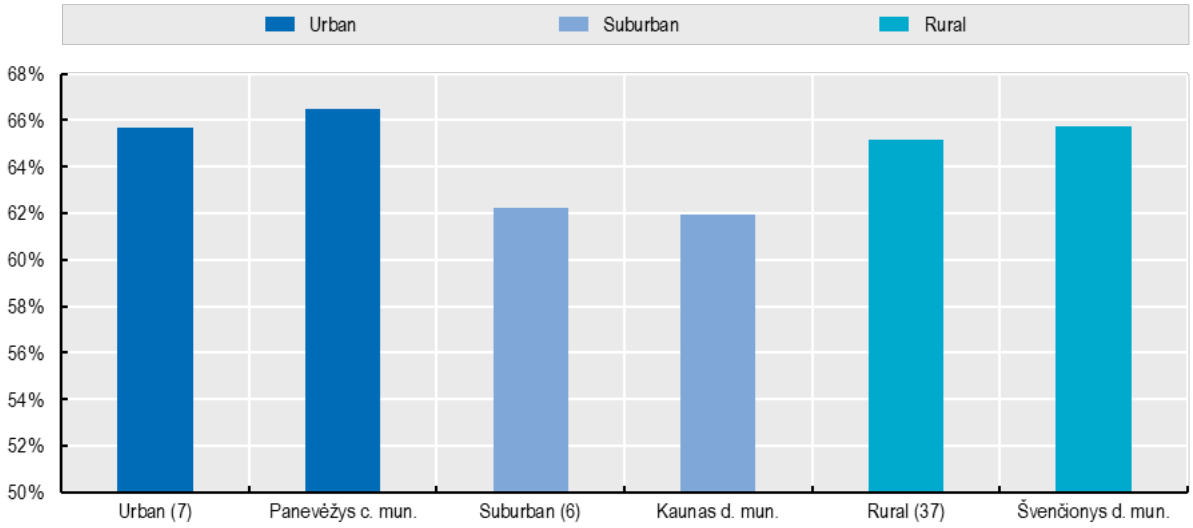
Source: OECD Demography and Population Database

The gender distribution of older people is somewhat more balanced in Lithuanian suburbs than the cities. In the suburban municipalities, on average 62% of older people are women, compared to 66% in the cities (Figure 2.6). Kaunas, Panevėžys and Šiauliai City Municipalities, on the other hand, are among the five municipalities where women make up the largest part of the population aged 65+, around 67%. For Klaipėda (65%) and Vilnius (66%), the difference between the city and the surrounding suburb is less

pronounced. Finally, also 66% of older residents in Švenčionys District Municipality are women, just above the average of rural municipalities, which is at 65%.

Figure 2.6. Older populations in cities and rural areas are somewhat more female than in suburbs

Share of the population 65+ that is female on January 1st 2022, by municipality



Note: The number of municipalities included in each category is indicated between brackets. The seven urban municipalities are the Alytus, Kaunas, Klaipėda, Palanga, Panevėžys, Šiauliai and Vilnius City Municipalities. The six suburban municipalities are the Alytus, Kaunas, Klaipėda, Panevėžys, Šiauliai and Vilnius District Municipalities.The 37 rural municipalities include all other District Municipalities.
Source: Statistics Lithuania

2.1.3. Key findings

- Lithuania scores poorly on the Active Ageing Index. It has the lowest level of in the social participation domain itself, and also ranks among the OECD countries with the lowest scores in the domains of independent, healthy and secure living, and of capacity and enabling environment – these assess the preconditions that need to be fulfilled for older people to realise participation.
- Active and healthy ageing have been policy priorities of the current and previous Lithuanian governments. The promotion of social participation of older people is included in several political plans and strategies. However, older people are not always included as a separate target group in the evaluation of these plans and strategies.
- Lithuania will be among the fastest ageing OECD countries. Between 2020 and 2050, the share of the population that is 65 or older will increase from 20% to 32%. That share is somewhat lower in suburban municipalities (17%) than in urban and rural municipalities (both 22%).
- Women represent a large share of the older population in Lithuania, as in the other Baltic states: 66% of people aged 65+ compared to 56% in the OECD on average. This gender pattern is somewhat less pronounced in suburban municipalities than in urban and rural municipalities.

2.2. Healthy ageing and resilience

Health is an important factor for active ageing as illness and disability can limit a person's capacity to participate in social life. The Active Ageing Index (AAI, see Chapter 1) contains several health-related indicators under the headers 'independent, healthy and secure living', including those on physical activity,

and unmet needs, and the World Health Organisation (WHO) even replaced its previous Active Ageing policy framework with a focus on healthy ageing. The WHO defines healthy ageing as the process of developing and maintaining the functional ability that enables well-being in older age.

This is closely connected to the concept of physical resilience, which is, according to Whitson et al. (2016[1]), the individual's ability to resist functional decline or recover physical health following a stressor. Hence, resilience is related both to prevention of bad health and to regaining function after a negative health shock. Ability and well-being, not illness, are at the core of healthy ageing, as an adjusted environment can allow people experiencing physical decline to do the things they value.

While health is treated as a driver of social participation in this chapter, it should be noted that the relationship between health and social exclusion is not a unidirectional one. Not only is bad health a barrier to social participation, there is an overabundance of evidence for social isolation being a driving force of deterioration of health in older adults (Nicholson, 2012[2]). Social isolation affects health in a number of ways. Behavioural effects of social isolation include absence of other persons that can encourage you to seek medical attention, adhere to treatment or maintain a healthier, more active lifestyle. Psychologically and cognitively, reduced social participation increases risk of depression and cognitive decline. Physiological effects include higher mortality from heart disease and stroke, as well as a higher likelihood of contracting infections such as the common cold. The duality of the relationship between health and social exclusion is also evident in Lithuanian policy documents. The Lithuanian Action Plan for the Reduction of Health Inequalities 2014-2023 points out that poor health can be a source of social exclusion. The Lithuanian Health Strategy 2014-2025, on the other hand, particularly focuses on social exclusion as a driver of health issues. The newly introduced practice of social prescribing departs from the perspective of social participation boosting people's health (Box 2.1).

This chapter hones in on four components of healthy ageing. The first section discusses the health status of older people in Lithuania. Preventive health aspects are discussed in the second section. The third section deals with questions of access to health services, which determines people's ability to regain function after a health shock. Finally, the enabling environment in terms of long-term care and material support is discussed, allowing people with disabilities to maintain functional ability and good well-being. The chapter concludes by listing the key findings.

Box 2.1. Social prescribing

Social prescribing was launched in 2020 as a collaboration between the Lithuanian Ministries of Culture and Health to improve older people's health and well-being. In particular it aims to improve health through better mental well-being, healthier lifestyles and seeking early medical attention through tying people more closely into the community. The programme targets people aged 65+ that a doctor identifies as being at risk of social exclusion or loneliness. This can cover a wide range of patients, including people with psychological difficulties, unhealthy lifestyles or chronic conditions. In particular, doctors pay attention to risk factors or signals of social exclusion or loneliness including having financial difficulties, living alone, making frequent doctor visits or recently having lost one's partner. The doctor refers the patient to the local public health bureau, where a counsellor will guide the patient in finding a suitable social activity. The activities provided can be cultural (e.g. art workshops, singing classes), sportive (e.g. cycling, yoga) or educational (e.g. museum visits, computer classes), with concrete options depending on what is offered by local organisations.

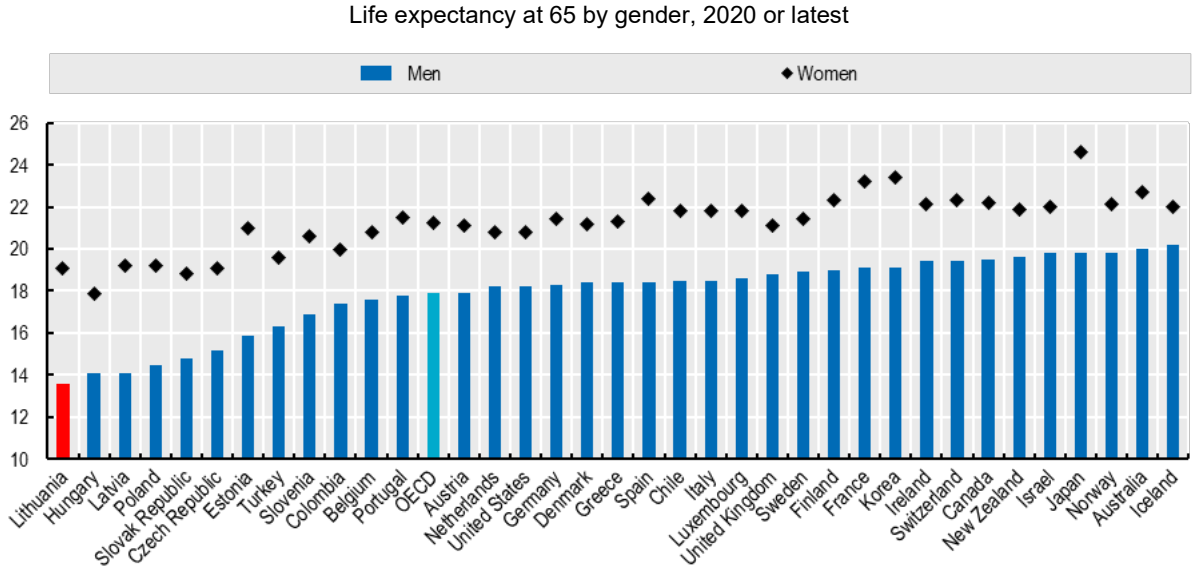
So far, evidence for social prescribing is scant as it remains unclear which procedures and practices of social prescribing work in terms of improving well-being, and for whom they work (Husk et al., 2020[3]). For social prescribing to be successful, a person should go through several steps: first, the person has to seek medical attention, then the person has to receive a referral to an organisation or activity, subsequently the person should attend the organisation's event or activity, and finally the person should adhere to attending the event or activity frequently. At each of these steps along the process, drop-out can happen, in which case the programme's goals are not attained.

2.2.1. Health status of older people

This section presents an overview of the health status of older people in Lithuania in international comparison. It shows that overall the health of people aged 65+ in Lithuania is poorer than in most OECD countries.

Lithuanian life expectancy at age 65 is among the lowest in the OECD, particularly among men. A Lithuanian man aged 65 can now expect to live another 13.6 years on average, more than four years less than the OECD average of 17.9 years (Figure 2.7). As such, Lithuania has the lowest life expectancy for men aged 65 of any OECD country, followed by Hungary and Latvia where their life expectancy is just above 14 years. Life expectancy at 65 reaches 20 years for men in Australia and Iceland. Among women, Lithuanian life expectancy at 65 is the third lowest in the OECD, as the average woman aged 65 can expect to live another 19.1 years in Lithuania, two years less than the OECD average of 21.2 years. Life expectancy of women aged 65 is a year lower in Hungary, and their life expectancy in Lithuania is similar to that in the Czech Republic, Latvia, Poland and the Slovak Republic. Female life expectancy at 65 is particularly high in France and Korea, where it exceeds 23 years, and in Japan, where it is at 24.6 years. Not only did Lithuania experience one of the biggest drops in life expectancy in the EU in 2020 due to the COVID-19 pandemic, it has the largest gender gap in life expectancy in which the high prevalence of harmful alcohol consumption among men and the resulting heart disease play an important role (OECD/European Observatory on Health Systems and Policies, 2021[4]).

Figure 2.7. Life expectancy at 65 among the lowest in the OECD



Source: OECD Health Database

Perceived (or subjective) health is very poor among the Lithuanian population aged 65+ as only one in ten declares to be in good or very good health (Figure 2.8). This is the lowest score in the OECD and compares to more than four in ten in the OECD-32 on average (43%).[28] Latvia and Portugal are the only other countries where less than two in ten of the older population is in good health, while Canada, Ireland and New Zealand reach scores of seven in ten or more. Perceived health in the adult population is generally low in Lithuania, which is one of only four OECD countries where less than half of the population aged 15+ declares to be in good health, together with Japan, Korea and Latvia. One caveat of perceived health in international comparisons, however, is that people may have different interpretations of what it means to be 'in good health': good health can be understood as absence of (chronic) disease, as not experiencing health as a limitation in daily life or as one's health being good relative to that of peers. Moreover, country scores of life expectancy at 65 and the share of people in good health are more tightly correlated among men (linear correlation coefficient of 0.69) than among women (0.40).[29]

The share of older Lithuanians experiencing limitations in their daily activities due to long-term health problems is high in international comparison. Lithuania's score and position relative to other countries does vary somewhat across surveys: in the European Social Survey (ESS), 68% of Lithuanians aged 65+ report health-related limitations in their daily activities, compared to an OECD-24 average of 45% (Figure 2.9, Panel A), whereas in the Survey of Health, Ageing and Retirement in Europe (SHARE), 59% of senior citizens face limitations in Lithuania, compared to an OECD-22 average of 54% (Panel B). The Baltic states and central European countries, including Germany, Hungary and Poland, also have above-average scores in both surveys, whereas the Scandinavian countries and countries such as Belgium, France and

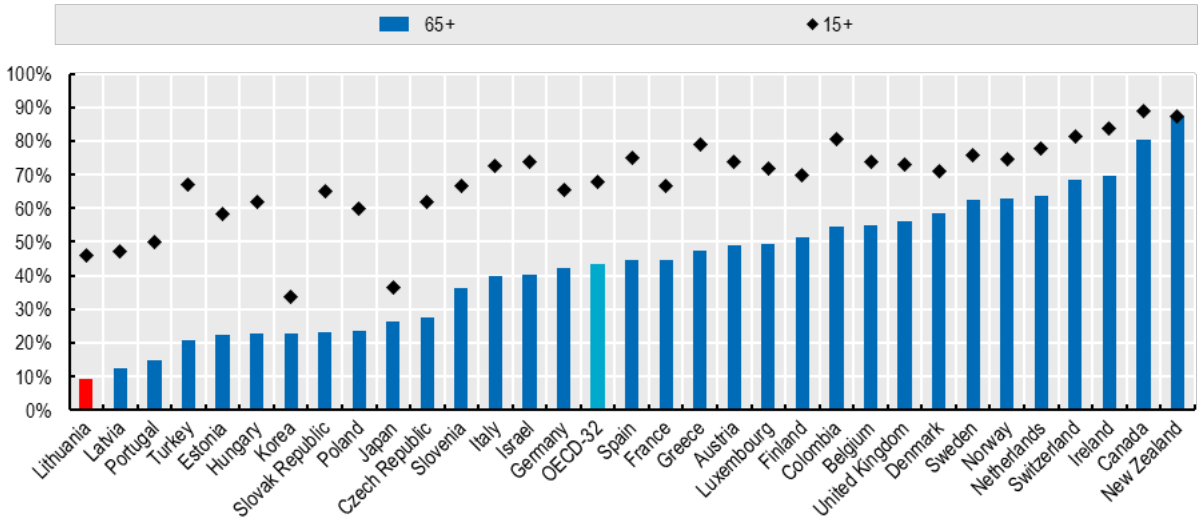
[28] Most OECD averages in the chapter are calculated based on a limited number of OECD countries as data are not available for all. The number of countries the average is based on is indicated: OECD-32, for instance, means that the average is calculated based on 32 OECD countries. The countries included are shown in the corresponding graph.

[29] Adjusted for the small sample size, the correlation coefficient is 0.68 for men and 0.37 for women. The correlation coefficients are strongly impacted by Japan and Korea, particularly for women. When excluding these two countries, correlation coefficients are 0.79 and 0.61, respectively.

Switzerland score below the average. In both surveys, one in five Lithuanians aged 65+ report that health conditions form a severe limitation to their daily activities, above the respective OECD averages.

Figure 2.8. Very few older people perceive to be in good health

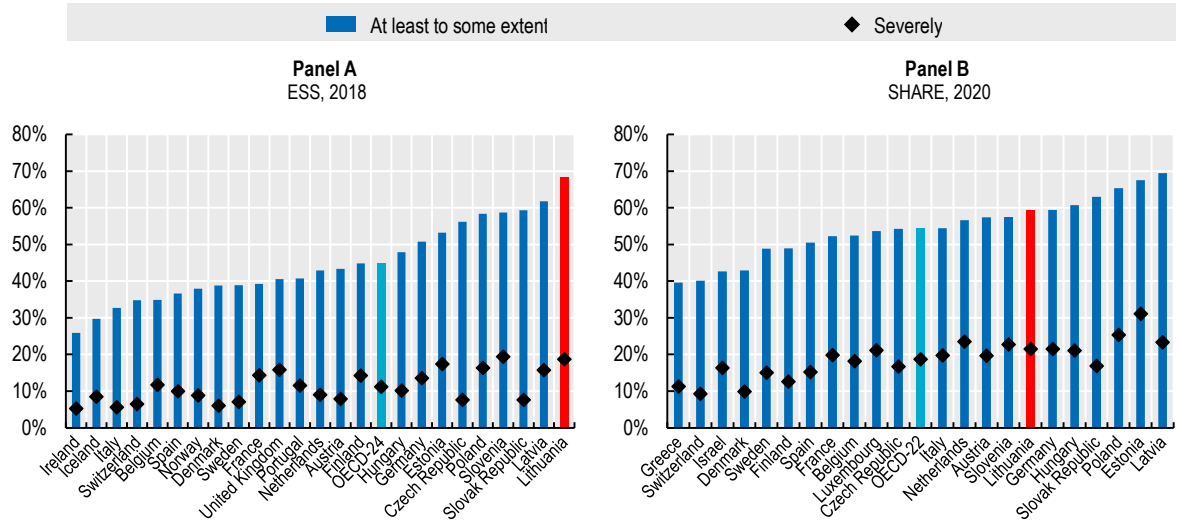
Share of the population 65+ and 15+ perceiving to be in good or very good health, 2019 or 2020



Note: Data for Austria, Denmark, Estonia, Finland, Hungary, the Netherlands and New Zealand refer to 2020.
Source: OECD Health Database

Figure 2.9. Poor health limits daily activities in a large share of older people

Share of the population aged 65+ reporting to be limited in daily activities due to long-term health problem, by survey

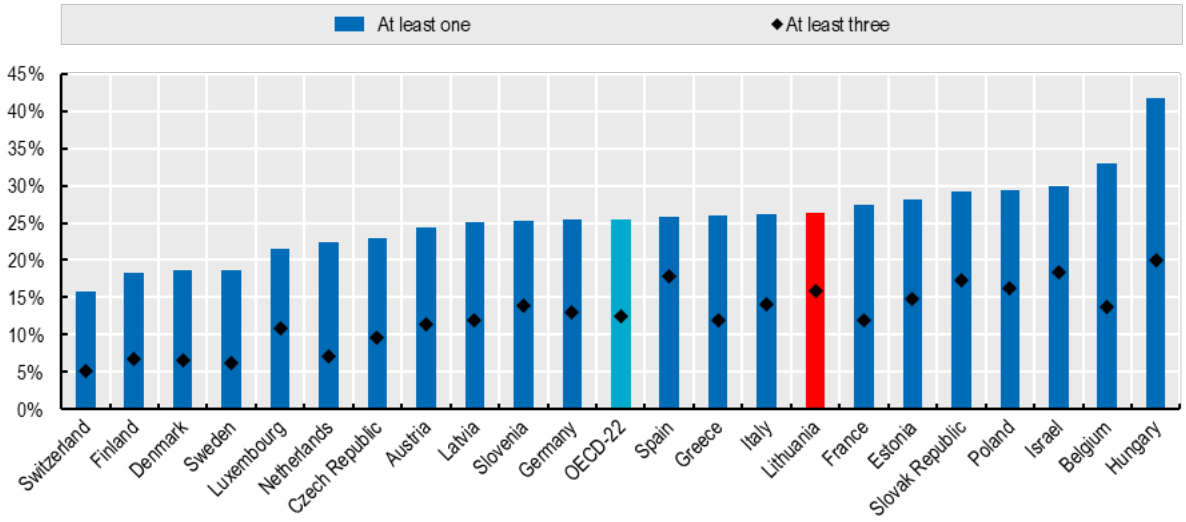


Note: In the European Social Survey (ESS) questionnaire, respondents were asked 'Are you hampered in your daily activities in any way by any longstanding illness, or disability, infirmity or mental health problem?' and could answer 'no', 'yes, to some extent' and 'yes, a lot'. In the Survey of Health, Ageing and Retirement in Europe (SHARE) questionnaire, they were asked 'For the past six months at least, to what extent have you been limited because of a health problem in activities people usually do?', answer options being 'not limited', 'limited, but not severely' and 'severely limited'.
Source: OECD calculations based on European Social Survey (wave 9) and Survey of Health, Ageing and Retirement in Europe (wave 8)

The share of older people facing difficulties in executing day-to-day activities that are essential for independent living in Lithuania is at the OECD-22 average: 26% is limited in their ability to execute at least one activity from a list of 14 (Figure 2.10). These activities cover six activities of daily life (ADL) which are related to personal care (getting dressed, walking across the room, bathing, eating, getting in/out of bed, going to the toilet) and eight instrumental activities of daily life (IADL) which refer to other activities that are essential for living independently (cooking, shopping, making a call, taking medicine, doing work around the house or garden, managing money, leaving the house independently and using public transport, doing laundry). Across the OECD, the share of people facing difficulties is relatively homogeneous, although the number exceeds 30% in Belgium and, especially, Hungary, and is below 20% in Denmark, Finland, Sweden and Switzerland. At 16%, Lithuania's share of older people with limitations for three or more activities is 3 percentage points (p.p.) above the OECD average, with shares ranging from 5% in Switzerland to 20% in Hungary.

Figure 2.10. The occurrence of difficulties in day-to-day activities is similar to that in other countries

Share of the population 65+ that is limited in their ability to execute at least one and at least three activities of daily life (ADL) or instrumental activities of daily life (IADL), 2020



Note: A limitation refers to any difficulty a person has in executing a one activity from a list of 14 activities as a result of a physical, mental, emotional or memory problem. The 14 activities cover six activities of daily life (getting dressed, walking across the room, bathing, eating, getting in/out of bed, going to the toilet) and eight instrumental activities of daily life (cooking, shopping, making a call, taking medicine, doing work around the house or garden, managing money, leaving the house independently and using public transport, doing laundry).
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

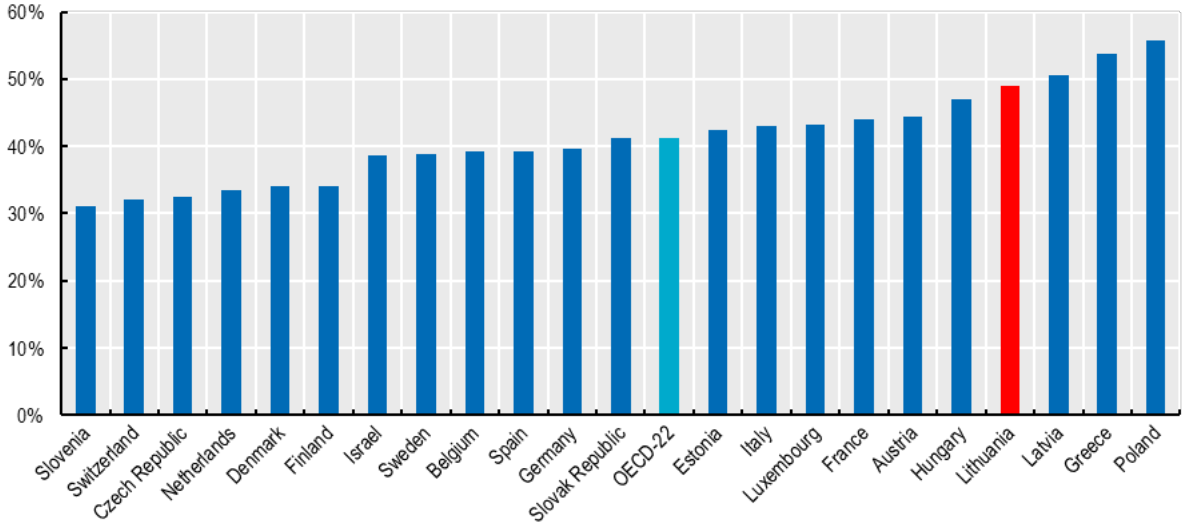
Being in bad health or facing difficulties with ADL or IADL activities does not necessarily reduce a person's capacity to participate in social life. Difficulties with such activities, however, translate into a reduced capacity to participate if a person does not receive help with them – either from a professional or from an informal carer – or if the help received is insufficient to fulfil the connected needs.

Half of the older population in Lithuania report having such an unmet long-term care need, compared to four out of ten older people on average in the OECD (Figure 2.11). This is slightly less than in Latvia while the share is substantially higher in Greece and Poland. By contrast, only around one-third of older people have an unmet long-term care need in the Czech Republic, Denmark, Finland, the Netherlands, Slovenia and Switzerland. In Lithuania, as elsewhere, the large majority of people who do receive help, report that the help received usually or always fulfils their needs. Hence, not receiving any help to cope with the

difficulties one has in executing day-to-day activities, whether from a professional or an informal carer, is the major challenge to reduce unmet long-term care needs.

Figure 2.11. Half of older people have unmet long-term care needs, substantially more than in many other countries

Share of the population 65+ with a need for help in executing daily activities that is not or only partially met, 2020



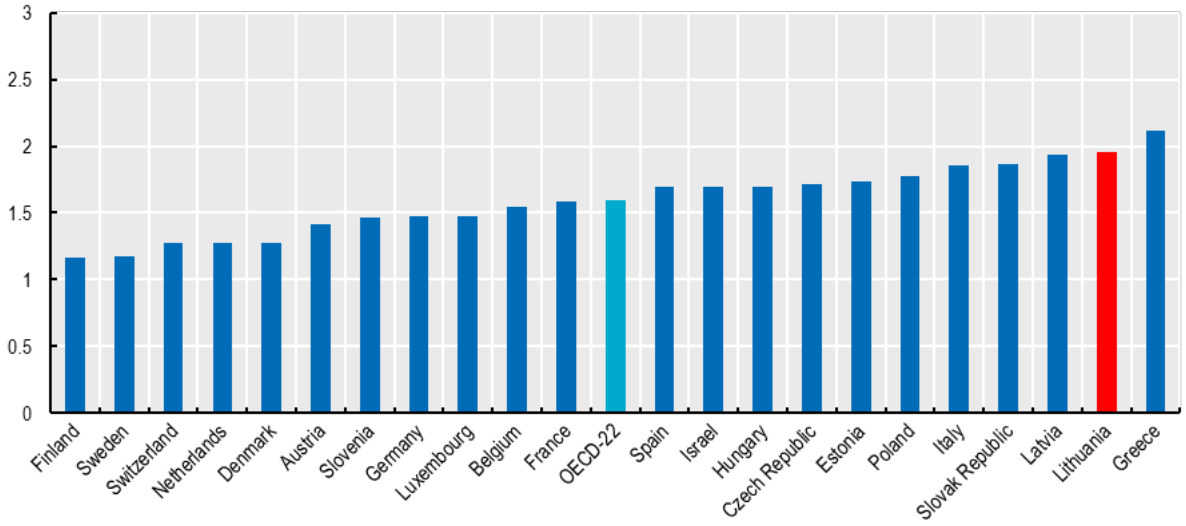
Note: A need is considered unmet if a person reports difficulties with ADL, IADL or other basic activities (walking, sitting, climbing stairs,…) and declares either to receive no help with these activities or to receive help that does not meet a person's need all the time.
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Not only bad health can hold older people back from participating in society. Chronological age, that is, the number of years one has been living, may itself be a reason for people to limit themselves and their social activities. Particularly in societies with stronger ageism or generationism[30], age can be perceived as an inhibitor of social participation: people may refrain from doing something because 'that is not for someone my age', or because age is assumed to coincide with bad health (Van der Horst, 2019[5]). Older people in Lithuania indeed report that age prevents them from doing what they want to do more often than in the OECD on average (Figure 2.12). Only in Greece is age perceived as a more important inhibitor of doing what one wants than in Lithuania. This idea is also more prevalent in other Southern and Central and Eastern European countries, including Italy, Poland, the Slovak Republic and the other Baltic states. In the Scandinavian countries as well as in the Netherlands and Switzerland, this idea is least widespread.

[30] Generationism refers to assigning certain characteristics to specific birth cohorts (e.g. describing baby boomers or millennials as being or behaving in a certain way). This is different from ageism in that age stereotypes applying to people change when they age, whereas generation stereotypes remain constant over the life course.

Figure 2.12. Age is perceived as an important inhibitor of doing what one wants

Frequency of age preventing people aged 65+ from doing what they want on a four-point scale (ranging from 0 = never to 3 = often), 2020



Note: The graphs show average scores on a four-point scale (0. Never, 1. Rarely, 2. Sometimes, 3. Often).
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

2.2.2. Preventive health

Preventive health is an important aspect of both healthy ageing and resilience, as preventive health initiatives contribute to maintaining functional ability as people age and can boost individuals' capacity to prevent functional decline. Across the OECD, over one-quarter of deaths are preventable, many of which are connected to people's lifestyles. Cancer, and in particular lung cancer, is the main cause of preventable death, followed by injuries often related to accidents, circulatory diseases including heart attack and stroke, and alcohol and drug-related deaths (OECD, 2021[6]). Half of deaths in Lithuania are linked to lifestyle factors, in particular diet (25%), smoking (14%), alcohol (6%) and low physical activity (4%) (OECD/European Observatory on Health Systems and Policies, 2021[4]). Lifestyles and accidents are a major contributor to illness and disability. Hence, a combination of public awareness campaigns, regulations, taxation and health counselling can contribute to longer and healthier lives through healthier lifestyles and accident reduction. Although the focus here is on the older population, health problems tend to accumulate throughout life and therefore preventive health interventions are necessary throughout life to improve the health of older people and reduce health inequalities in the long term (OECD, 2017[7]).

Given the importance of preventive health interventions for illness, disability and mortality, there is a strong emphasis on prevention in the Lithuanian Health Strategy. It sets objectives to reduce alcohol and tobacco consumption and to promote healthy eating and physical activity – for the latter, it even singles out the need to target older people. The Lithuanian Action Plan for the Reduction of Health Inequalities 2014-2023 moreover plans a greater effort in alcohol prevention and addiction treatment. Lithuania spent 1% of its total health care budget on prevention in 2019, which is at the OECD average (OECD, 2021[6]). However, this preventive health budget is limited in the light of mortality from preventable causes in Lithuania being among the highest in the OECD, particularly the consequence of heart diseases, strokes and some types of treatable cancers (OECD, 2021[6]; OECD, 2018[8]).

Although some campaigns are centrally organised, preventive health is largely the responsibility of local public health bureaus who have large freedom to decide on which activities to engage in (OECD, 2018[8]). These bureaus provide health-related information, preventive health screenings and mental health

services, and organise campaigns and physical activities. While they usually do not specifically target older people, they do form an important demographic among people attending the bureaus' events. Furthermore, the bureaus play an important role in health-related local policy making as they are responsible for monitoring health of the local population and identifying areas that require special attention from policy-makers. However, public health initiatives are often small-scale and connected to EU project funding. In absence of an evaluation framework ensuring that local public health bureaus' interventions are evidence-based, and making the bureaus accountable for health outcomes, initiatives rarely lead to structural policies (OECD, 2018[8]).

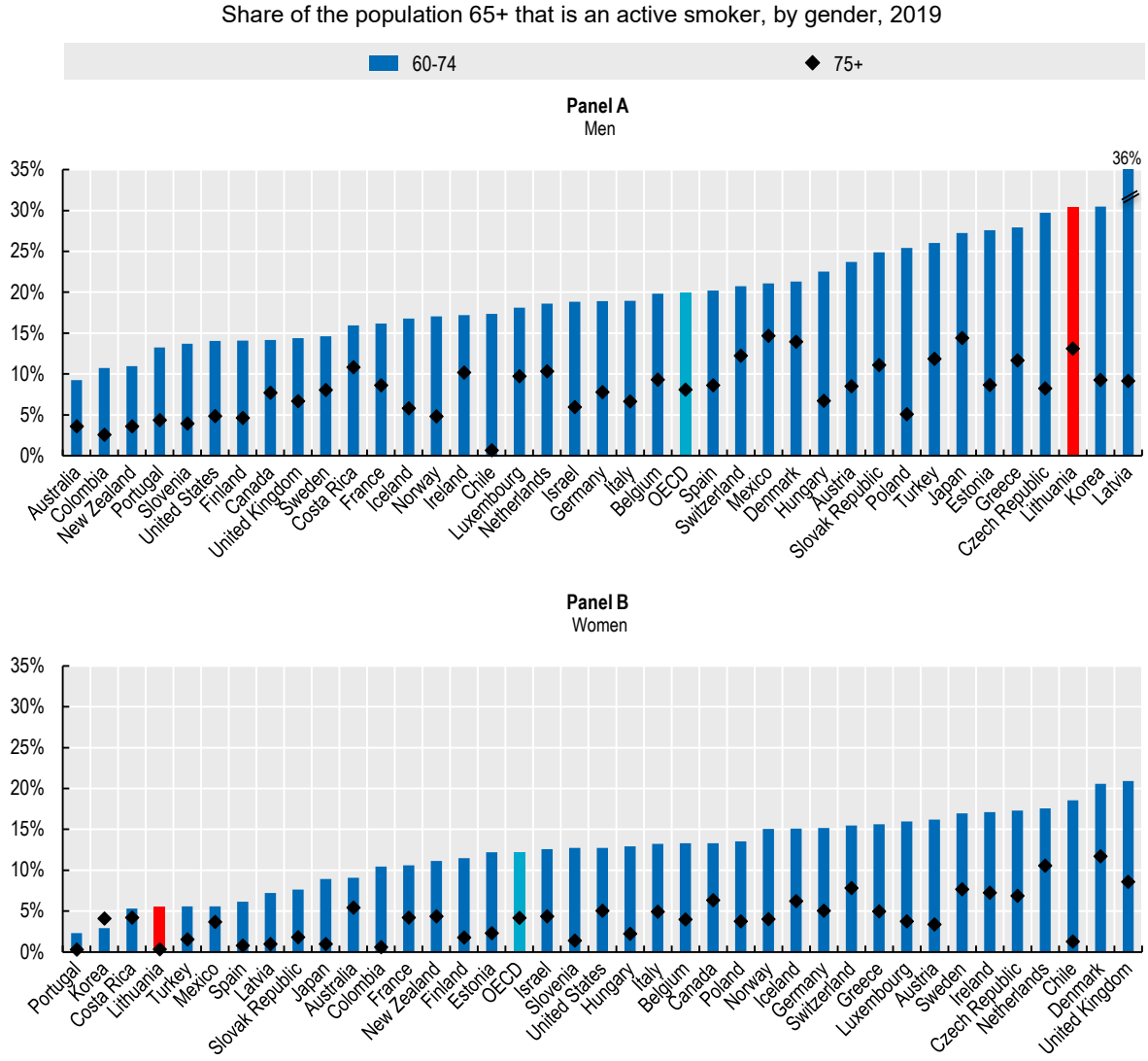
Lifestyle

The relationship between healthy lifestyles and social participation or exclusion in old age is a complex one: while people's social lives affect their activity levels as well as smoking, drinking and eating behaviours, unhealthy lifestyles negatively impact people's health directly and make them less resilient to health shocks (OECD, 2021[6]), affecting their capabilities to participate in social life.

Smoking is an important cause of illness and death among older people in Lithuania (Liutkutė-Gumarov, 2019[9]) as across the OECD (OECD, 2021[6]). One in seven deaths in Lithuania are caused by smoking; among men this ratio is even one in four (Liutkutė et al., 2017[10]). Smoking not only leads to lower life expectancy, smokers also spend a larger share of their remaining life expectancy in bad health compared to people who do not smoke (Dieteren et al., 2021[11]).

Smoking prevalence in old age is high among men in Lithuania, whereas it is low among women. Among men, 30% in the age group 60-74 smoke, second only to Latvia and the same rate as in the Czech Republic and Korea (Figure 2.13, Panel A). At 13%, the share of men aged 75+ smoking is markedly lower, although it is still the fourth highest rate in the OECD, after Denmark, Japan and Mexico. On average across the OECD, 20% of men smoke in the age group 60-74 and 8% among those 75+. Smoking fell sharply among men aged 75+ over the last 15 years, as in 2005, 53% of men in this age group were smokers (Liutkutė et al., 2017[10]). In contrast, smoking prevalence in women is among the lowest in the OECD as 5% of women aged 60-74 and virtually no women aged 75+ smoke in Lithuania, compared to respectively 12% and 4% on average in the OECD (Panel B). Portugal is the only OECD country where older women smoke even less. Yet, there has been an increase in smoking among older women as only 1% of women in both age groups smoked in 2005 (Liutkutė et al., 2017[10]). The Lithuanian gender gap in smoking prevalence in old age is one of the biggest in the OECD, and is only exceeded by Korea and Latvia in the age group 60-74 and by Japan in the age group 75+.

Figure 2.13. High smoking prevalence in old age among men, but low among women



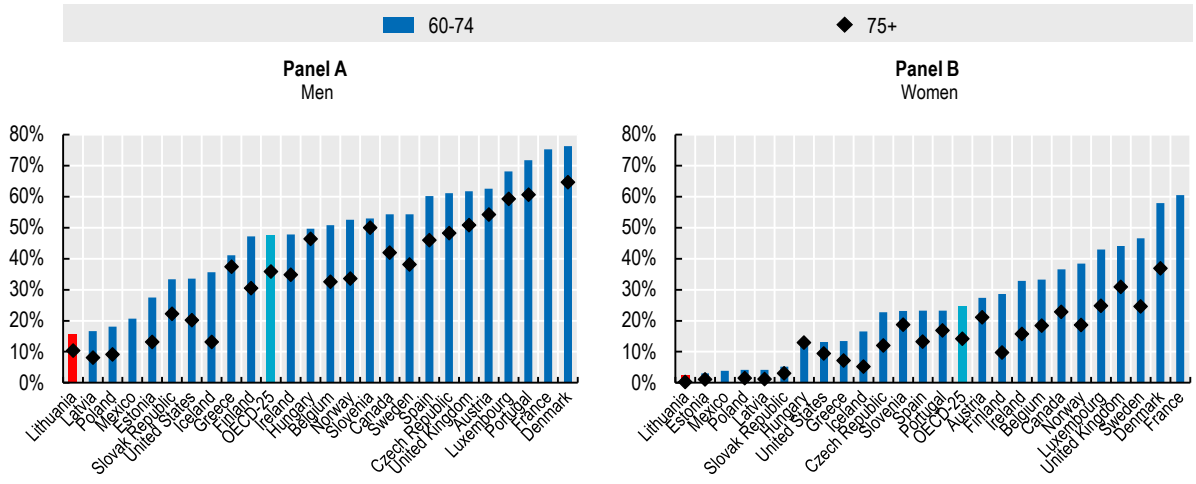
Source: OECD calculations based on Institute for Health Metrics Evaluation. Used with permission. All rights reserved.

Alcohol consumption in older people is affected by their social lives as people are more likely to use alcohol both during social activities and gatherings and during periods of loneliness or emotional difficulties, such as after loss of a partner (Kelly et al., 2018[12]). The report *Preventing Harmful Alcohol Use* (OECD, 2021[13]) presents an in-depth analysis of alcohol consumption, its economic and health effects and effective interventions to reduce it. On average across the OECD, alcohol consumption reduces life expectancy by almost a year, and its impact on healthy life expectancy is even more substantial. Harmful alcohol consumption is best tackled by a set of measures combining interventions at the population level such as campaigns and pricing policies with interventions targeting individuals with problematic drinking habits, including counselling, addiction treatment and drink-driving policies. While alcohol policies have been relaxed in Lithuania, with alcohol becoming twice as affordable over the period 2000-2018 (OECD, 2021[13]), several measures to reduce alcohol consumption were introduced between 2018 and 2021, including bans on publicity for alcohol and sales of strong alcohol in certain locations as well as alcohol tax increases (OECD/European Observatory on Health Systems and Policies, 2021[4]). Lithuanians are the least likely to drink alcohol on a weekly basis of all seniors in OECD countries (OECD, 2021[13]). Only 16%

of men (Figure 2.14, Panel A) and 3% of women (Panel B) aged 60-74 report drinking alcohol on a weekly basis, compared to an OECD-25 average of respectively 48% and 25%, and alcohol consumption is lower in the age group 75+ both in Lithuania and across the OECD. The other Baltic states, Mexico and Poland also report relatively low prevalence of weekly alcohol consumption among older men and women. In Denmark and France, on the other hand, three-quarters of men and six in ten women in the age group 60-74 drink alcohol every week.

Figure 2.14. Very few Lithuanian seniors regularly consume alcohol

Share of the population drinking alcohol weekly, by age and sex (2014 or latest)



Note: Mexican data only include people aged 60-65; for France, the blue bar refers to 60-75 and no data are available for 76+. Data refer to 2017 for France and Mexico and to 2016 for Canada.
Source: OECD 2021 ([13])

The decentralised nature of preventive health policy in Lithuania means that preventive health efforts vary across municipalities. Švenčionys District Municipality's public health bureau for instance provides a website with information on substance abuse and specifically targets smoking. Kaunas District Municipality's public health bureau on the other hand offers free counselling and assistance to substance abusers and their families, including motivating them to change behaviours and/or seek treatment and to provide follow-up to people who underwent addiction treatment. The service is very much targeted to alcohol abuse, which is the topic of most initiatives of local public health bureaus across Lithuania (OECD, 2018[8]). Panevėžys City Municipality public health bureau provides workshops on substance abuse to people who have violated substance regulations by illegally doing something under influence of a substance (e.g. driving, air traffic control, etc.), as well as for people who engaged in substance-based misconduct.

There are large regional discrepancies in indicator scores related to smoking and alcohol consumption in the yearly health monitoring reports. Compared to a Lithuanian average of 200, there were 221 inhabitants per tobacco license in Švenčionys District Municipality (Švenčionys District Municipality Public Health Bureau, 2022[14]), 273 in Kaunas District Municipality (Kaunas District Municipality Public Health Bureau, 2020[15]) and at 395 almost double the Lithuanian average in Panevėžys City Municipality (Panevėžys City Municipality Public Health Bureau, 2021[16]). Also in terms of inhabitants per alcohol license, Švenčionys District Municipality sits just above the Lithuanian average of 173 with 199 inhabitants per alcohol license (Švenčionys District Municipality Public Health Bureau, 2022[14]), compared to 267 in Kaunas District Municipality (Kaunas District Municipality Public Health Bureau, 2020[15]) and 277 in Panevėžys City

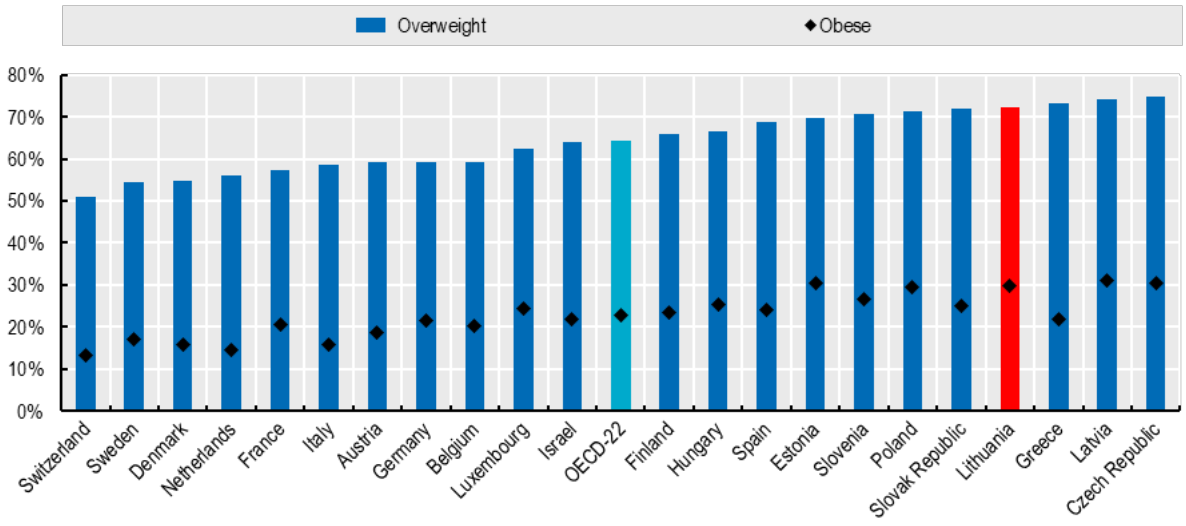
Municipality (Panevėžys City Municipality Public Health Bureau, 2021[16]). Panevėžys is in the top quintile of Lithuanian municipalities on both metrics.

Overweight and obesity levels are on the rise in Lithuania and across the OECD. They are a risk factor for numerous chronic diseases – this includes type 2 diabetes, cardiovascular diseases, respiratory diseases, musculoskeletal disorders, several types of cancer, and depression – and risk of disease mounts as body mass index (BMI) increases. As a result, being overweight not only increases mortality, but also negatively impacts a person's capacity for active ageing (OECD, 2019[17]). Yet, being obese or overweight tend to be less of a problem in old age as BMI tends to decline again in later life, particularly among people with obesity and, to a lesser extent, men and women who are overweight (Vuik and Cecchini, 2021[18]). Moreover, the view of being overweight as being problematic in older adults is contested: mortality is lower in overweight and possibly even mildly obese older adults, which suggests that general BMI guidelines may not be applicable to older adults (Chang et al., 2012[19]; Javed et al., 2020[20]). Nonetheless, a healthier diet combined with increased physical exercise is an effective strategy to achieve weight loss also in older adults (Felix and West, 2013[21]).

Altogether, their lifestyles result in a very high share of the older population in Lithuania being overweight (Figure 2.15). While on average across the OECD, 64% of older adults are overweight, meaning that they have a body mass index (BMI) of 25 or more, this is 72% in Lithuania. Other countries with more than seven in ten people aged 65+ being overweight include other Central-European countries – the other Baltic states, the Czech and Slovak Republics, Poland and Slovenia – and Greece. In Switzerland, on the other hand, only one in two older adults is overweight, and Denmark and Sweden have a share below 55%. Obesity, referring to a BMI of 30 or more, largely follows the same picture. Three in ten older adults are obese in Lithuania and in the other Baltic states, the Czech Republic and Poland. In Austria, Denmark, the Netherlands, Sweden and Switzerland, on the other hand, this applies to less than one-fifth of the older population. On average across the OECD, 23% of older adults are obese.

Figure 2.15. A very high share of the older population is overweight

Share of the population 65+ that is overweight (BMI >= 25) and obese (BMI >= 30), 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Although a wider set of factors affect a person's weight including genetic predisposition and environmental influences, being overweight is primarily the consequence of taking in more energy than your body consumes. Hence, a person's diet and physical activity are crucial in becoming overweight (OECD,

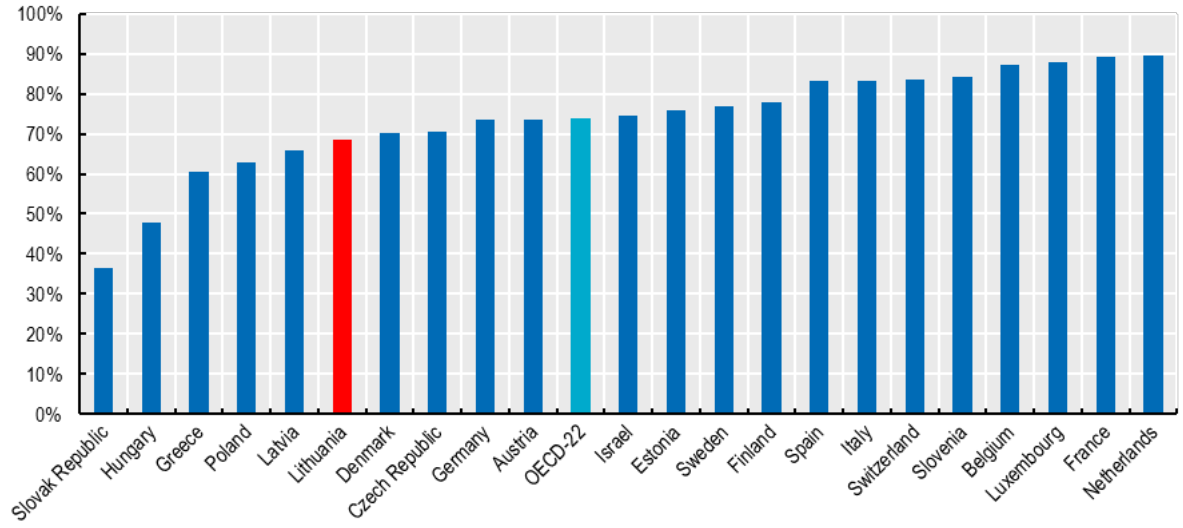
2019[17]). Diets across the OECD are deteriorating, among others the result of insufficient consumption of fruit and vegetables. A healthy diet reduces the risk of diabetes and other chronic diseases (OECD, 2019[17]), and among older people it is related to both better perceived health and quality of life (Govindaraju et al., 2018[22]). While the WHO has a wider set of recommendations in terms of what constitutes a balanced diet, one simple metric used to measure a healthy diet is the daily consumption of fruit and vegetables (OECD, 2021[6]). Fruit and vegetable consumption of older people in Lithuania is below average: 68% of older Lithuanians eat fruit and vegetables on a daily basis, compared to 74% in the OECD on average (Figure 2.16). Moreover, the OECD average is significantly pulled down by Hungary and the Slovak Republic, where less than half of the older population does so. The highest share of older people eating fruit and vegetables daily is found in France and the Benelux countries, where it exceeds 85%.

Health bureaus' efforts to promote a healthy diet vary across municipalities. Kaunas District Municipality's public health bureau offers a two-month 'Health Academy' taking place in the evenings during the winter months of January and February. The first month deals with information on healthy eating, the second month with activity, including individual guidance by a professional coach. And whereas Švenčionys District Municipality's public health bureau provides a website with information on healthy eating, Panevėžys City Municipality's public health bureau provides seminars on healthy cooking and eating. In 2020 a policy was adopted that should provide guidance and evaluation of public health bureaus' activities in the area of healthy eating (OECD/European Observatory on Health Systems and Policies, 2021[4]). Yet, dietary measures are not included in the local health bureaus' yearly public health monitoring reports. The only indicator on healthy eating habits reported is the share of infants who are exclusively breastfed during the first six months of life. Lacking proper indicators, it is not possible to make a proper assessment of the impact of local health bureaus' initiatives.

Indeed, information provision and education is one of the primary tools OECD countries employ to promote healthy lifestyles among their citizens (OECD, 2019[17]). Other tools include adapting environments to provide healthier options, such as providing healthy meals in canteens connected to public institutions; changing financial incentives to make people opt for healthier options such as taxation of unhealthy foods; and regulating or restricting the promotion of or access to unhealthy lifestyles.

Figure 2.16. Only seven out of ten older people consume fruit and vegetables daily

Share of the population 65+ that consume fruit and vegetables every day, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Physical exercise is a second important lifestyle factor affecting a person's weight, and contributes to active and healthy ageing more broadly. Insufficient physical activity is a risk factor of, among others, cardiovascular diseases and diabetes, and can be detrimental for a person's mental health (OECD, 2021[6]). Furthermore, specifically for older people, exercise provides benefits such as a reduced risk of falling (Chou, Hwang and Wu, 2012[23]; Sherrington et al., 2017[24]; Arnold, Sran and Harrison, 2008[25]; de Souto Barreto et al., 2019[26]), improved performance on ADL (Chou, Hwang and Wu, 2012[23]), improved cognitive function (Uffelen et al., 2008[27]; Falck et al., 2019[28]; Sáez de Asteasu et al., 2017[29]; Levin, Netz and Ziv, 2017[30]), and reduced depression (Heinzel et al., 2015[31]; Rhyner and Watts, 2016[32]).[31] The WHO recommends that older adults do 150 minutes of moderate exercise per week or 75 minutes of intensive exercise, and that they do muscle-strengthening exercises at least twice a week.

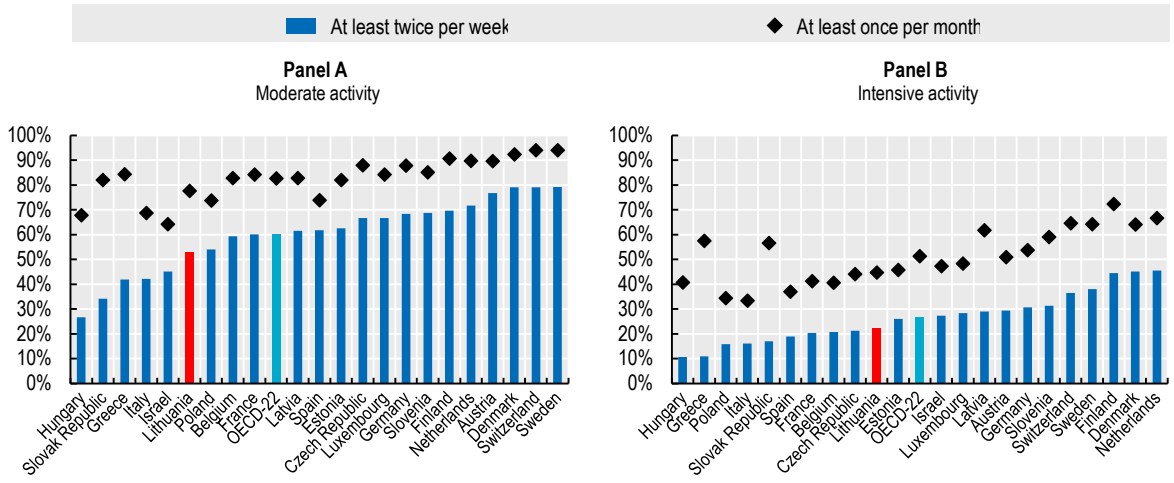
In Lithuania, 53% of older adults are moderately physically active at least twice a week, a number growing to 78% for a frequency of at least once a month (Figure 2.17, Panel A). Lithuanian bi-weekly moderate activity is below the OECD average of 60%, but exceeds the level of Greece, Israel and Italy, where this applies to less than half of the population. In Hungary and the Slovak Republic, only one-third or less of the older population is moderately active twice per week. In Denmark, Sweden and Switzerland, on the other hand, four in five people aged 65+ are moderately active twice per week. In terms of intensive physical activity, Lithuania is closer to the OECD average. 22% of older Lithuanians engage in intensive physical activity at least twice per week, compared to 27% in the OECD on average (Panel B). Of the older population in Lithuania, 45% engages in intensive physical activity at least once a month, meaning that the majority of those aged 65+ never, or almost never, does so. Intensive physical activity among older adults varies widely across the OECD, from 11% in Hungary and Greece doing so at least twice per week, compared to 45% in Denmark, Finland and the Netherlands.

The three municipalities have different approaches to promoting physical activity in older adults. Kaunas District Municipality's public health bureau promotes physical activity through free workouts taking place twice a week throughout the three summer months. Švenčionys District Municipality's public health bureau provides a website with information on physical activity, with a section dedicated specifically to the health benefits of physical activity for older people. Panevėžys City Municipality's public health bureau furthermore provides seminars on the need for and impacts of healthy physical activity.

[31] One review found no effect of exercise on either ADL or balance (Giné-Garriga et al., 2014[43]).

Figure 2.17. Older people are less active than in the OECD on average

Share of the population 65+ that engages in moderate (Panel A) or intensive physical activity (Panel B), by frequency, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Falling and falling prevention

Falling is an important cause of injury and mortality in older people, and is linked to environmental factors, such as rugs on the floor or unadapted housing, as well as to the availability and quality of care provision and medication use. Moreover, falling leads to fear of falling, which is itself a risk factor for falling (de Bienassis, Llena-Nozal and Klazinga, 2020[33]). Fear of falling can moreover discourage people from going out, particularly when pavements are uneven or slippery due to rain, ice or snow. Even if not explicitly mentioned in the Lithuanian Health Strategy, falling prevention fits its goal to create a health-promoting physical environment for living. Beyond the positive effects of physical exercise and balance training on preventing falls in older people (see section on Lifestyle), effective measures to prevent falling include safer and more accessible environments, education improving awareness of fall risks, improved vision, and assistive devices (Strukčinskaitė, Norkienė and Strukčinskienė, 2016[34]). Fall awareness and prevention programmes among hospitalised older adults reduces the number of falls both in the hospital and after discharge (Lee et al., 2013[35]).

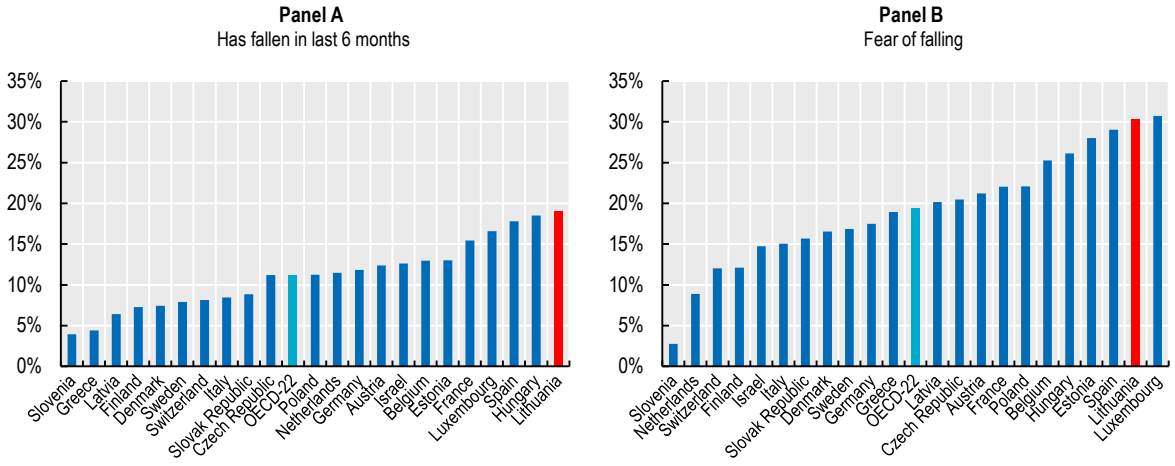
One in five older Lithuanians (19%) indeed reports to have had a fall in the last six months, the highest share in the OECD and almost double the OECD average of 11% (Figure 2.18, Panel A). Other countries where a higher share of older people report to have fallen include Hungary, Luxembourg and Spain, while the lowest shares are found in Greece and Slovenia with a share below 5%, followed by Latvia and the Scandinavian countries. Given the high share of older people having fallen in the last six months, it is unsurprising that 30% of older Lithuanians are afraid of falling, the second highest share after Luxembourg and well above the OECD average of 19%. This fear is similarly widespread in Estonia and Spain, while a particularly small share of older people are afraid of falling in Slovenia and, although less pronounced, Finland, the Netherlands and Switzerland.

No recent initiatives on falling and falling prevention were found in the local public health bureaus of the studied municipalities. However, falling is monitored in their yearly public health reports, with an indicator on the number of traumas due to falls per 10 000 inhabitants aged 65+. At 120 falls per 10 000 inhabitants, Švenčionys District Municipality is close to the Lithuanian average of 123, although the number of falls in 2020 was well below that of the previous years as the 3-year average ratio was 150 (Švenčionys District

Municipality Public Health Bureau, 2022[14]). Kaunas District and Panevėžys City Municipalities are also close to the OECD average, at 124 and 126 suffering trauma due to falls per 10 000 inhabitants aged 65+ suffered a trauma as a result of falling (Kaunas District Municipality Public Health Bureau, 2020[15]; Panevėžys City Municipality Public Health Bureau, 2021[16]).

Figure 2.18. One in five older people fell in the last six months and one-third is afraid of falling

Share of the population 65+ that reports to have fallen in the last six months (Panel A) and to fear falling (Panel B)



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

While comparable data on participation in health prevention programmes for older people are not available, the public health bureaus' yearly monitoring report does provide numbers on participation in four preventive health screenings that are provided free of charge – breast cancer, colon cancer, cervical problems and cardiovascular diseases. Participation rates of the target population of these preventive health programmes in Švenčionys District Municipality are among the lowest of any Lithuanian municipality. This is likely related to the fact that of only a fraction of people eligible to participate in these schemes effectively is informed about them (Švenčionys District Municipality Public Health Bureau, 2022[14]). Kaunas District Municipality faces low participation rates in preventive health programmes despite increased communication efforts (Kaunas District Municipality Public Health Bureau, 2020[15]). Panevėžys City Municipality, on the other hand, is among the best-performing municipalities in terms of participation in these preventive health screening programmes (Panevėžys City Municipality Public Health Bureau, 2021[16]).

Lithuanian public health initiatives are thus typically local, small-scale interventions, often pilots funded through EU projects and not sustained beyond the project deadline. They are usually evaluated based on process indicators such as programme participation, but not in terms of their health outcomes. Proper evaluation of programme outcomes would allow for improving both efficiency and effectiveness of preventive health efforts, and would provide a first step towards more sustained and institutionalised preventive health services (OECD, 2018[8]).

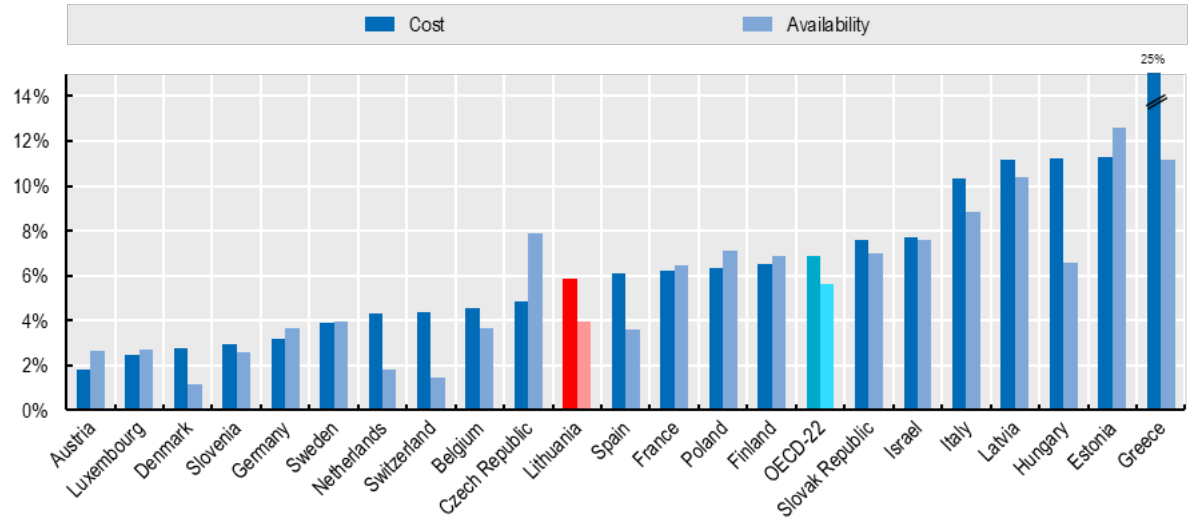
2.2.3. Access to health services

From a resilience perspective, access to health services is vital to receive adequate treatment in case of a health shock. Forgoing medical checks or care services may contribute to health deteriorating further,

which narrows options to participate in society. Hence, policies affecting both the availability and affordability of health and care services are important for active ageing and social inclusion of older people. Among Lithuanians aged 65+, 6% forwent health care or long-term care services due to their cost over the last year, just below the OECD average of 7% (Figure 2.19). This is the case despite most types of health care being free in Lithuania – be it with exceptions such as certain dental care procedures and some pharmaceuticals (OECD/European Observatory on Health Systems and Policies, 2021[4]) – although care services are generally not free (see sub-section on Long-term care). Availability, on the other hand, provided a barrier to such services for 4% of Lithuanians, compared to 6% in the OECD on average. This could be linked to long waiting lists to access specialists. In one survey in 2017, over one-quarter of patients had to wait more than four weeks for an outpatient specialist consultation, and another survey in 2018 found that waiting times for specialisations like cardiology, endocrinology and ophthalmology amounted to two to four months at most health care providers (OECD/European Observatory on Health Systems and Policies, 2021[4]). Due to long waiting lists, paying bribes to jump the line would not be uncommon in Lithuania (OECD, 2018[36]). With around one in 20 Lithuanians aged 65+ having foregone care or medical attention either due to costs or lack of availability, neither appears to be particularly problematic from a social participation perspective. Nonetheless, these numbers are as low as 3% on both measures in Austria, Denmark, Luxembourg and Slovenia and exceed 10% on both in Estonia, Latvia and Greece.

Figure 2.19. Fewer older people forego health-care services due to cost or availability than in the OECD on average

Share of the population 65+ that forwent health or care services in the last 12 months due to cost or availability, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Older Lithuanians indeed are at the OECD average in terms of number of consultations with a general practitioner, with an average of 4.3 consultations over the period of one year (Figure 2.20, Panel A). The average number of such consultations varies across OECD countries from around two per year in Finland and 2.5 per year in Sweden to around six in Austria, Belgium and Israel and even eight in Italy. It is not possible for people to make an appointment with a specialist directly, and instead they need a referral from a general practitioner. With an average of 2.3 consultations over the last year, older people indeed are less likely to consult a specialist in Lithuania compared to the OECD average of 3.1, although the Lithuanian average is comparable to that in Denmark, Estonia, Finland and France. Only in Latvia and Sweden do

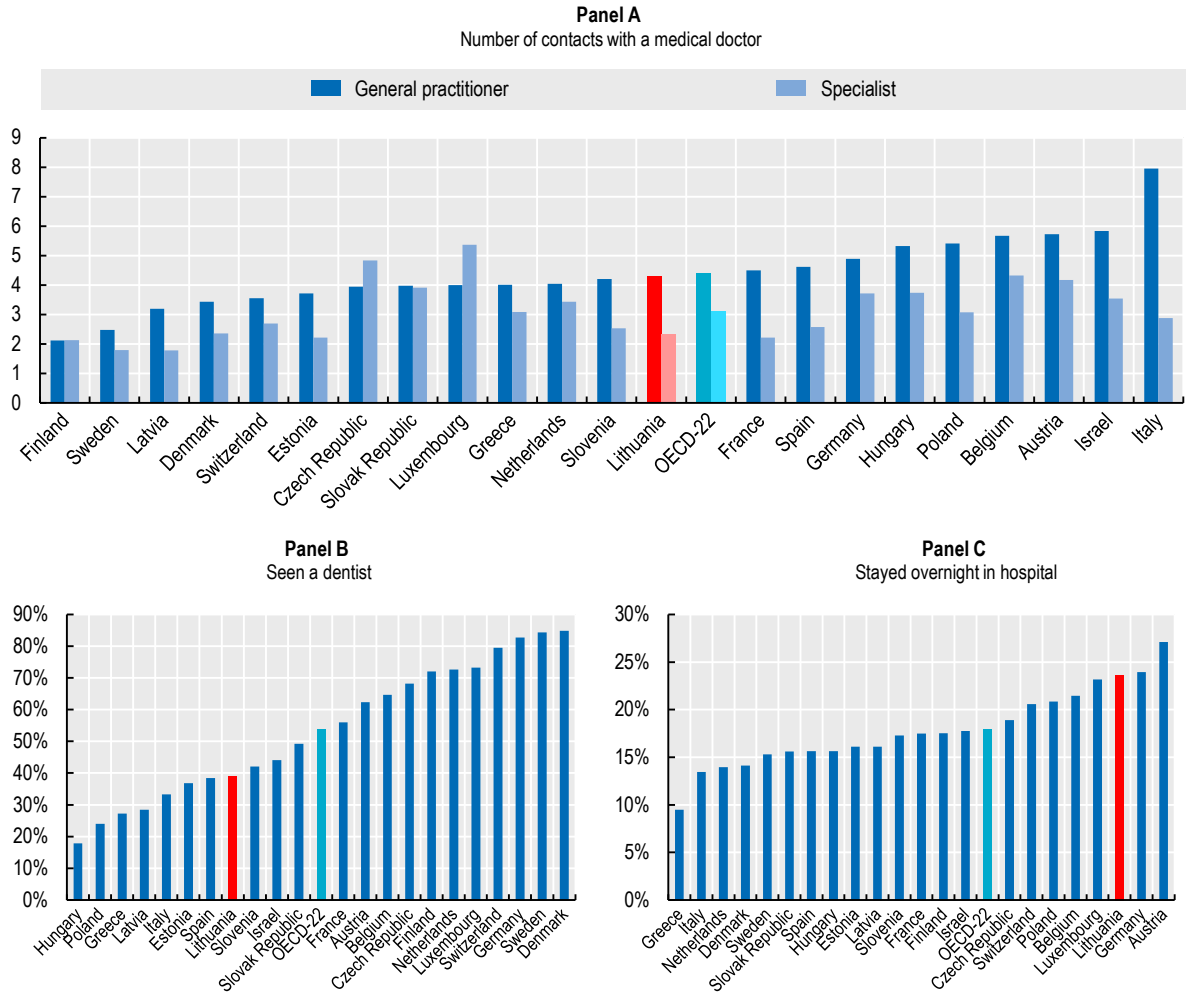
people aged 65+ consult a specialist fewer than twice per year on average, while the number of specialist consultations exceeds four in Austria, Belgium and the Czech Republic and even five in Luxembourg.

Lithuania also scores below-average in terms of dental care use (Panel B). The share of older Lithuanians who consulted a dentist over the last year is at 39%, compared to 54% in the OECD on average. Dental care use varies widely across the OECD however, ranging from below 25% in Hungary and Poland to over 80% of the older population in Denmark, Germany and Sweden.

Hospital care use, however, is rather high in Lithuania. Just under a quarter of the population (24%) aged 65+ has reported to have made an overnight stay at a hospital during the last year, a similar level to the one found in Germany and Luxembourg and slightly below the Austrian level (Panel C). This exceeds the OECD average of 18%. Indeed, health care in Lithuania remains hospital-centred despite older people preferring other forms of care (OECD, 2018[36]). At the other end of the spectrum, 9% of older adults in Greece has stayed in hospital during this period, and fewer than 15% of older people in Denmark, Italy and the Netherlands.

Figure 2.20. Average number of doctor's visits, large share of older people in hospital

Number of contacts with a medical doctor as well as share of the population 65+ that saw a dentist or stayed overnight in hospital in the last 12 months, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

The Lithuanian Health Strategy aims to improve the availability of health care and nursing services, and to provide services tailored to people's needs. In this respect, the document expresses a concern about the uneven geographical spread of doctors as they are largely concentrated in the cities whereas the biggest needs are 'in the surrounding districts'. Indeed, among the three municipalities in the study, the number of family doctors per 10 000 inhabitants was highest in Panevėžys City Municipality with a score of 6.5, although this remains below the country-wide score of 7.2 doctors per 10 000 inhabitants (Panevėžys City Municipality Public Health Bureau, 2021[16]). Švenčionys District Municipality and Kaunas District Municipality have 4.8 and 3.7 family doctors per 10 000 inhabitants, respectively, the latter being in the lowest quintile of municipalities on this metric (Švenčionys District Municipality Public Health Bureau, 2022[14]; Kaunas District Municipality Public Health Bureau, 2020[15]). Overall, Lithuania has a high number of doctors in international comparison: all types of physicians combined, there are 3.9 per 1 000 inhabitants in the EU on average and 4.6 doctors per 1 000 people in Lithuania, the fifth highest rate in the EU (OECD/European Observatory on Health Systems and Policies, 2021[4]).

Yet, a study on the geographical distances between elderships and hospitals providing surgery and internal medicine in Lithuania found no difference between people aged 65+ and younger generations in their proximity to such hospitals (Jaselionienė and Gurevičius, 2020[37]). The study does show that the eastern and southern parts of Švenčionys are among those furthest from these types of hospital treatments in Lithuania, and that the northern part of Kaunas District Municipality is relatively distant from such medical facilities as well.

Looking at the number of in-person consultations with people aged 65+, shows a wide variety across municipalities. Švenčionys is the municipality with the third lowest average number of in-person doctor visits in Lithuania, with 5.4 doctor visits per person aged 65+ (Table 2.1). That is about 2.5 doctor visits per year less than the average number for the whole of Lithuania. Kaunas District Municipality falls just below the country-wide average, and older people in Panevėžys City Municipality make almost one more visit than the Lithuanian average per year. In four municipalities, people aged 65+ consulted a doctor in person ten or more times. These municipal differences are not compensated through remote consultations: all three municipalities are just around the Lithuanian average of 3.6 remote consultations per person aged 65+. Nonetheless, use of remote consultations does vary across Lithuanian municipalities from an average of 1.5 per person aged 65+ in Skuodas to 5.0 per person in the city of Kaunas.

There is also wide variation in older people's dentist visits across municipalities. While Švenčionys and Kaunas District Municipalities are around the Lithuanian average with older people on average making half a dental visit per year, this ranges from 1.5 to 8.1 visits per ten older people. Panevėžys is second only to Šiauliai on this metric, with almost eight dentist visits per ten people aged 65+.

Table 2.1. Wide variation in access to health and care services across municipalities

Number of in-person doctor, dentist and nurse visits per person aged 65+, 2020

	Doctor visits	Dentist visits	Nurse visits at home
Lowest	5.16	0.15	0.16
Švenčionys	5.38	0.57	0.47
Kaunas District	7.46	0.47	0.71
Panevėžys	8.67	0.78	0.18
Highest	11.79	0.81	5.71
Lithuania	7.91	0.54	0.89

Note: All visits refer to in-person visits; nursing visits are limited to visits at home.
Source: Higienos Institutas, stat.hi.lt, Apsilankymų pas gydytojus/odontologus skaičius pagal regionus [Number of doctor / dentist visits per region]

2.2.4. Enabling environment

Even if a health shock materialises and results in chronical illness or disability, healthy ageing is still possible through an adaptive environment. Through provision of services, adaptions of the physical environment and provision of aids, the impact of disability and disease on a person's functioning and capacity to live independently can be reduced. Housing adjustments and appropriate public transportation services are part of the enabling environment, but are omitted here as they are discussed in the respective chapters.

Long-term care to support independent living

Long-term care consists of a range of medical, personal care and assistance services that are provided with the primary goal of alleviating pain and reducing or managing the deterioration in health status for people with a degree of long-term dependency, assisting them with their personal care (through help for activities of daily living, such as eating, washing and dressing) and assisting them to live independently (through help for instrumental activities of daily living, such as cooking, shopping and managing finances) (OECD, 2020[38]).

Given the focus on active ageing and social participation, this section does not deal with the medical side of long-term care and discusses only personal care and assistance services. In Lithuania, these services are regulated by the Law on Social Services. The aim of these long-term care services specified in the law is to provide assistance to people who do not have the ability to independently care for themselves and participate in society, in order to ensure independent living and social participation. The law aims to allow people to live in their own homes as long as possible.

One specific target group for long-term care services are people who reached the retirement age and are fully or partially disabled, as per a family doctor's assessment. The law divides long-term care services into two broad categories, general social services and special social services, and further divides the latter into two subgroups:

- *General social services* include information, counselling, mediation and representation, social and cultural services, organisation of transportation, organisation of catering, provision of necessary clothes and footwear as well as other services
- *Special social services* are available for people for whom general social services are insufficient to attain independent living or participate in society. There are 2 types of special social services:
  - *Social attendance*: services to people who do not require permanent attendance by specialists. This includes among others domestic help (10 hours per week), psychosocial support and accommodation in assisted living environments.
  - *Social care*: services providing comprehensive assistance to people who require permanent specialist care. Social care can be provided at home (although up to a maximum of 10 hours per day), in day care centres or in residential care institutions.

General social services and social attendance can be replaced by cash payments if the municipality deems doing so is more efficient and the concerned person agrees – although this rarely happens (see below).

A key principle in the law is that of subsidiarity: it stipulates that the state and municipalities should provide an enabling environment for individuals, families, communities and service providers, without taking over their responsibilities. Hence, the role of the Ministry of Social Security and Labour is limited mainly to general policy issues and quality control specifically in the area of social care, whereas municipalities are responsible for case management and organisation, including assessing people's needs and ability to pay, budgeting and procurement of long-term care services, as well as quality control of general social services and social attendance services. In principle, municipalities should leave the actual care provision to care providers, and are only allowed to establish care provision services themselves if existing providers are

incapable of providing sufficient services. However, municipalities in practice have been the main long-term care providers, although private providers are increasingly available (Lazutka, Poviliunas and Zalimiene, 2018[39]). The introduction of a system of service provider accreditation (see below) aims at further boosting private provision of services. Yet, municipalities often still act as both long-term care provider and care-quality assessor.

The large responsibility assigned to the municipalities in the area of long-term care affects the quality of services due to a lack of funds, qualified staff and economies of scale, and results in large discrepancies between municipalities in terms of service quality. The Lithuanian National Audit Office (2015[40]) noted in 2015 that most municipalities were unable to provide appropriate services to older people in their homes, and that not a single one managed to offer the full range of long-term care services at the time. Furthermore, the lack of competition in home care service provision generates little incentive to improve care-receivers' experiences and the quality of long-term care services (Lazutka, Poviliunas and Zalimiene, 2018[39]). In order to improve competition and service quality, the Law on Social Services was amended in 2020 by introducing an accreditation system for social-attendance providers and obligating municipalities to publish a list of recognised providers in their territory. The objective of these measures is to make it easier for people needing assistance to choose a provider, and allow the provider to be funded directly through a third-party payer system.

The assessment of care needs can be initiated by persons needing care or people close to them, or by the municipality. If other public services, such as police or health care providers, become aware of a person's potential needs, they have the duty to inform the municipality which can then initiate an assessment. Despite this procedure, the Lithuanian National Audit Office (2015[40]) points to the existence of non-take-up of long-term care services among older people. On the one hand, municipalities have too little information about the needs of their older citizens resulting in municipalities initiating fewer assessments. An outreach service intended to improve the detection of needs was introduced in 2022 as part of a wider set of preventive social services designed to assist individuals and families before their situation aggravates. On the other hand, potentially eligible people do not apply due to insufficient publicly-available information about the long-term care services provided and their providers, prices and waiting lists. Of the three municipalities studied, the information provided on their respective websites is limited. The information provided is legalistic and not presented in a very accessible way. Panevėžys City Municipality only provides information on how to apply for a service, and Kaunas District Municipality does not provide an overview of service prices on their website.

After the application is made, a municipal social worker assesses the person's needs and the extent to which long-term care services may compensate for them. Once services are granted, the social worker regularly makes a reassessment. Not only should the individual's interests and needs be considered in the assessments, also their family's capacity to provide care should be taken into account. The inclusion of the family in the assessment is not unproblematic. While the law does not say that the family has to provide care, it does allow a municipality not to provide (certain types of) professional care if the family is available. Given the inclusion of such vague notions in the assessment criteria, it is not surprising that the Lithuanian National Audit Office (2015[40]) observes a lot of discretion on the part of social workers in their assessment: as there are no criteria to determine which services are offered, legislation leaves much room for subjectivity. For instance, a person who is offered long-term care in an institution is often not given the opportunity to receive long-term care at home, despite the law prioritising staying at home.[32]

The municipality also executes a means test to determine the person's or family's ability to pay for long-term care services and thus the price of the services offered. General social services and social attendance

[32] While older people often have to pay a certain fee for home care services (depending on the municipality's pricing of services and a means test), stays in nursing hospitals are free for up to 120 days per year. Older people may thus have financial reasons to prefer institutional over home care, but this forms no sufficient ground to not provide home care as an option for older people.

are tested against the person's net income and that of other family members in the household over the last three months. Any personal income is taken into account, although some incomes are exempt including supplements to social security old-age and disability pensions, and social security widow's pensions. In the assessment of family members' incomes, certain types of capital income and social assistance are also excluded. In case of social care, the income test is supplemented by an asset test.[33]

For general social services, the law leaves it to the municipalities to decide how to determine the out-of-pocket price of a service based on the income test, although the price cannot exceed the cost and some services have to be provided free of charge (information, consultation, mediation and representation services). Moreover, both general and social attendance services are free for persons receiving social-assistance benefits or with an income of less than double the state-supported income (*valstybės remiamos pajamos,* EUR 147 per month in 2022), hence a threshold of EUR 294 per month in 2022.

Municipalities and service providers may also set the prices for special social services, but the law does determine the maximum an individual should have to pay over a certain period relative to the individual's income over that period:

- A person's payment for social attendance cannot exceed 20% of income.
- A person's payment for social care in a day care centre cannot exceed 20% of income if the person lives alone, or if the person lives with others and the household income does not exceed three times state-supported income per family member. Hence, other household members' incomes are taken into account in determining whether the 20% limit applies, but the 20% limit itself is applied only to the person's individual income. If the household income does exceed three times state-supported income per family member, then the payment for social care in a day care centre cannot exceed 50% of the person's individual income.
- A person's payment for long-term social care is also dependent on property. The price cannot exceed 80% of income for people living in properties with a low property value.

Table 2.2. Prices of long-term care services for older people differ across municipalities

Prices of selected social services for older people across municipalities, 2020

	Average price	Price in cheapest municipality	Price in most expensive municipality
Catering	EUR 1.61 per meal	EUR 0.33	EUR 5.00
Social attendance: Personal care	EUR 2.56 per session	EUR 0.76	EUR 8.95
Social attendance: Domestic help	EUR 4.80 per hour	EUR 1.18	EUR 8.34
Accommodation in home for independent living	EUR 10.67 per day	EUR 4.80	EUR 22.42
Social care at home	EUR 6.25 per hour	EUR 2.16	EUR 15.00
Social care in day care centre	EUR 4.08 per hour	EUR 1.36	EUR 9.20
Long-term social care in institution	EUR 813.64 per month	EUR 500.00	EUR 1635.85

[33] The test includes cash, investments, real estate, land, vehicles and agricultural machines subject to registration held in the 12 months before applying. Assets transferred to other persons or entities under maintenance contract or annuity are included.

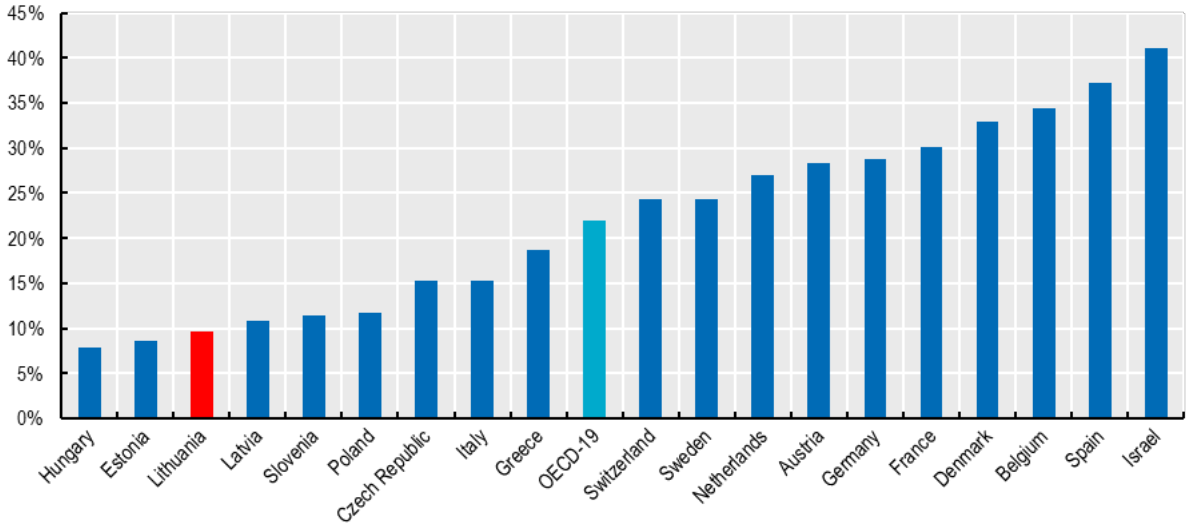
Note: The amounts referred to are the prices set for these services in various municipalities. Depending on individuals' and their households' income situation, out-of-pocket expenditure can be significantly lower or services can be delivered for free. The difference between social attendance and social care is whether or not permanent care is needed. Social attendance applies when care is not considered to be permanent whereas social care refers to permanent care. Personal care services largely correspond to help with ADL as this includes help with bathing, toileting and grooming, but it also encompasses doing laundry which is an IADL. Domestic help consists of IADL assistance up to a maximum of 10 hours per week including doing groceries, assistance with household chores and support with transportation.
Source: (Department of Social Services Supervision of the Ministry of Social Security and Labour, 2021 ([41])

The large freedom the law leaves to the sixty municipalities results in a wide variation in the services offered and the price older people have to pay for them (Table 2.2). Catering is 15 times more expensive in the municipality with the highest price compared to the one with the lowest price; for personal care that ratio is equal to 12 and for domestic help it is 7. Social care prices vary widely across municipalities as well: with a factor 7 for social care at home and in a day care centre, and with more than a factor 3 for long-term care in a residential institution. However, the diversity of out-of-pocket expenditures of older people across municipalities is likely to be significantly smaller due to the limits to individuals' payment specified in the law.

In sharp contrast to medical care use (see section on Access to health services), the use of home care services is very limited in Lithuania, despite one in four home-dwelling older Lithuanians facing health difficulties in performing daily activities (see section on Health status). Only 10% of people aged 65+ with at least one ADL or IADL limitation have received professional help at home for personal care – largely corresponding to help in the execution of ADL – over the last 12 months, a level similar to that in the other Baltic states, Hungary, Poland and Slovenia (Figure 2.21). In comparison, the OECD average is at 22%, while the share exceeds 30% in Belgium, Denmark, France and Spain and is even 41% in Israel.

Figure 2.21. Limited use of personal care services at home

Share of the population 65+ with at least one ADL or IADL limitation that received personal care services at home in the last 12 months, 2020



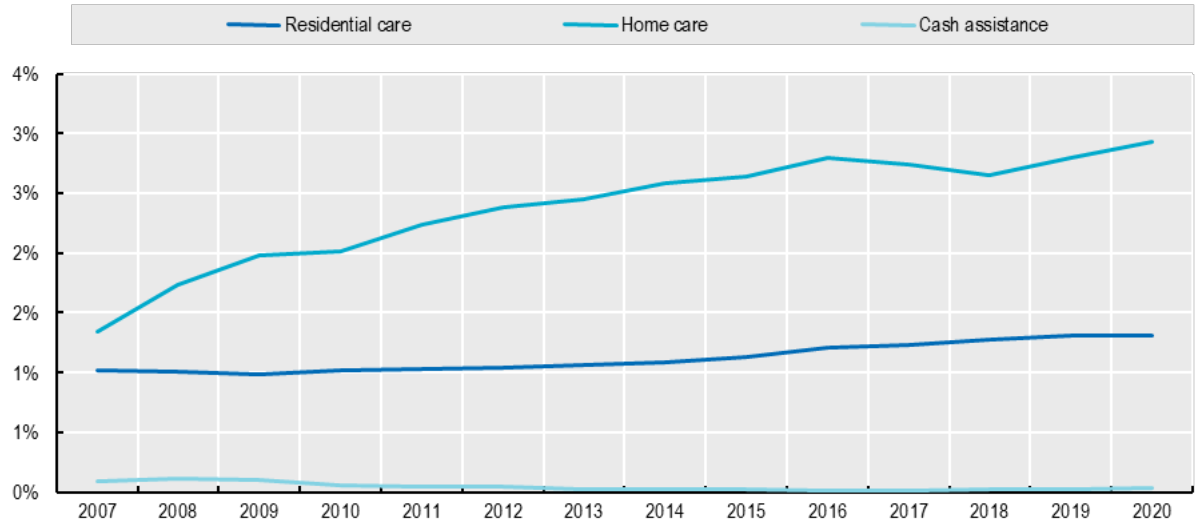
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

While personal care at home remains limited in international comparison, administrative data do show that the share of Lithuanians aged 65+ receiving long-term care services in the home has steadily been growing over the last decade and a half (Figure 2.22). While in 2007, it concerned only 1.3% of the older population, this share grew to 2.9% by 2020. Over the same period, residential care increased only slightly, from 1.0%

to 1.3% of the population aged 65+. Finally, the data show that long-term care service entitlements are rarely converted into cash benefits. In 2020, about 200 people drew long-term care support as cash benefits, a doubling compared to the five years prior.

Figure 2.22. Importance of home care in long-term care services is increasing

Share of the population 65+ by type of long-term care service received, 2007-2020

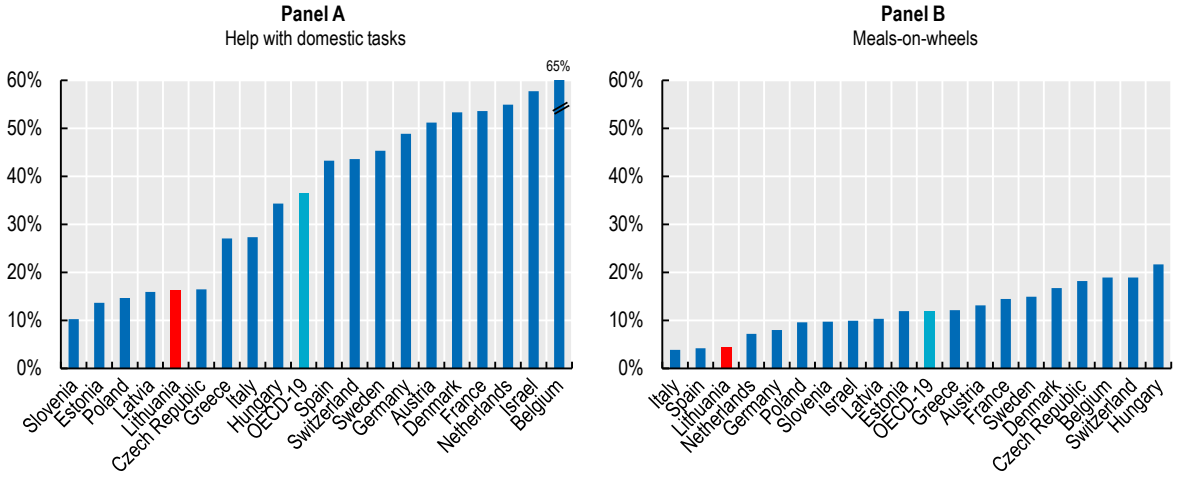


Note: Only benefits under the responsibility of the Ministry of Social Security and Labour are included. Cash assistance refers to people who are entitled to long-term care services but choose to replace them with cash benefits in agreement with the municipality.
Source: Data provided by the country.

Help with IADL is more common both in Lithuania and across the OECD. Professional help in executing domestic tasks is used by 16% of older Lithuanians with at least one ADL or IADL limitation and 36% of older people in the OECD on average (Figure 2.23, Panel A). Largely the same group of countries with low uptake of personal home care services also have low use of domestic help services: the Baltic states, the Czech Republic, Poland and Slovenia. In several countries, including Austria, Denmark, France, Israel, the Netherlands and Spain, more than half of older people with an activity limitation receive domestic help services, and in Belgium this even reaches 65%. Meals-on-wheels, a home delivery service for meals for people who have difficulties cooking, on the other hand, is markedly less used across the OECD: 12% of older adults with a limitation in ADL or IADL receive meals-on-wheels in the OECD on average (Panel B). This ranges from below 4% in Lithuania as well as Italy and Spain to around 20% in Belgium, the Czech Republic, Hungary and Switzerland.

Figure 2.23. Limited use of domestic help and catering services at home

Share of the population 65+ with at least one ADL or IADL limitation that received domestic help and catering services at home in the last 12 months, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

The low share of older people reporting to have forgone health or social care due to a lack of availability (see section on Access to health services), in combination with a high share of functional difficulties and few people making use of care services, may confirm that people are insufficiently aware of the services they could possibly be entitled to. The high amount of hospitalisations (see section on Access to health services) may then indicate a substitution effect.

Another factor may be the lack of skilled staff to provide long-term care services. Indeed, Lithuania has relatively few nurses compared to the EU average (OECD/European Observatory on Health Systems and Policies, 2021[4]) and has a high share of nurses who emigrated compared to other OECD countries (Socha-Dietrich and Dumont, 2021[42]). The annual monitoring reports by the public health bureaus include information on the number of nurses. With 12.2 nurses per 10 0000 inhabitants in Lithuania, Švenčionys District Municipality (14.0) [34]and Panevėžys City Municipality (15.6) score above the Lithuanian average (Švenčionys District Municipality Public Health Bureau, 2022[14]; Panevėžys City Municipality Public Health Bureau, 2021[16]). Kaunas District Municipality, however, counts only 5.9 nurses per 10 000 inhabitants, which is half the national score and places the municipality in the lowest quintile on this metric (Kaunas District Municipality Public Health Bureau, 2020[15]).

There is also a large municipal variation in the number of nurse visits at home per older person. Here, Panevėžys scores the second lowest in comparison with all other Lithuanian municipalities, with only 1.8 home visits per 10 people over 65 in 2020 average (Table 2.1). Also Švenčionys and Kaunas District Municipalities remain below the Lithuanian average of 8.9 visits at home per 10 older adults. Three municipalities have an average over three visits per older person, one of which, Kelmė, even exceeding five visits per older person.

[34] There appears to be an error in the absolute number in the source. It notes a total of 112 nurses, which would result in a ratio of 49.2 nurses per 10 000 inhabitants. Based on the reported number of family doctors and the number of nurses per doctor, the municipality would instead have 32 nurses, which appears to be more realistic in a comparative perspective.

Material support

Assistive devices can help ensure that a physical limitation does not result in a loss of capacity. Through glasses and hearing aids, for instance, degrading eyesight or hearing can be compensated. As loss of eyesight and hearing can hamper social participation in a number of ways – reducing options for communication, increased risk of falling or accidents when going out –, such technologies can meaningfully contribute to social participation. Other devices such as walking canes or wheelchairs can minimise the effect of disability on a person's mobility.

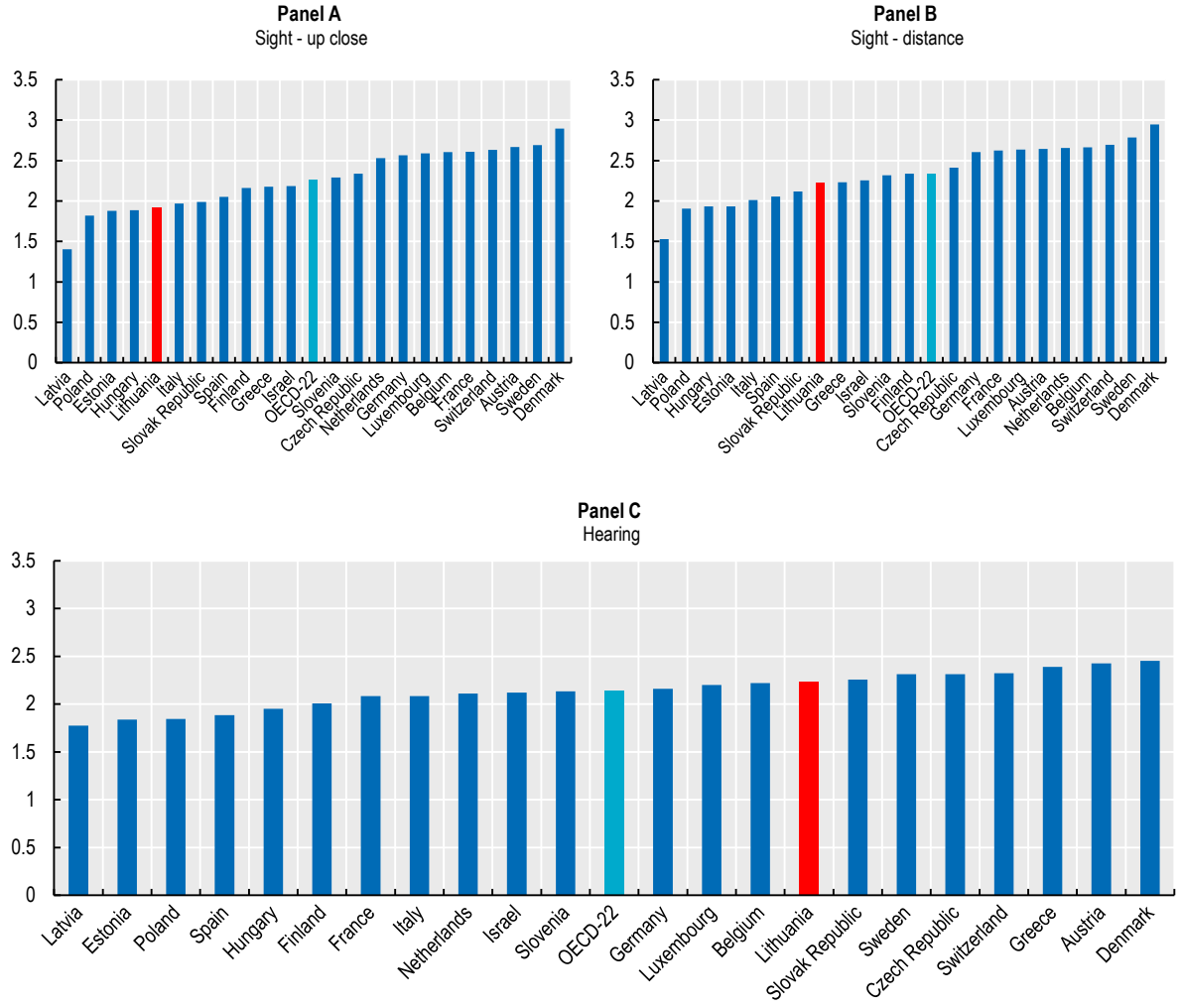
Lithuania freely provides assistive devices for mobility, vision, hearing, communication or other needs of persons with disabilities or partially reimburses the cost of acquiring them. The need for an assistive device should be determined by a physician. Most requests for material support are indeed confirmed: in 2018, 93% of requests were fulfilled.

In a self-assessment of quality of eyesight and hearing when using aids like glasses or hearing aids as usual, particularly eyesight up close, such as for reading, is relatively poorly rated. With an average score of 1.9 on a five-point scale ranging from 0 ('poor') to 4 ('excellent') and 2 being 'good', older Lithuanians scored below the OECD average of 2.3 (Figure 2.24, Panel A). In terms of distant vision, however, Lithuania is around the OECD average (Panel B). For both eyesight measures, Hungary, Poland and the other Baltic states, in particular Latvia, have the worst scores, whereas Denmark and Sweden have the most positive self-evaluations. In terms of hearing, Lithuanian older people score just above the OECD average (Panel C). While international differences are less pronounced in terms of quality of hearing, also here, Estonia, Latvia and Poland are found at the low end of the scale and Denmark at the high end.

In terms of mobility supports, Lithuania has a comparatively high share of older people using cheaper walk-supporting aids such as canes and frames, whereas use of more expensive walking-replacing aids such as wheelchairs and mobility scooters is very limited. Looking at the older people who have problems walking 100m (see section on Health status), 68% has a walking cane or frame in Lithuania, above the OECD average of 61% and among the highest rates in the OECD (Figure 2.25). The only countries with a higher rate are Finland and Hungary, where over 70% of older people who have difficulties walking use a cane or frame. Italy is the only country where less than half of the older population with difficulties walking uses such an aid, and also the other Baltic states, Slovenia and Spain are around 50%.

Figure 2.24. Eyesight for reading is below average

Self-assessed quality of eyesight and hearing when using aids as usual on a five-point scale among people aged 65+ (0 = poor, 4 = excellent), 2020



Note: Self-assessed sight and hearing when using aids (e.g. glasses, contact lenses, hearing aids) as usual. The graphs show average scores on a five-point scale (0. Poor, 1. Fair, 2. Good, 3. Very good, 4. Excellent).
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

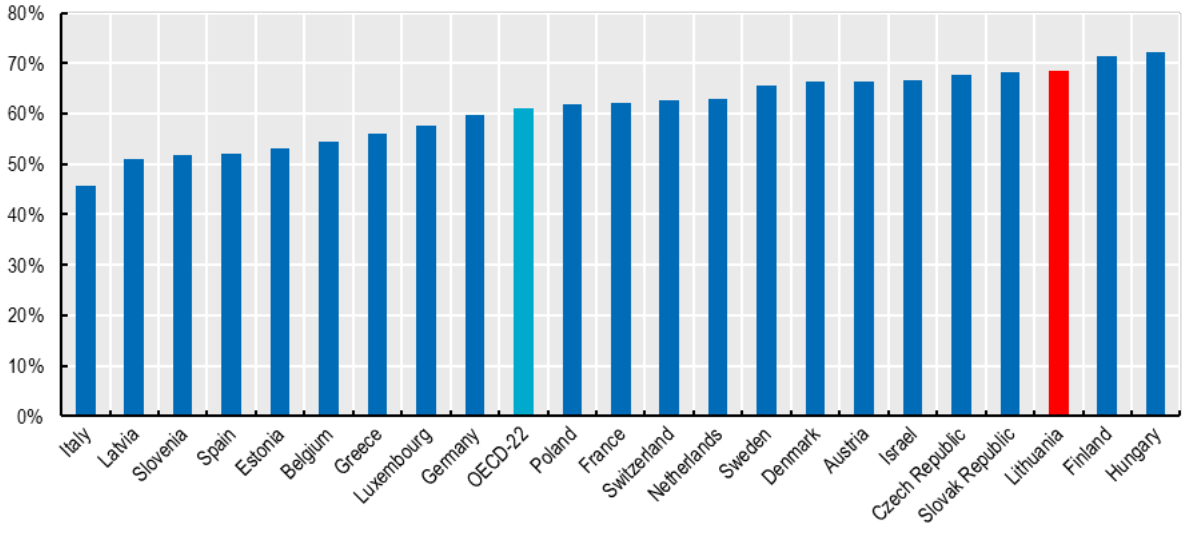
At the same time, only 6% of older people with problems walking make use of a wheelchair or mobility scooter in Lithuania, which is well below the OECD average of 15% and among the lowest in the OECD (Figure 2.26). Latvia has the lowest share with only 3%, and also Finland, Greece, Hungary and Switzerland are found in the 5%-7% range, well below all other countries. At the same time, over one-quarter of older people with difficulties walking 100m make use of a wheelchair or mobility scooter in Denmark, Israel, Luxembourg and the Netherlands.

There is no correlation between the share of older people with walking difficulties using a cane or frame in a country and the share using a wheelchair or mobility scooter ($\rho = 0.05$), meaning that countries generally do not treat these aids as substitutes. However, it is striking that the top-three countries in terms of walking cane and frame use, Finland, Hungary and Lithuania, are also the countries with the lowest use of wheelchairs or mobility scooters – with the exception of Latvia. This could indicate that walk-supporting aids such as walking canes and frames and walk-replacing aids such as wheelchairs and mobility scooters

are perceived as substitutes in these countries. If perceived as substitutes, walk-supporting aids can be preferable as they are cheaper and support an active lifestyle. On the other hand, countries such as Denmark and Israel have elevated usage levels of both types of aids, which suggests that walk-supporting and walk-replacing aids can act as complements rather than substitutes, used for transport over different distances or support for different activities.

Figure 2.25. Two-thirds of people with difficulties walking use a walking aid

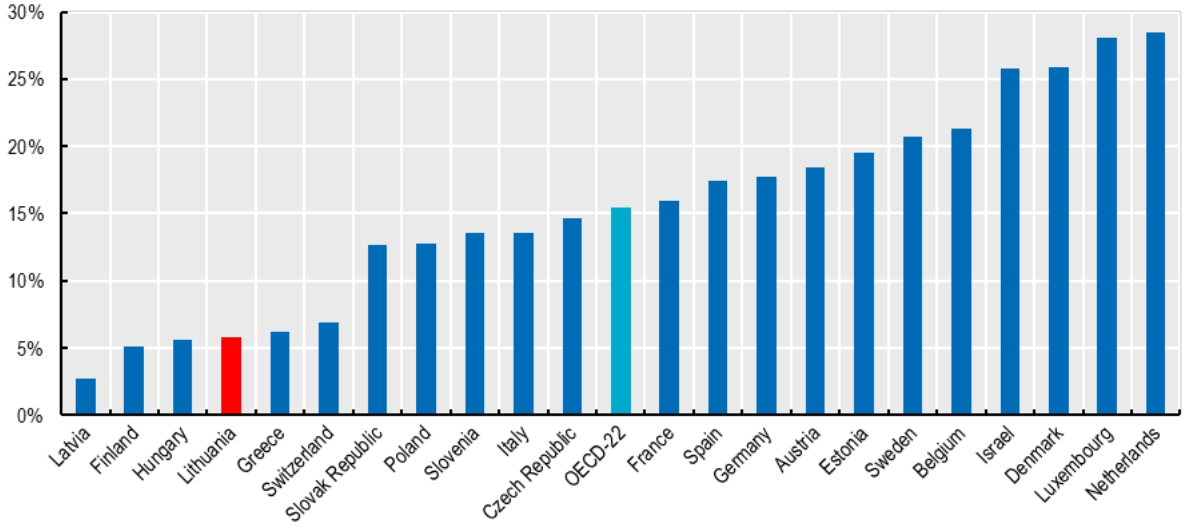
Share of the population 65+ with difficulties walking 100m who use a walking cane or frame, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Figure 2.26. Very few people use a wheelchair or mobility scooter

Share of the population 65+ with difficulties walking 100m who use a wheelchair or mobility scooter, 2020

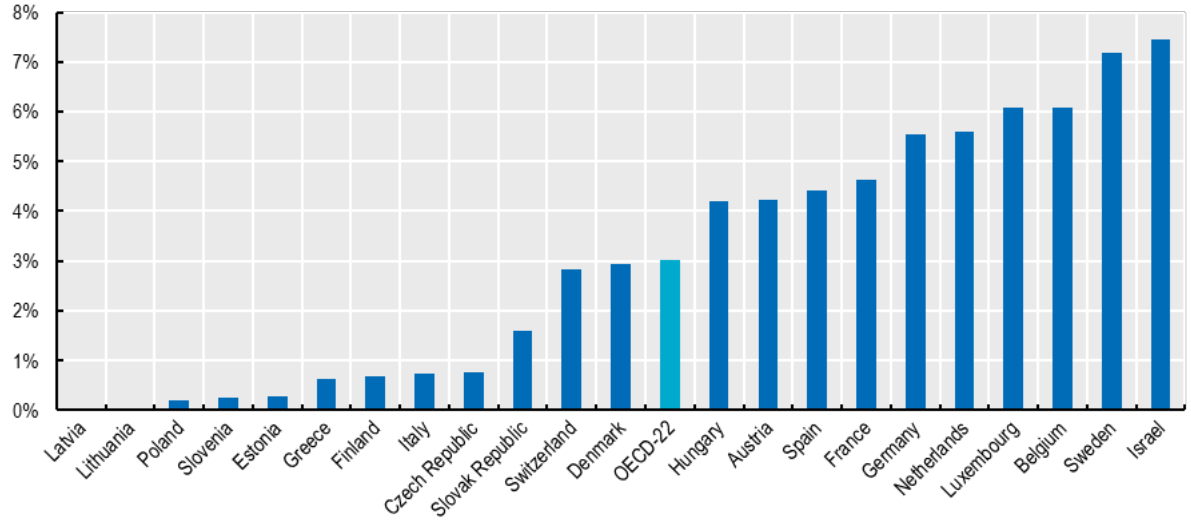


Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Finally, personal alarms may contribute to older people's independence. In the knowledge that help is available if needed, older people may be less inclined to engage in activities of which they are unsure whether they are within their physical capacity. Personal alarms remain virtually unused in Lithuania (Figure 2.27). In fact, not a single Lithuanian respondent aged 65+ in the survey declared to make use of an alarm. Across the Baltic states, Poland and Slovenia, personal alarms are barely used; and also in the Czech Republic, Finland, Greece and Italy, coverage remains below 1%. In contrast, more than 7% of older people are equipped with an alarm in Israel and Sweden, and coverage also exceeds 5% in Germany and the Benelux countries. Across the OECD, on average 3% of older adults have a personal alarm.

Figure 2.27. Personal alarms virtually not used in Lithuania

Share of the population aged 65+ using personal alarms, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

2.2.5. Key findings

- Older people in Lithuania are in poor health compared to those in other OECD countries: life expectancy at age 65 is among the lowest and is even the lowest for men; perceived health is the poorest in the OECD as only one in ten people aged 65 or older declares to be in good or very good health; and, a comparatively high share of older people report that health problems limit their daily activities.
- The share of people reporting to be limited in at least one of the activities of daily life or instrumental activities of daily life is at the OECD average, but half of these people say that their long-term care needs are not met, which is among the highest levels in the OECD.
- Improving older people's lifestyles would generate health gains. The share of older men smoking is very high and the share of older people being overweight is elevated as a result of comparatively less healthy diets and lower levels of physical activity.
- A very high share of older people have recently fallen, which is an important health risk. Moreover, it contributes to the high level of fear of falling, which can discourage people from living active lives.
- As preventive health is largely the responsibility of local public health bureaus, programmes and initiatives vary across municipalities. While such variation allows for experimentation, a proper evaluation framework and strategy to roll out successful interventions is lacking.

- While the use of medical specialists and dentists is below average, hospitalisation rates of older people are very high despite older people generally preferring other forms of health care. Insufficient availability and affordability of health and dental care services do not form major obstacles to using these services.
- Prices of specific long-term care services differ strongly between municipalities.
- Although steadily rising, the use of long-term care services at home – personal care, domestic help and meals-on-wheels – remains very low despite a commitment to facilitating people to stay in their own homes for as long as possible.
- Few people with walking difficulties use a wheelchair or mobility scooter. At the same time, canes and walking frames are widely used. However, walk-supporting and walk-replacing aids are not substitutes, but rather complements providing mobility in different situations.
- Personal alarms, which provide easy access to help for people living independently, are barely used.

2.3. Housing and transport

Social participation has a strong spatial component: social gatherings take place in a certain space and are constrained by it. One can meet others in the privacy of one's own home, in the immediate environment or further away. This chapter starts by dealing with the home and the immediate environment, before covering issues of transport to more distant places. It concludes with an overview of key findings.

2.3.1. Housing

A person's home is core to social participation both as a space for closer social contact itself and as the point of departure to meet people elsewhere. In order to go outside to meet people, it is paramount that people can go around their own homes, fulfil their basic needs and live up to social norms in terms of hygiene. Moreover, a home should facilitate doing so with minimal hazard, as unsafe situations and fear of falling may discourage people from wanting to go out in the first place. Beyond the home itself, also the immediate environment should provide a feeling of safety and security for people to go out.

The Active Ageing Index (AAI) includes two housing-related indicators in the dimension on independent, healthy and secure living. The share of persons aged 75 and older living in single or couple households is used as a proxy for older people's capacity to live independently in their own home. It is essentially based on the assumption that the fact that older people live without others in the household means that there is no need to rely on informal support for fulfilling basic needs. This is obviously a strong assumption as it can also reflect that there is insufficient residential-care capacity for people in need. The second dimension refers to the home environment, and comprises the feeling of safety to walk in the neighbourhood after dark.

Disentangling the social and the physical environment of the own home, this section has three subsections: the first subsection provides a brief overview of the living arrangements of older people including the household structure; the second deals with the accessibility of housing and the third with the accessibility of the environment. Although questions of accessibility and affordability of housing are linked, the latter is not dealt with here as it is covered in the OECD's ongoing Affordable Housing review of Lithuania.

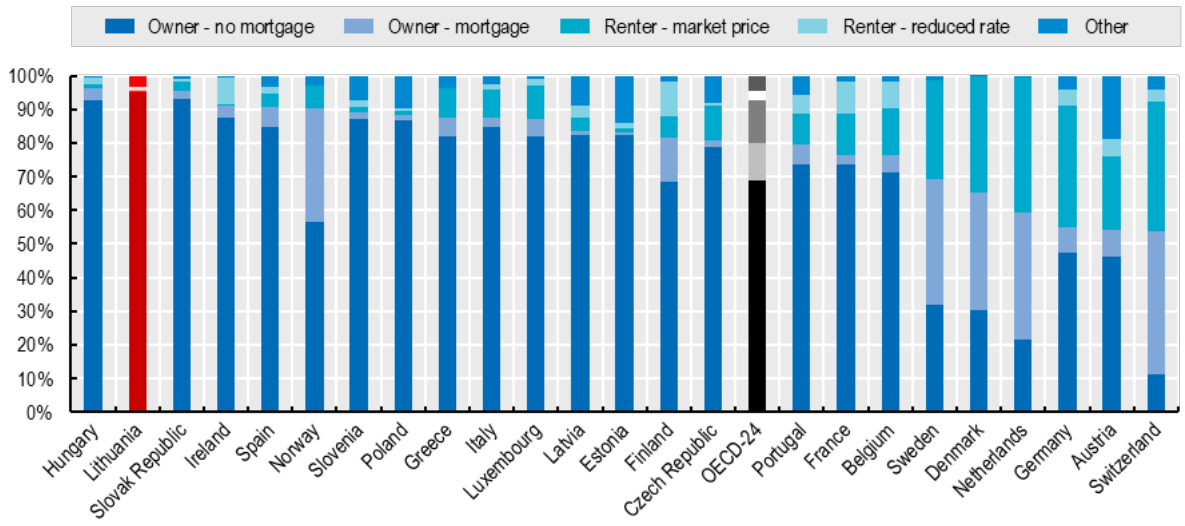
Living arrangements of older people

Housing tenure may affect people's capacity to live an appropriate housing as it is easier to make the necessary adjustments to one's dwelling in case of disability of the person with disability is the owner of the dwelling. On the other hand, a person renting a dwelling could more easily move to a more appropriate

dwelling provided that such dwellings are available. The rate of home ownership among older Lithuanians is among the highest in the OECD: 96% of people aged 65+ own their property, compared to 80% in the OECD on average (Figure 2.28). Home ownership among older people is equally high in Hungary and the Slovak Republic, whereas fewer than six in ten older people in Austria, Germany, the Netherlands and Switzerland are owner-occupiers. Correspondingly, very few older people in Lithuania are tenants: about 1% of older people live in a rented dwelling, the lowest rate in the OECD although similarly low levels are found in Estonia, Hungary, Poland, the Slovak Republic and Slovenia. On average across the OECD, 16% of people aged 65+ are tenants, with over 40% of older people living in rental housing in Germany, the Netherlands and Switzerland. The remaining 3% of older Lithuanians are classified neither owners nor tenants. This includes among others people who stay in accommodation owned by someone else rent-free – for instance older people living with one of their children –, as well as people who are not willing to disclose information on their home tenure. The share of older people who are neither owners nor tenants exceeds 10% in Austria, Estonia and Poland. Across the OECD, 4% of older people on average neither own nor rent their accommodation.

Figure 2.28. Very high share of home ownership among older people

Population aged 65+ by housing tenure, 2019

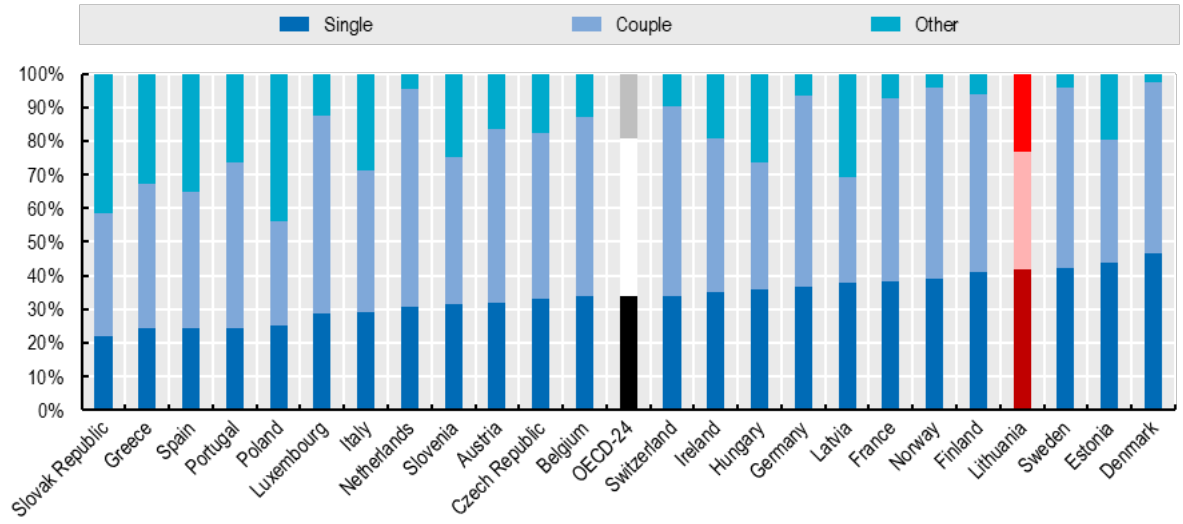


Source: OECD calculations based on EU-SILC

Lithuania has a high share of older people living alone, just like in the other Baltic and Nordic countries. Four in ten older Lithuanians (42%) live alone, compared to 34% in the OECD on average and less than one-quarter of older people in Greece, Spain and the Slovak Republic (Figure 2.29). At the same time, comparatively few Lithuanians aged 65+ live with their spouse or partner, reflecting the high inequality in life expectancy between men and women (Chapter 2): 35% compared to 47% in the OECD on average. The rate of older people living together as a couple is only lower in Latvia and Poland, at 31%, while it is as high as 65% in the Netherlands. The remaining 23% of older Lithuanians share a household with someone who is not their partner or live in a household consisting of more than two people. This mainly consists of people who live with (one of) their children: 88% of older Lithuanians in this group live in a multi-generational household (see below). The share of older people who neither live alone nor live only with their partner is somewhat above the OECD average of 19%, but well below the rate in Poland (44%). In the Slovak Republic and Spain, this also applies to over one-third of the population aged 65+. In the Scandinavian countries and the Netherlands, in contrast, this concerns less than 5% of the older population.

Figure 2.29. Four in ten older people live alone

Population aged 65+ by household structure, 2019

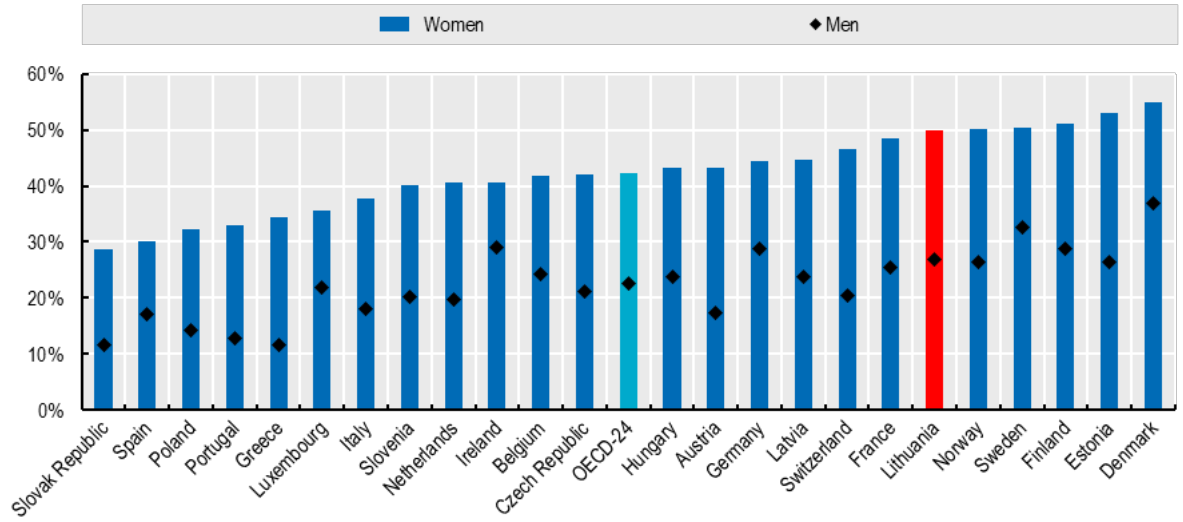


Source: OECD calculations based on EU-SILC

The big gender gap in life expectancy at 65 in Lithuania (Chapter 2) translates into a high share of older women living alone. Half of women (50%) and 27% of men above age 65 live alone, above the respective OECD averages of 42% and 23% (Figure 2.30). At least half of older women also live in a single-person household in Estonia and the Nordic countries, whereas the rate is below one-third in Poland, Portugal, the Slovak Republic and Spain. Among men, living alone is particularly prevalent in Denmark and Sweden, with a rate of one-third or more, and it is least prevalent in Greece, Poland, Portugal and the Slovak Republic, where it is below 15%.

Figure 2.30. Women are almost twice as likely to live alone in old age

Share of population aged 65+ living alone by gender, 2019

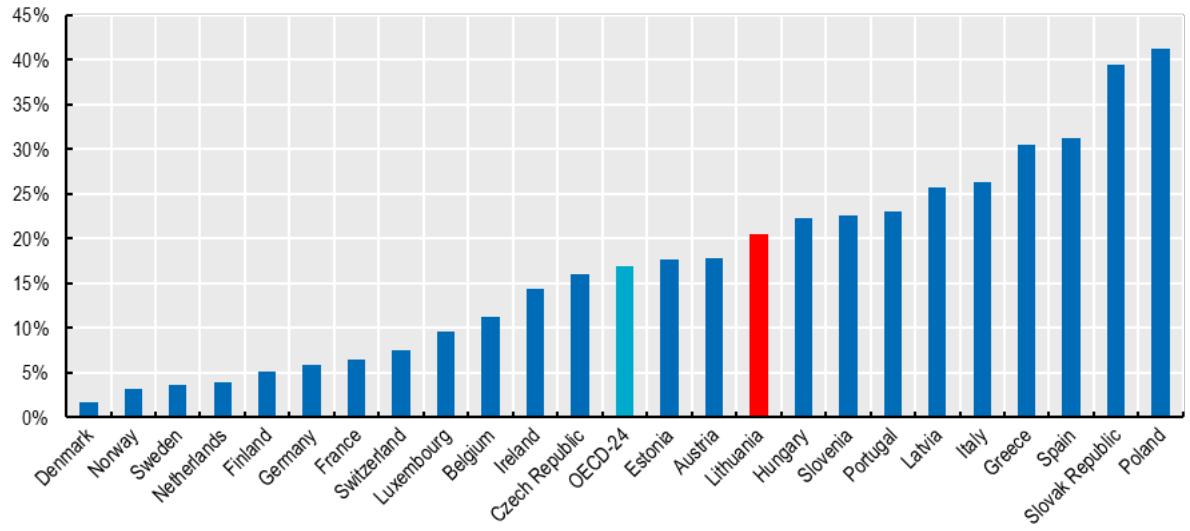


Source: OECD calculations based on EU-SILC.

Living in a multi-generational household is somewhat more common in Lithuania than in the OECD on average. In Lithuania, 20% of people aged 65+ live in a multi-generational household, compared to an OECD average of 17% (Figure 2.31). Lithuanian women are slightly more likely to live in a multi-generational household in old age (22%) than men are (17%). The rate of older people living in a multi-generational household varies widely in the OECD, ranging from 5% or less in the Netherlands and the Nordic countries to around 40% in Poland and the Slovak Republic.

Figure 2.31. One in five older Lithuanians live in a multi-generational household

Share of population aged 65+ living in a multi-generational household, 2019



Source: OECD calculations based on EU-SILC

Around one-third of people aged 65-79 live alone in Švenčionys District Municipality, increasing to 45% among the population 80+ (Table 2.3). In this municipality, more than half of people older than 65 live in multi-generational households, potentially related to the close proximity to Vilnius allowing people of working age to reside with their parents while commuting to the city for work. Multi-generational households may have a number of advantages: beyond facilitating informal care for both children and older adults (Burgess and Muir, 2020[1]), intergenerational households can contribute to reducing child poverty (Verbist, Diris and Vandenbroucke, 2020[2]) as well as ageism if it leads to positive intergenerational contact (Marques et al., 2020[3]). The AAI treats intergenerational cohabitation as a lack of capacity for independent living. This is justified to the extent that intergenerational cohabitation is a necessity for care provision or for reducing the cost of living.

Adequate housing supports social participation of older people by providing a setting for social interactions as well as help if needed. Multi-generational households are one way to provide social contact and support for older people. Moreover, older people can take on duties such as providing childcare within such households. Yet, older people can experience some aspects of living in a multi-generational household as suboptimal, among others because it leaves little room for privacy. Moreover, multi-generational households are penalised in the AAI, as living alone or as a couple is used as an indicator of independent living in the index – the underlying assumption being that older people generally have a preference for other solutions to their care needs than living together with one of their children, so the prevalence of multi-generational households signals the absence of alternative ways to meet care needs.

Table 2.3. In Švenčionys, a large share of older people lives in multi-generational households

Household composition of people aged 65+ in Švenčionys

	Švenčionys	
	65-79	*80+*
Number of people	3 749	1 420
Share living alone	32.8%	45.1%
Share of people 65+ living in…		
Two-generation household	43.4%	
Three-generation household	12.0%	

Note: No data are available for Kaunas District Municipality and Panevėžys City Municipality.
Source: Data provided by the municipality.

Co-housing of older people can take many alternative forms that accommodate these drawbacks of multi-generational households. Kangaroo housing closely resembles a multi-generational household, except rather than sharing a household, a nuclear family and their (grand)parents occupy two separate apartments in the same building, providing the same opportunities for mutual support as a multi-generational household while providing both the older people and the nuclear family some privacy. Accessible living units with common areas suitable for social interactions are an alternative form of co-housing, whether in the form of apartment buildings with a common area, houses surrounding a common courtyard or larger sites with shared facilities. These can cater specifically to older people or people with care needs, such as service flats or retirement villages, or can bring together people of different ages, which could contribute not only to improving social participation of older people but also to reducing ageism through providing opportunities for positive intergenerational contact (Marques et al., 2020[3]). Senior co-housing as well as intergenerational co-housing are indeed considered promising pathways for promoting social inclusion and improving quality of life of older people (Buffel and Phillipson, 2018[4]). There is indeed some evidence that co-housing would indeed have positive effects of co-housing on different aspects of health, well-being and social inclusion. Yet, the design of most studies evaluating the effects of co-housing on older people do not allow for an assessment of causality, meaning that it is not clear whether these positive effects are the consequence of co-housing itself or rather of the type of people who would join co-housing projects (Carrere et al., 2020[5]; Warner, Sutton and Andrews, 2020[6]). In Lithuania, initiatives on co-housing are left to private individuals and organisations, and neither the state, nor the three selected municipalities have policies promoting co-housing for older people. One concrete example of a private initiative in the area is the project Dignified Home (Box 2.2).

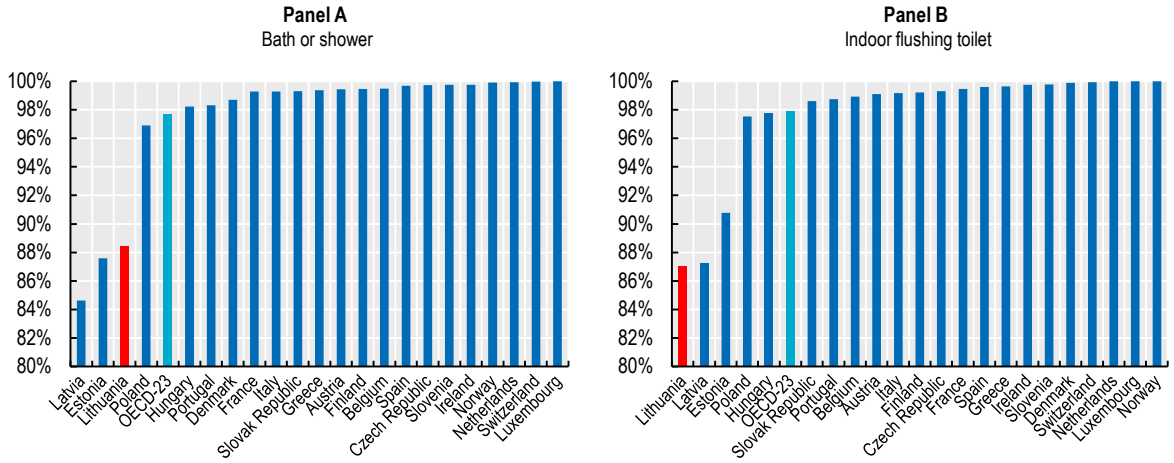
Box 2.2. Project 'Dignified Home'

Dignified Home aims to provide older people with a safe and social living environment through providing adapted apartments with common areas. The project targets older people in need of adapted housing, who feel lonely in their current home but want to continue living independently. While the project is not unique in providing small-scale co-housing opportunities embedded in the community – for instance, the French company Senior Group is also developing single-floor accessible houses for older people to live together in Lithuania – it stands out in its financing: homeowners can pay rent or fund their stay by letting the organisation rent their home during their stay. The older person retains full ownership of their property and can return to it if they want. The first project consists of four accessible ground-floor apartments with a common area in Vilnius, located near essential services such as shops, public transport and a hospital, with on-call assistance provided. A second project is currently under development in the suburban Alytus District Municipality.

A final fundamental aspect of older people's living arrangements is basic sanitation. Given the importance of living up to hygiene norms for being able to maintain a social life, it is problematic that a significant minority of older people still lack some very basic sanitary facilities in all Baltic states. In Lithuania, 12% of people aged 65+ do not have a bath or shower in the dwelling in which they live (Figure 2.32, Panel A), and 13% lack an indoor flushing toilet (Panel B). These numbers are similarly low in the other Baltic states. With the exception of Poland, where around 3% of older people lack a bath or shower, in all other countries around 2% or less of the older population do not have a bath or shower or an indoor flushing toilet in their homes.

Figure 2.32. Some older people lack basic sanitation

Share of the population 65+ living in a dwelling with a bath or shower (Panel A) and an indoor flushing toilet (Panel B), 2019



Source: OECD calculations based on EU-SILC

Accessibility of housing

'Age-friendly' housing can refer not only to co-housing, but also to adapted homes (van Hoof et al., 2021[7]). The Lithuanian ambition to facilitate older people to remain in their own homes for as long as possible as

expressed in the Law on Social Services requires that homes are adapted to the needs of older people. Indeed, for people to be able to maintain their social lives as their health and functional abilities decline, the environment they live in should be adapted to their capabilities. Accessibility of housing is improved in two ways in Lithuania: the impact of declining health on a person's ability for living independently is reduced, on the one hand, through the application of universal design principles during construction and renovation of housing, and, on the other hand, through adapting existing dwellings as occupants' needs increase.

Improving accessibility of new dwellings: universal design

Universal design is a way to make homes and their immediate environments safer and easier to access for older people. It refers to barrier-free design of housing and public spaces with the aim to ensure that housing and all other aspects and activities of everyday life are accessible to people of a wide range of characteristics, including age, height and type of disability (Plouin et al., 2021[8]). In its Long-Term Renovation Strategy, Lithuania expresses the ambition to make its entire building stock in line with the principles of universal design by 2050. The principle is enshrined in the Lithuanian Law on Construction, which specifies that the application of the principle means that buildings should be accessible for, among others, older people and people with disabilities, without a need for further adaptations. The principle has to be adhered to when building or renovating residential buildings with at least three or more apartments or collective living facilities (e.g. care homes). It is common practice across the OECD to enforce accessibility rules only for multi-family dwellings, although in most countries they only apply to new buildings with only few OECD countries also applying these rules to renovations as well, including France (Plouin et al., 2021[8]).

As some needs or disabilities are less common than others, a truly universal design making all buildings accessible to all people is not cost-efficient, if at all possible. Elaborate disabled accessibility standards can indeed significantly increase the cost of constructing new housing units. Hence, rather than enforcing universal design in its entirety, accessibility standards in construction typically incorporate universal design elements. These refer in particular to measures that are not very costly when taken into account at the design stage but could be very expensive when they have to be implemented into an existing building (e.g. width of doors and corridors, floor space in kitchen or bathroom). At the same time, elevators are essential to ensure accessibility of all apartments in multi-storey buildings – the lack of elevators in apartment blocks and public buildings would be one of the main barriers disabled people face in Lithuania according to representatives of the associations of disabled people. As a result, the implementation of the principle of universal design varies strongly across countries (van Hoof et al., 2021[7]). While the principle of universal design is not turned into a detailed set of regulations in Lithuanian law - leaving developers much freedom in deciding how to implement the principle - a technical regulation connected to the Law on Construction does specify, among others, that the entrance door of a dwelling as well as the door of an elevator should be at least 85cm wide, that the surface area of the kitchen should be at least 9m^2, and that ground floor[35] apartments and apartments accessible by lift should be built in a way that allows for easy adaptation in case special needs arise. These basic accessibility rules in combination with the requirement to build in a way that makes future adaptations easily feasible can be a cost-effective way to ensure appropriate housing for older people and people with disabilities – at least on the condition that supplementary adjustments can quickly be implemented as needs arise.

Improving accessibility of existing dwellings: housing adaptations

Under the Lithuanian Law on Social Integration of Persons with Disabilities, special needs are determined regardless of age of the person. However, the main document regulating the adaptation of housing for

[35] The ground floor is referred to as the first floor in Lithuania.

persons with disabilities prioritises certain groups for housing adaptations, in the following order: children below 18 years old have the highest priority, followed by permanent care recipients who are prescribed dialysis, people in formal education, and finally employed and self-employed people. Hence, only older people with prescribed dialysis and in need of permanent care are included in these groups. Older people who do not fit into these categories can also qualify for housing adaptations in case of need, but they are not prioritised.

The basic principles of the law include the encouragement of people with disabilities to live independently and administrative decentralisation. The law applies to both residential and non-residential buildings as it aims to provide a physically suitable environment for disabled people in all spheres of life. Municipalities, building owners (landlords or owners of non-residential buildings) and users (i.e. tenants in the case of residential buildings) have a shared responsibility for implementing a suitable environment – although this responsibility is a moral one as the law does not foresee in sanctions in case a suitable environment is not guaranteed. To realise a suitable environment in people's homes, needs should be determined individually for each person with a disability, accounting for the person's health and ability to perform all activities necessary to live independently.

According to housing-adaptation regulations, adaptation should be specific to the needs of the disabled individuals and should apply to both the dwelling and its entrance and, in an apartment building, the common areas. Housing adaptations are made to the permanent residence, irrespective of whether the disabled person is an owner-occupier or a tenant.[36]

People above the retirement age are entitled to housing adaptations if they are assessed as having special needs. Minors and people of working age are entitled to adaptations if they have a permanent disability or an incapacity to work, respectively. In addition, irrespective of age group, individuals should already be making use of technical assistance measures (e.g. walking frames, wheelchairs, Chapter 2), or be receiving permanent care due to either mobility impairment or a mental disability. A municipal commission consisting of specialists and representatives of NGOs of disabled people assesses the need for adaptations. To that end, at least one member of the commission visits the dwelling with a construction specialist (architect or engineer), who makes a description of the work needed and a cost estimate. The commission then accepts or rejects the adjustments based on both the assessment and the cost estimate, or can ask a new work description and cost estimate. In principle, the commission decides once per year on the list of adaptations to be made and the budget to be allocated in a given year. Although housing adaptations by default are added to a waiting list in line with the general prioritisation of younger age groups over retirees and in order of application, the law provides the commission with some room to change the adaptation order based on budget restrictions and urgent needs.

The main law contains a list of available adaptations, although non-listed adjustments may also be granted on an individual basis if needed for independent living and if agreed by the Department for Disabled Affairs under the Ministry for Social Security and Labour. Listed adaptations include, among others:

- the installation of lifts
- adaptations of sanitary facilities (extension of bathroom, installation of a toilet, bath, shower or washing basin, installation of seats or benches)
- removal of stairs or installation of slopes
- installation of wider doors including balcony access
- widening corridors
- installation of grabs and hand rails
- installation of sensors such as automatic lighting and smoke detectors.

[36] In case the disabled person is a tenant, formal approval of the landlord is required for adaptations.

In the common areas of an apartment building, some adjustments can also take place, provided an agreement of all homeowners in the building. These include among others the installation of ramps, hand rails and automatic lights. Moreover, a lift can be installed to make ground floor apartments accessible.

The provision of adapted housing can be organised in three ways:

- The municipality organises the works.
- The disabled person organises the works and is reimbursed.
- The disabled person sells her unadapted dwelling, purchases an adapted one, and receives a compensation of the price difference.

No matter the type of housing adaptation required, the application procedure is the same, including the approval of applications for adaptations happening once a year. Stakeholders representing older people indicated to the OECD that, as a result, people requiring relatively minor adaptations such as installing a shower chair might be discouraged from applying due to the administrative burden of the procedure and the long time it may take for the adaptation to be made.

Usually, the cost of housing adaptation is fully covered by the State and the municipality, with at most 60% of the cost being covered by the State. The maximum amount of State funding ranges from 5 basic social benefit amounts for the purchase of a bath, toilet or basin (so EUR 210 in total) to 173 basic social benefit amounts for installing a lift (EUR 7 266). In case several adaptations have to be made, the maximum amount of State funding for full housing adaptation (excluding a lift) consists of 150 basic social benefit amounts (EUR 6 300).[37] In 2020, 52% of the financing of adaptation budget in Švenčionys District Municipality came from the State budget (EUR 13 869 on a total expenditure on adaptations of EUR 26 753).

Use of housing adaptations

Every year, approximately 600 dwellings are adapted for persons with disabilities in Lithuania. In comparison, about 83 000 German dwellings were adapted to make older people's homes accessible in 2018 – which corresponds to 4.7 times as many adaptations per inhabitants as Lithuania –, 84% of which were funded through grants, the rest through low-interest loans (Deschermeier et al., 2020[9]). The German grants are typically used for smaller adaptations such as installing a walk-in shower (maximum amount was EUR 6 250 and average amount was EUR 1 627 in 2018), whereas the loans are used for bigger adaptation projects (maximum amount was EUR 50 000 and average amount was EUR 20 877 in 2018) (Plouin et al., 2021[8]). In 2020, Panevėžys City Municipality adjusted the housing of 17 disabled people, of which 12 were older adults; Švenčionys District Municipality adjusted the homes of five people, of which three were 65+; and. on average every year, Kaunas District Municipality adapts around seven dwellings.

Overall, few older people in Lithuania live in adapted dwellings despite their comparatively bad general health (Chapter 2). Out of a set of six possible adaptations, Lithuania has the lowest adaptation rates among the 22 OECD countries in the Survey of Health, Ageing and Retirement in Europe for four types of adaptations with almost no older people using them, and has among the lowest rates for the other two (Figure 2.33). It shares this limited use of adaptations with the other Baltic states and Poland. This is sharply contrasted by relatively high coverage rates of adaptations in the Czech Republic, Hungary and the Slovak Republic.

Bathroom and toilet adaptations are relatively common across the OECD, with one in ten people aged 65+ living in a house or apartment with such adjustments (Figure 2.33, Panel A). In Lithuania, however, this only concerns 2% of people, the second lowest rate in the OECD after Latvia. Other countries with low

[37] In the case of selling an unadapted dwelling and buying an adjusted, the State funding is maximally 250 social benefit amounts (EUR 10 500).

coverage rates of bathroom and toilet adaptations include Estonia, Greece, Italy and Poland. In Austria, France and Germany, on the other hand, around one in five older people have such adaptations.

While kitchen adaptations could improve people's capacity for independent living and providing for themselves, such adaptations are generally uncommon across the OECD, with on average just over 1% of older adults having an adapted kitchen (Panel B). Not a single older Lithuanian person in the dataset reported having had the kitchen adapted, and also in the other Baltic states, Italy and Poland, virtually no people aged 65+ have such adaptations. Kitchen adaptations are markedly more common in Hungary (7%) and the Slovak Republic (4%).

Bars and handrails can be helpful tools to help people sit down and get up, and to provide stability and support when standing or walking to avoid falling. Similar to the statistics on bathroom and toilet adjustments, 2% of older people in Lithuania report having such adaptations in the dwelling compared to about 10% across the OECD on average (Panel C). Use of handrails and the like is comparatively low in Greece, Latvia, Poland and Sweden, whereas 20% of older people have such adaptations in Austria, the Czech Republic, Germany and Switzerland.

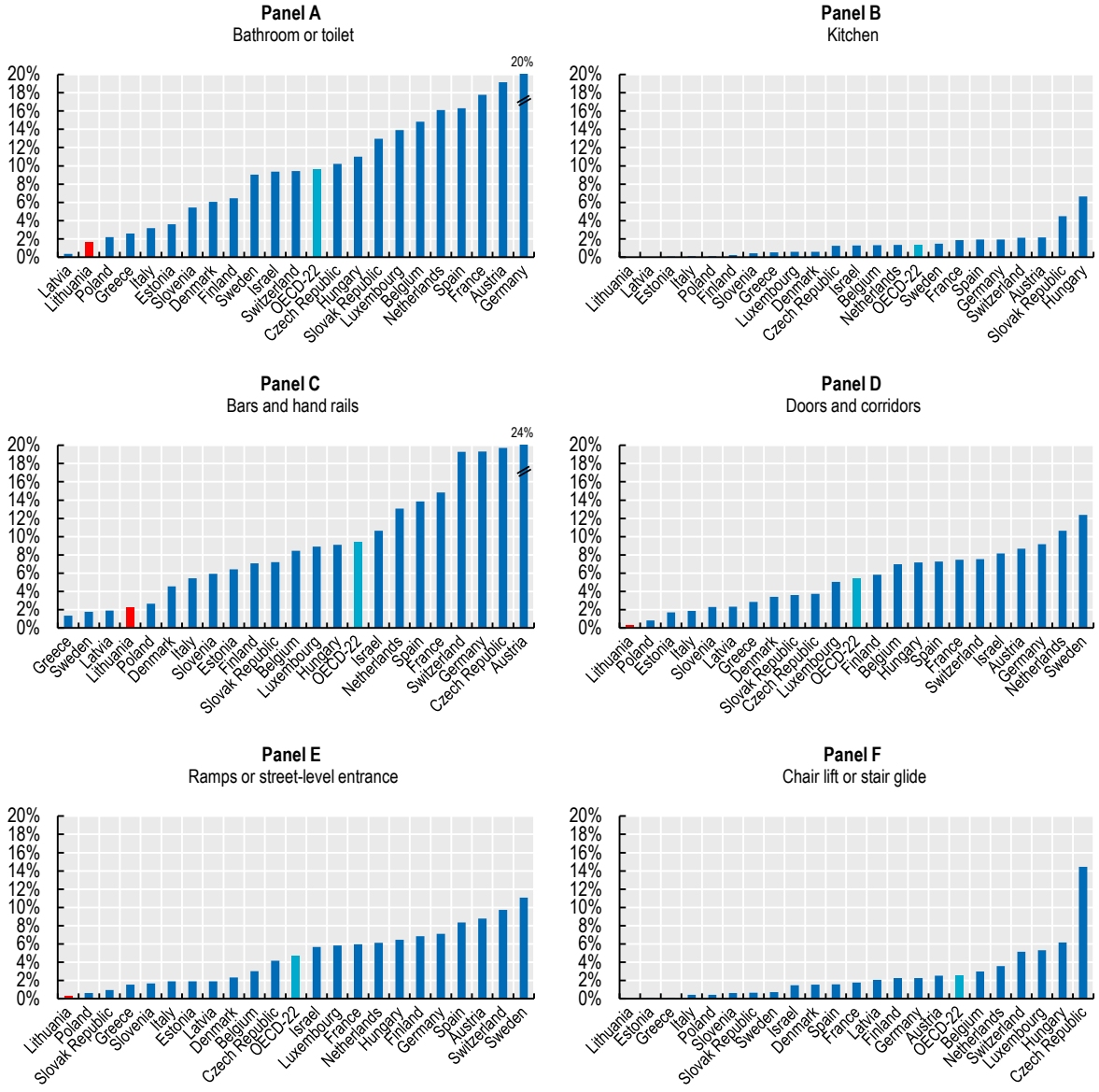
Almost none of the older people in the survey these results are based on live in a house with widened doors or corridors or (semi-)automatic doors, whereas the OECD average is at 5% (Panel D). As such measures improve accessibility of people with a wheelchair or walking frame, the low share of older people living in dwellings with widened doors may be linked to the low share of older people using a wheelchair in Lithuania (Chapter 2). Other countries with less than 2% of people living in houses with adjusted doors or corridors include Estonia, Italy and Poland, whereas this is the case for at least 10% of older people in the Netherlands and Sweden.

Homes of older Lithuanians are also very rarely equipped with a ramp or street-level entrance, while on average across the OECD 5% of older people live in a dwelling with such adaptations (Panel E). Other countries where fewer than 2% of older people benefit from this type of adjustments include the other Baltic states, Greece, Italy, Poland, the Slovak Republic and Slovenia. At the same time, around 10% of older people live in a home with a ramp or street-level entrance in Sweden and Switzerland.

Finally, not a single older Lithuanian in the survey reported to have a chair lift at their disposal to overcome stairs, compared to 3% of older people on average in the OECD. Other countries where almost no older people live in a dwelling with such an adjustment are Estonia, Greece, Italy and Poland. At the same time, coverage exceeds 5% in Hungary, Luxembourg and Switzerland, and at 14%, chair lifts are much more common in the Czech Republic than anywhere else in the OECD.

Figure 2.33. Few older people live in adjusted homes

Share of the population 65+ living in a dwelling with specific adaptations, 2020

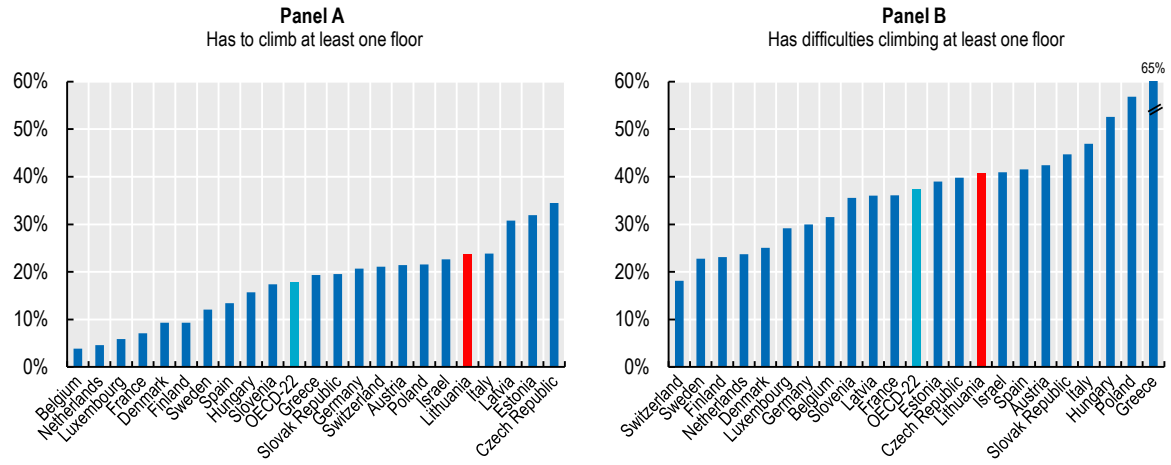


Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

The lack of stair lifts is particularly remarkable in the light of the relatively high share of older people who have to climb at least one floor by stairs to access their dwelling. This is the case for 24% older adults in Lithuania, compared to 18% on average across the OECD (Figure 2.34, Panel A). Although this is rather high in international comparison, it concerns about one-third of older people in the Czech Republic, Estonia and Latvia. In the Benelux countries, on the other hand, only around 5% of older people has to climb at least one flight of stairs to enter the home. Moreover, 41% of older Lithuanians have difficulties to climb one or more flights of stairs without resting, slightly above the OECD average of 37% (Panel B). Over half of the population has difficulties climbing stairs in Greece, Hungary and Poland, while less than one-quarter does in Finland, the Netherlands, Sweden and Switzerland.

Figure 2.34. One-quarter of older people have to climb at least one floor by stairs to access their home

Share of the population 65+ that has to climb one floor to access their dwelling (Panel A), and share that has difficulties climbing at least one floor (Panel B), 2020



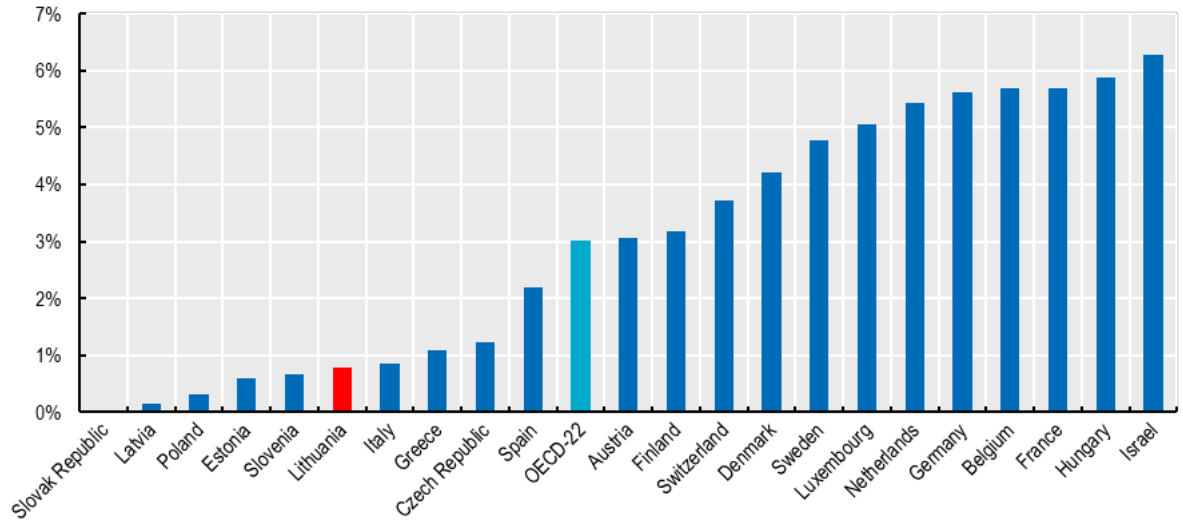
Note: Panel A refers to people who have to climb at least 16 stairs to access their dwelling, which roughly corresponds to one floor. Stairs that can be avoided, for instance by use of a lift, are not taken into account.
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

In Poland with similarly low coverage rates across all six adjustments as Lithuania, needs are largely left unmet and available adaptations are often not efficiently allocated (Kurtyka-Marcak, Hełdak and Przybyła, 2019[10]). The study finds that the number of older people who need handholds and grips is fivefold the number of people who need them and actually have them installed. For bathroom adaptations, it even is sevenfold. At the same time, only one-third of people who have handholds installed or their bathroom adapted report to effectively need the adjustment. Given the assessment procedure for adaptations in Lithuania, however, it does not appear to be very likely that such a high share of publicly funded adaptations do not address an existing need. People can of course privately organise preventive adaptations to ensure accessibility of their homes in anticipation of future health declines.

Dwellings can also be equipped with alarms, sensors and detectors that send out warnings in case of a problem. Among people aged 65+, 1% live in a dwelling that is equipped with alarms, buttons and sensors, compared to 3% in the OECD on average (Figure 2.35). These warning systems are rarely used in Central and Eastern European countries, as well as in Southern Europe. Hungary is a notable exception, with older people being twice as likely to live in a house with such systems compared to the OECD average, with only Belgium, France, Germany and Israel making similar use of these systems.

Figure 2.35. Few dwellings of older people are equipped with warning systems

Share of the population 65+ living in a dwelling quipped with alarms, buttons and sensors, 2020



Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

Why so few older Lithuanians live in adapted housing despite adaptations being made free of charge? Lacking direct evidence on the causes of low take-up of adaptations, indirect and qualitative evidence may shed some light on the factors at play. During the fact-finding mission, various stakeholders have pointed at the insufficiency of allocated funds as the primary source of a low number of adaptations being executed every year. Given limited budgets, cheaper and therefore more standardised solutions are often opted for, resulting in adaptations of lower quality and less targeted to the individual's personal wishes. Poorly developed procurement criteria that insufficiently define technical specifications to account for individuals' needs[38] can amplify these effects on standardisation and quality, as is echoed in Lithuania's Long-Term Renovation Strategy launched in 2021 in the context of renovations to improve energy efficiency of dwellings. Disabled persons themselves or their families would rarely opt to coordinate the works themselves and claim a reimbursement as it would be difficult to find suitable solutions within the limits of the reimbursement. Specifically for older buildings, which are more likely to be occupied by older people, there are technical limitations to the types of adaptations that can be made without compromising building safety; and municipalities can decide not to make adaptations in case the estimated cost of adaptations is too high compared to the estimated value of the dwelling – although in this situation municipalities would usually opt to make the adaptations anyway to allow older people to remain in their own dwellings.

Yet, with fewer people on the waiting list than adjusted dwellings every year – at the end of 2020, 472 persons with disabilities were waiting for housing adaptation (17 per 100 000 inhabitants) while, as discussed above, only 600 dwellings are adapted yearly (21 per 100 000 inhabitants) – the lack of funding cannot be the sole explanation for the limited number of adaptations: few people appear to apply in the first place. Panevėžys City Municipality, for instance, received about 40 applications for adaptations each year in 2019 and in 2020 (46.6 per 100 000 inhabitants). In addition to the possibility that people requiring relatively simple adaptations are discouraged from applying by the administrative requirements and the long procedure, a lack of knowledge about the possibilities for housing adaptations may contribute to the low number of applications. Regarding renovations to improve energy efficiency, the Long-Term Renovation Strategy equally notes a lack of reliable and accessible information on possibilities for

[38] The OECD recommendation on public procurement elaborates on standards public procurement processes should adhere to in OECD countries.

renovation. A more outreaching approach could contribute to an increasing number of applications, although this would require collecting more data on both people with disabilities and their dwellings. Across the OECD, there is a need for more data on the housing needs of people with disabilities (Plouin et al., 2021[8]).

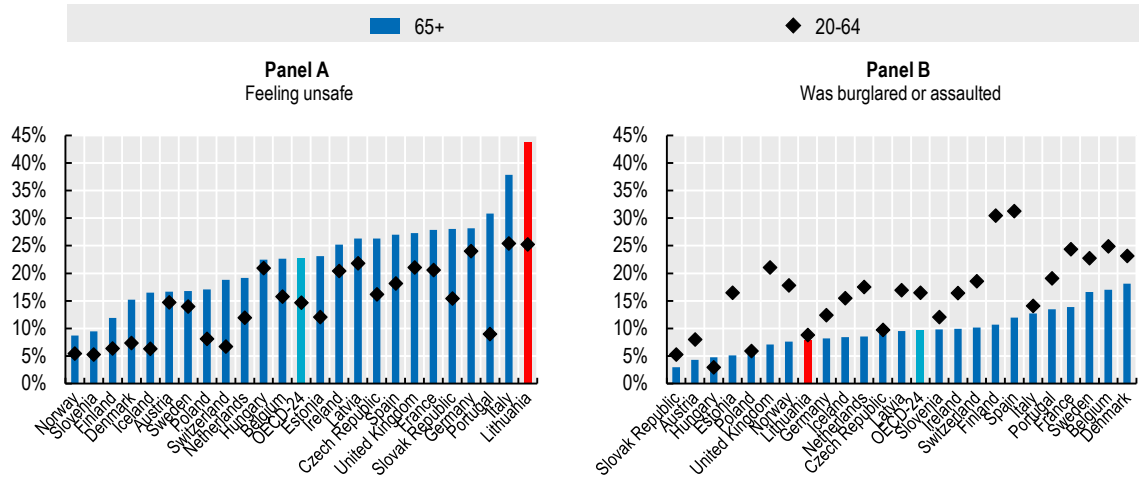
Accessibility of the environment

The feeling of safety in the local environment can be an important reason for people to limit the number of 'unnecessary' outings, particularly in the evenings. When asked how safe they feel going out in their own neighbourhood after dark, 44% of Lithuanians aged 65+ declare to feel unsafe or very unsafe, double the OECD average and a significantly higher rate than in any other country (Figure 2.36, Panel A). Also in Portugal and Italy, the share of older people feeling unsafe exceeds 30%. While the other Baltic states are found around the OECD average, the Scandinavian countries and Slovenia record the lowest rates of older people feeling unsafe. In the active population the feeling of unsafety in Lithuania is rather elevated as well in international comparison, with one-quarter of the population aged 20-64 declaring not to feel safe in their own neighbourhood at night.

The feeling of safety walking around at night can be affected by many things. It could be the result of many issues, including experiences with violence, health-related concerns such as risk of falling, traffic safety, or infrastructural issues such as street lighting. The exceptionally high share of the population feeling unsafe is unlikely to be the consequence of personal experiences with burglary or assault. One in thirteen Lithuanians aged 65+ was either burgled or assaulted in the last five years, or lived together with someone who was, a ratio that is slightly below the OECD average of one in ten (Panel B). The share is below 5% in Austria, Hungary and the Slovak Republic, and exceeds 15% in Belgium, Denmark and Sweden.

Figure 2.36. Widespread feeling of unsafety despite limited personal encounters with violence

Share of the population feeling unsafe in the neighbourhood (Panel A) and having been a victim of burglary or assault (Panel B), by age group (2018)



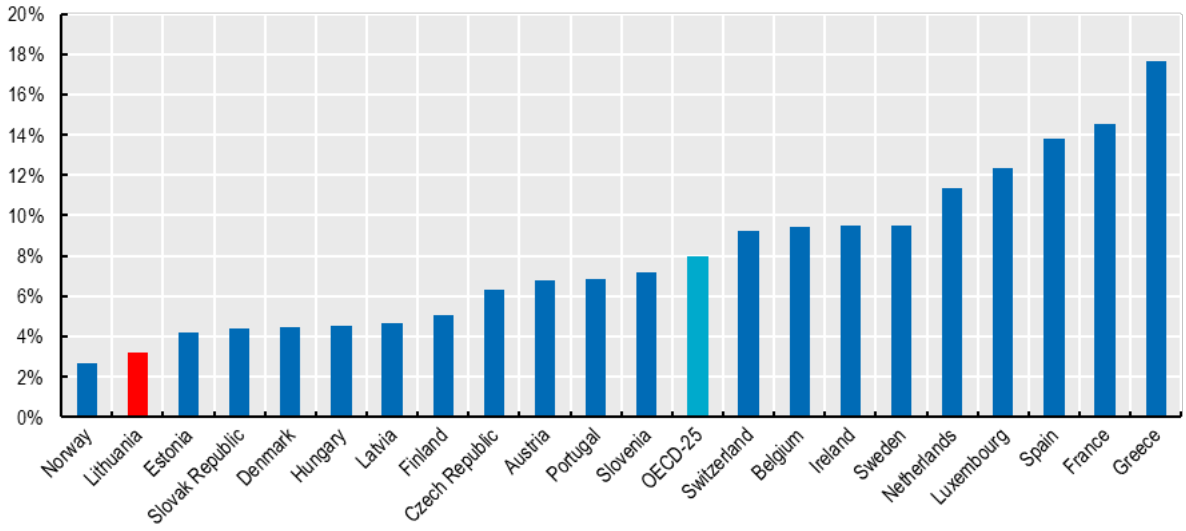
Note: Panel A comprises of people reporting to feel unsafe or very unsafe walking alone in the local area after dark. Panel B comprises of people who have either themselves been the victim of burglary or assault in the last five years, or who live with someone in the household who has been burgled or assaulted in the last five years.
Source: OECD calculations based on European Social Survey (wave 9)

Not only are personal experiences with burglaries or assaults limited, older Lithuanians generally perceive their neighbourhoods as being free from problems of crime, violence or vandalism. Only 3% report that

there are such problems in their local area, the second lowest rate in the OECD after Norway (Figure 2.37). While the OECD average is at 8%, 14% of the population reports problems of crime, violence and vandalism in France and Spain, and even 18% in Greece.

Figure 2.37. People perceive their neighbourhoods as safe from crime, violence and vandalism

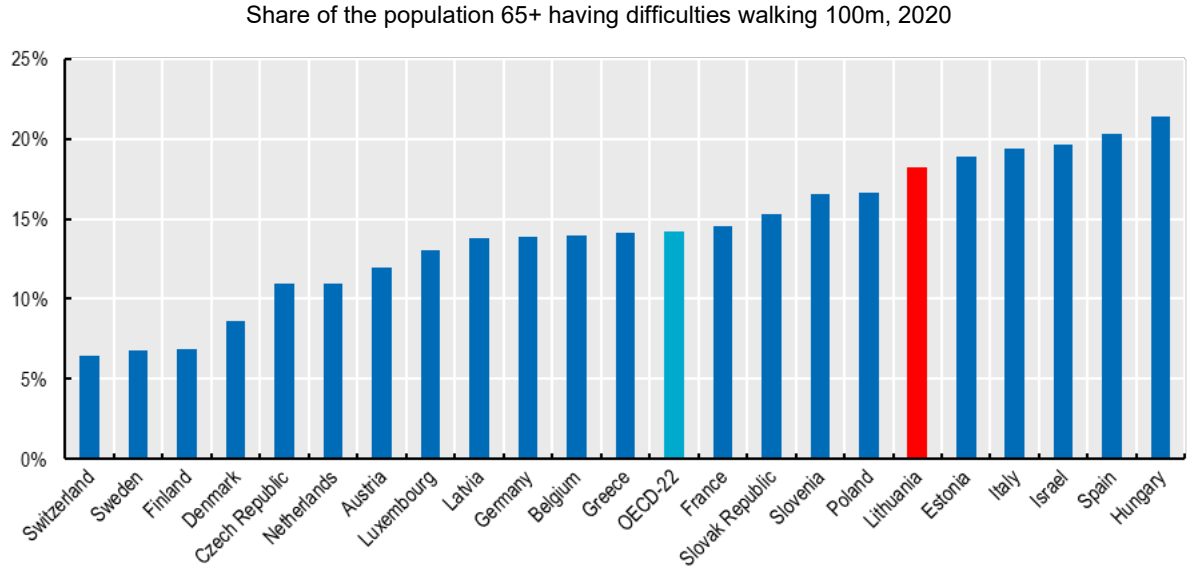
Share of the population 65+ experiencing problems of crime, violence and vandalism in the area where they live, 2020



Source: OECD calculations based on EU-SILC

A lack of proper infrastructure, for instance as a result of badly accessible pavements or a lack of street lighting, might be another reason for avoiding going out after dark. The Law on Construction sets a number of accessibility rules for public spaces. For instance, it requires low angle slopes of the pavement at pedestrian crossings, as well as the availability of a slope as an alternative to stairs. Moreover, along pedestrian routs in cities, towns and villages, a place to sit should be provided every 500m. However, walking 100m is difficult for 18% of older Lithuanians, compared to 14% in the OECD on average (Figure 2.38). Hence, an option to rest every 500m is likely to be insufficient for a substantial part of the older population, and insufficient opportunities for resting may contribute to feeling unsafe in the local area. Providing more benches may help older people feel safer going out, alongside accessible pavements, street lighting and public toilets.

Figure 2.38. Almost one in five older people have difficulties walking 100m



Note: Difficulties that are expected to last less than three months are excluded.
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (wave 8)

2.3.2. Transport

Whilst the ability to interact and participate in social life is dependent on being in good health in later life, being able to move around is also important. As people age they are more likely to need assistance in moving and more unlikely to be driving their car, thereby relying more on public transport. Any shortfalls in the public transport network primarily impacts older people.

According to the basic principles of the Lithuanian National Anti-Poverty Network, a group of around 50 non-government organisation, everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Hence, this Network advocate the need to make support for access to such services available to those in need. Its latest report found that the regions have much less developed transport systems than the cities, which has the biggest impact on those who are unable to afford their own car. Service frequency is a major issue in more remote areas during the day as bus timetables are concentrated on the main commuting periods for both workers and getting children to school. (LNAPN, 2020[11]).

After comparing the transport-related geographic and demographic challenges of the three municipalities, this section then compares the level of car ownership across the EU. It then moves to the public bus system in Lithuania, and examines the quality and cost of available services and highlights the main limiting factors.

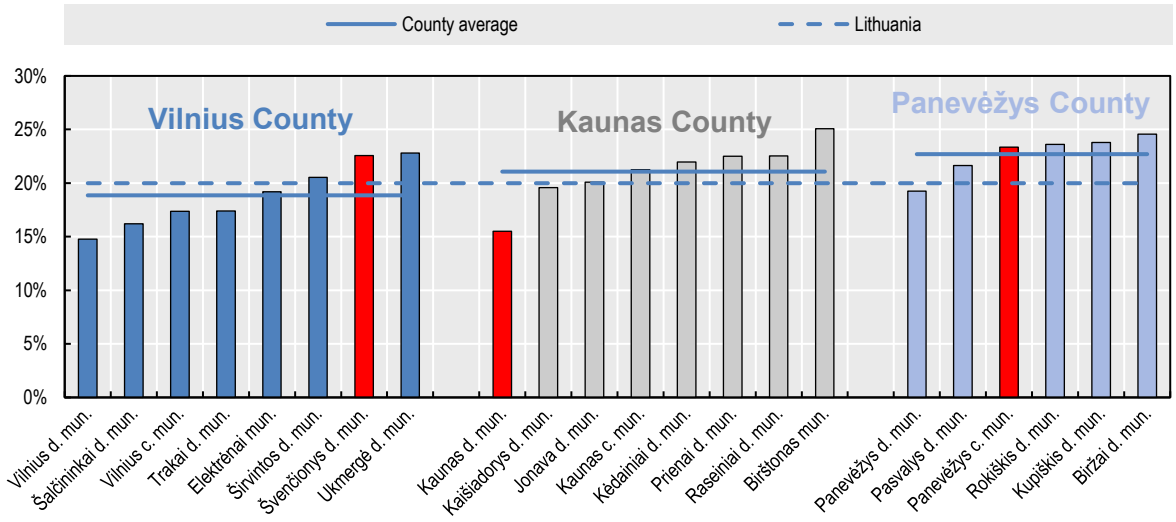
Geographic and demographic challenges

The size and population base of the three municipalities under study vary considerably. Panevėžys City Municipality is the smallest with an area of 52 km², but it has a population of 86 000, making it the fifth largest city in the country. Švenčionys District Municipality has a smaller population around 25 000 while covering an area of 1 692 km², the vast majority of which is rural. Finally Kaunas District Municipality is a combination of the other two, covering 1 496 km² with a population around 90 000, however the municipality encircles the city of Kaunas which has a large gravitational pull with a population of 300 000, the second biggest city in Lithuania after the capital Vilnius.

The age structure of the three municipalities also differ, not just between each other but also in comparison to the other municipalities within close proximity i.e. the other municipalities within their county.. Kaunas District Municipality has by far the lowest proportion of population aged 65 or over among the three under examination, at 15%, compared to 23% in both Švenčionys District Municipality and Panevėžys City Municipality (Figure 2.39). Within its county Kaunas District Municipality is an outlier as no other municipality is below 20%. Švenčionys District Municipality is to some extent an outlier at the other extreme, with one other municipality in the county at 23% but all the others at 20% or lower. Panevėžys City Municipality is the only one that is at the average within the county, but the county as a whole is relatively aged being 3 p.p. above the Lithuanian average. The same pattern applies to those aged 80+. Having a larger population of older people necessitates a different level of service provision, particularly related to public transport.

Figure 2.39. Kaunas District Municipality is by far the youngest of the three under study

Share of the total population aged 65+ on 1 January 2022, by municipality and county



Source: Statistics Lithuania.

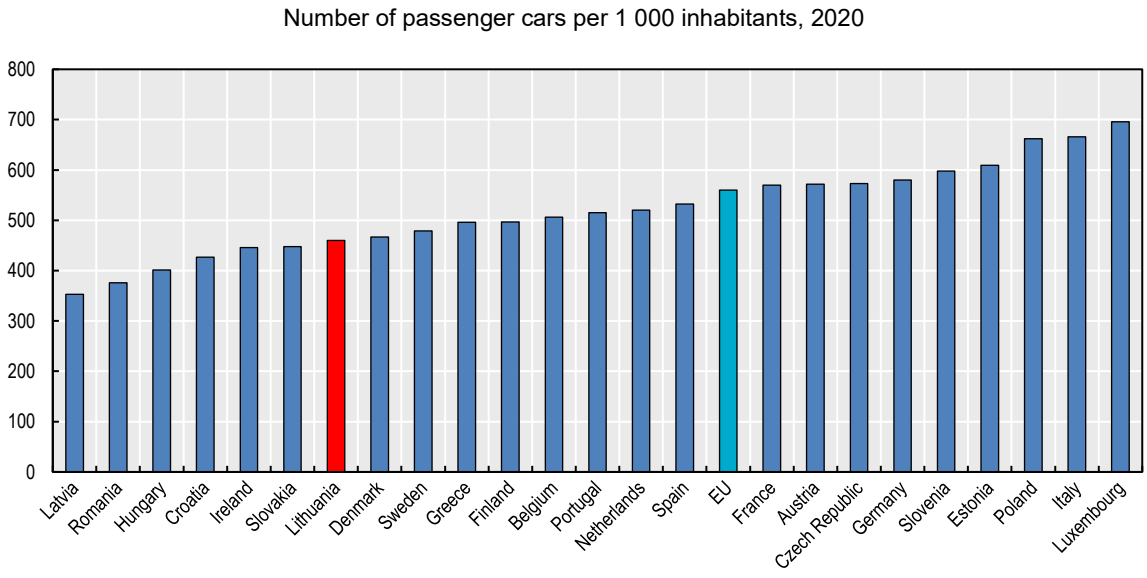
Car ownership

Car ownership in Lithuania has increased in recent years but is still low in comparison to other EU countries, at a similar level to that of Denmark and Sweden. Between 2016 and 2020 the number of registered passenger cars increased by 8%, reaching just under 1.3 million in 2020. This represents a motorisation rate of 460 per 1 000 inhabitants, ranking Lithuania seventh lowest within the EU with an average of 560 (Figure 2.40). Latvia ranks the lowest with 353 passenger cars per 1 000 inhabitants whilst Italy, Luxembourg and Poland have more than 660. In the context of global warming and the environmental impact of cars there is not necessarily a need for high levels of car ownership as public transport networks can be extensive, as in Sweden for example, where there is political consensus to increase the usage of the public transport system to reduce carbon dioxide emissions (Urban Transport Group, 2017[12]).

The average age of all passenger cars registered in Lithuania is 17.0 years, the highest amongst all EU countries, just above Estonia, Greece and Romania, which all have an average above 16.0 years (Figure 2.41). This is substantially higher than the EU average of 11.8 years. By contrast the average age of passenger cars in Luxembourg is only 6.7 years with Austria, Belgium, Denmark and Ireland being the only other countries below 9.2 years. Overall running costs are higher with an older car. In addition, insurance costs are specifically higher for older drivers with premiums generally being lowest around age

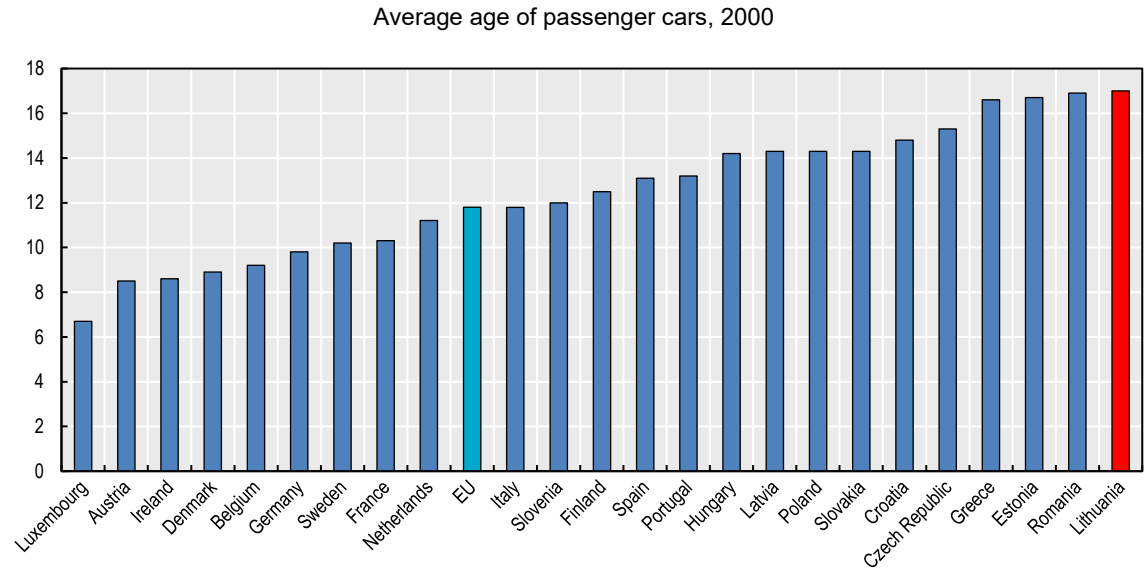
50 before increasing again from age 60. Consequently, reliance on public transport increases amongst the older age groups as it is a more affordable alternative.

Figure 2.40. Car ownership levels are still low in Lithuania



Note: Data for Bulgaria and Malta are not available.
Source: (ACEA, 2022[13])

Figure 2.41. On average cars are older in Lithuania than elsewhere



Note: Data for Bulgaria and Malta are not available.
Source: (ACEA, 2022[13])

Bus services

Size of the bus fleet

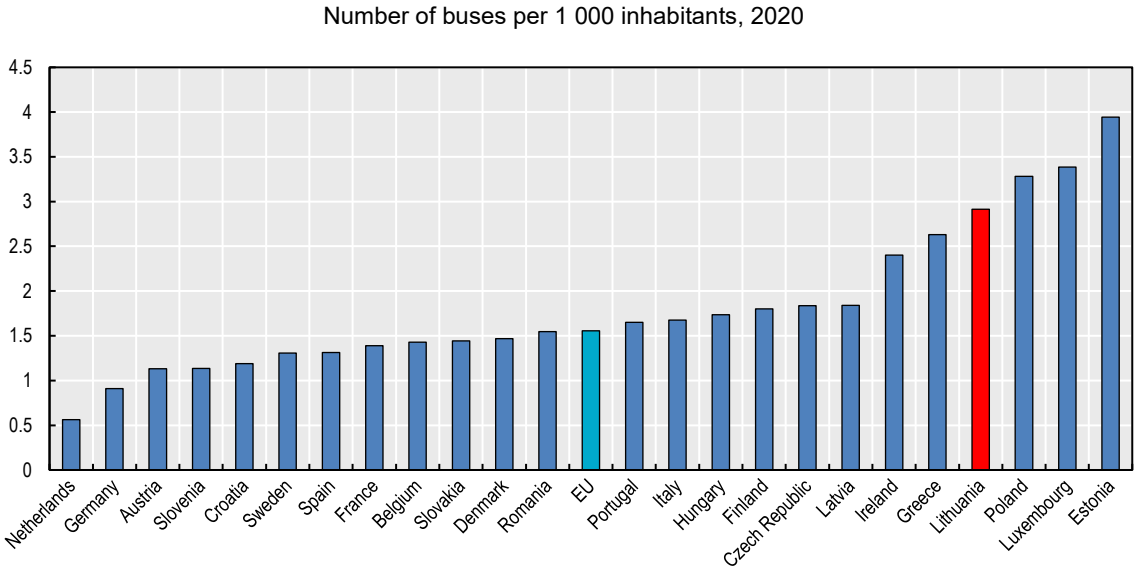
As Panevėžys is relatively compact, a comprehensive bus stop network may not be required due to the relatively close proximity of the population. Only two-thirds of households have a bus stop within 500m of their property. By comparison the urban areas of Kaunas and Vilnius have over 85% of the population within 500m of a public transport stop (Poelman, Dijkstra and Ackermans, 2020[14]). Unfortunately, for the Kaunas District Municipality data are not available for the number of bus stops within 500m. Over 90% of the population is within 3km of a bus or train stop with the only areas not served being those that are extremely sparsely populated or heavily forested. However, for most people, and especially for the elderly or disabled, having to travel 3km to access public transport is not practical (Figure 2.38). There is no data available for Švenčionys.

Due to the rural nature of many municipalities, the public transport network often uses a hub-and-spoke model, as is the case for Kaunas District Municipality, for example. In this municipality, all bus routes begin and end in Kaunas City. Therefore, to travel from one small town to another going in and out of Kaunas is necessary, adding considerable time to the journey while being dependent on coordinated timetables to ensure a smooth connection. For Švenčionys District Municipality, which does not have a dominant town or city, routes are more dispersed with three main hubs at Pabradė, Švenčionėliai and Švenčionys.

In total, Lithuania had 8 145 buses in 2020, representing a rate of 2.9 per 1 000 inhabitants, relatively high compared to other countries. Estonia (3.9), Luxembourg (3.4) and Poland (3.3) have a higher ratio, while the EU average is equal to 1.6 (Figure 2.42). By contrast, the Netherlands has the lowest number of buses per inhabitant, at 0.6 per 1 000 inhabitants, followed by Germany at 0.9. Therefore, the level of service available to the general population should be relatively high given the size of the fleet available.

However, as in other countries, management of the public transport network is at different levels, with municipalities being responsible for local networks and regional and national authorities covering the wider bus routes and the train networks. Therefore, service level depends on the urbanisation of the area and its proximity to major cities.

Figure 2.42. Lithuania has a relatively large bus fleet



Note: Data for Bulgaria and Malta are not available.

Source: OECD calculations based on (ACEA, 2022[13])

Due to the location of the three municipalities under study – Kaunas District Municipality, Panevėžys City Municipality and Švenčionys District Municipality - and their urban or rural nature, the level of transport facilities available within each of them differs markedly.

Frequency

The frequency of service provided varies by region. In Švenčionys, most of the routes offered have an early morning service and a mid/late afternoon service, with no service beyond 5:30pm, clearly enabling people to travel between regions for work and enabling children to get to school. This limits the possibility for the elderly to be able to travel for medical appointments, for example, unless they leave for most of the day. Services are also limited on week-ends with only a handful of routes being operated, and this can also apply during the longer school holiday periods. The most common destination is Vilnius with around 20 journeys per weekday when combining regional and long-distances services.

For Panevėžys the level of service is much more frequent with 18 journeys on each route with buses running every 25 to 30 minutes between 9am and 2pm and between 6pm to 8pm with no services in the interim. Again, this limits the possibility of travel during the day for those that need to do so outside normal commuting hours. The service to Vilnius is again the most frequent with 20 journeys per day between 5:30am and 8:20pm.

For Kaunas District Municipality, all of the services go in and out of Kaunas City. The outlying areas normally have between one and three services in the morning before 9.30am with limited connection, if any, during the day until mid/late afternoon. Return journeys are more common in the afternoon with only one or two services provided in the early morning and again extremely limited during the day.

Cost

According to the Law of Transport Privileges, people with disabilities, elderly people, students and some other socially vulnerable groups receive discount on public transport tickets. For buses, there is a 50% reduction for those aged 70-80 years and an 80% reduction for those aged 80+and for those assessed as being disabled. There is the possibility for city municipalities to introduce additional reductions if they wish. Kaunas City Municipality, for example, applies a 99% discount for those aged 80 years and above for travel within the city municipality, whilst Vilnius and Klaipeda city municipalities both apply the 50% reduction from age 65 rather than age 70.

Each municipality has the ability to set their own base price, which is either a tariff per kilometre of travel or a journey ticket. The applicable rate for Švenčionys District Municipality is EUR 0.043 per kilometre, which is one of the lowest levels in Lithuania. For Panevėžys a single ticket is EUR 0.52 at the point of sale or EUR 1.00 if purchased on the bus, which is therefore EUR 0.10 or EUR 0.20 with the full 80% discount. Full-price daily tickets are EUR 1.40 with weekday packages or half or full monthly options, all of which can be discounted. Kaunas District Municipality applies EUR 0.091 per kilometre for the first 20km and then EUR 0.084 per kilometre between 20 and 40km and EUR 0.077 from beyond 40km with a minimum ticket price of EUR 0.70 before discounting.

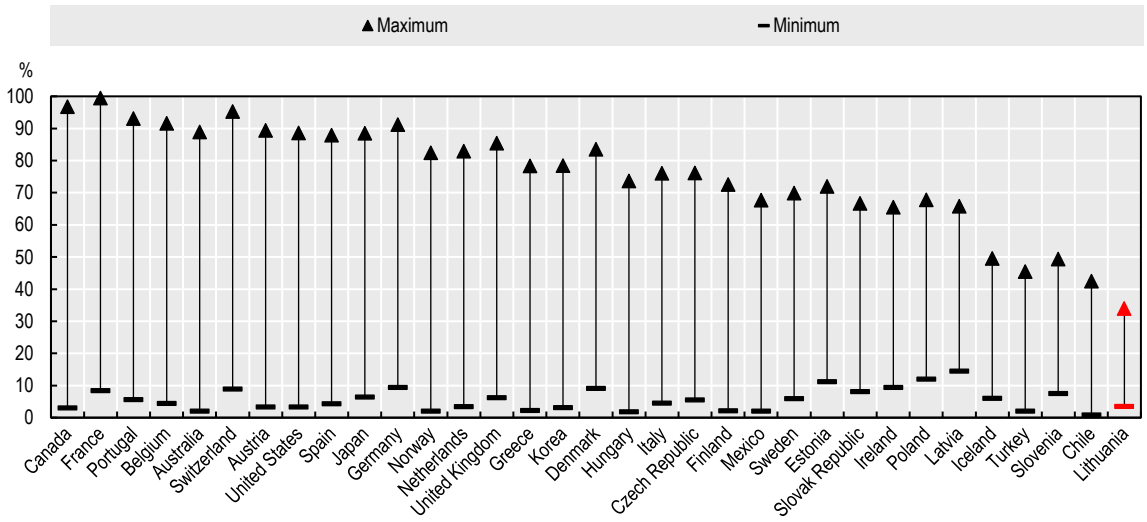
Accessibility

Gaining access to the bus is only the last part of the journey, as individuals have to be able to get to the bus stop. As shown above the majority of houses are clearly within 500m of a bus stop in Panevėžys only, with data for the other municipalities not being available to this level of detail. However, the overall regional share of Lithuania's older population who enjoy walkable access to public transport stops is among the lowest in the OECD and does not exceed 35% in any of the counties in Lithuania (geographical region

TL3) (Figure 2.43). As mentioned previously major urban centres, such as Vilnius and Kaunas, have high levels of access, but the other areas of their respective counties are much lower, decreasing the average. Chile (43%), Iceland (50%), Slovenia (49%) and Turkey (45%) are the only other countries that also have their top TL3 region under 50%. Conversely, Belgium, Canada, France, Portugal and Switzerland all have a high over 90%.

Figure 2.43. Access to public transport is lower for older people than in any other OECD country

Shares of those aged 65+ living within walking distance of public transit stops, Territorial Level 3, 2014



Note: Countries ranked according to the difference between the regions with maximum and minimum access. Territorial Level 3 is the county level in Lithuania.
Source: (OECD, 2017[15])

The distance is almost irrelevant if the pavements or pedestrian areas are unsuitable for the elderly and particularly the disabled. Data are extremely limited with neither Panevėžys nor Švenčionys actually having any data available. For Kaunas District Municipality, many of the pavements beside national roads are not under the responsibility of the municipality, but all newly reconstructed or newly built pavements are fully adapted for disabled access. Within Lithuania as a whole all newly built or renovated pavements and public transport facilities must be disability friendly (Environment, 2019[16]), although it will take time for this to impact the rural areas in particular.

People with disabilities are a group that requires special consideration in terms of public transport, as they are unable to access all buses or trains unless having been specifically modified. Currently, in Švenčionys, there are no buses capable of taking passengers in a wheelchair, but a couple of buses have low floors, which are more suitable for older people. The situation is different in the other two areas. In Panevėžys, about 75% of bus stops are accessible for the disabled. In Kaunas District Municipality, about 67% of buses are currently adapted for people with special needs. With the signing of a new route service contract, for which a tender for carriers is currently under way, bus and coach services for people with special needs will have to operate on all routes in Kaunas.

Alternatives

With public transport perhaps being unsuitable or inadequate for the elderly population, there is greater reliance on alternative sources of assistance. Mostly this involves family members but with many of the

elderly living alone in rural areas, due to the younger generations moving to cities or emigrating, this is not always going to be possible. Therefore, municipalities or independent care organisations offer alternative sources of transportation. Municipalities can commonly provide free transportation to medical appointments, but for general transportation, to social activities for example, there would be an associated cost. However, with many municipalities having large rural areas this is an expensive service and is therefore limited in terms of the number of residents served.

Within Lithuania, there are many individual projects targeting the elderly or the disabled aimed at improving their lives through various social initiatives. These projects cover a wide range of topics but for transportation there is a project running from September 2020 to August 2022 that includes purchasing a specially equipped vehicle to provide social services to the elderly disabled in two parts of the Latvia-Lithuania cross border region – one in Latvia and one in Lithuania (LLI-490, 2020[17]). The project covers 50 elderly residents in each region.

2.3.3. Key findings

Unadapted housing and environments can jeopardise older people's capacity to participate in society as it curbs their ability to fulfil basic needs and live up to social norms for instance in relation to hygiene. Furthermore, it creates unsafe and hazardous situations which can affect participation through negatively impacting health or making older people reconsider doing certain things out of fear of health loss. Policies aiming to increase the supply of adapted housing also have to account for people's living arrangements.

- Over 10% of older Lithuanians lack basic sanitation.
- Very few older people in Lithuania live in adapted homes. Among European OECD countries, Lithuania has the lowest use of kitchen adjustments, door and corridor adjustments, ramps and stair lifts. Lithuania also has low usage rates of other types of adjustments among older people.
- Older Lithuanians feel highly unsafe in their local area, despite comparatively low crime rates. The feeling of unsafety may be linked to infrastructural issues and older people's fear of falling.
- At 96%, Lithuania has a very high home-ownership rate among older people. As home ownership may limit housing mobility, adapted housing for older people in the short to medium term is more likely to be reached through housing adaptations than through increased accessibility of new housing stock.
- Lithuania has a high rate of older people living alone, particularly women.
- One in five older Lithuanians live in a multi-generational household. Cohabiting with younger people may improve the welfare of older people, and can help address some older people's needs. However, this may also be a sign of formal long-term care services falling short in facilitating independent living of older people.

Being able to travel even in short distances is an important contributor to social interactions. Having affordable and accessible transport links helps facilitate social interactions for older people as providing their own private transport becomes more inhibitive due to increasing insurance costs and physical limitations in driving. Several factors are identified as contributing factors to the Lithuanian transportation problem amongst older people:

- The average age of all passenger cars registered in Lithuania is 17.0 years, the highest amongst all EU countries, while running costs increase as cars age.
- Lithuania has a relatively large bus fleet, with only Estonia, Luxembourg and Poland having more per inhabitant.
- However, access to public transport stops for those aged 65+ is lower in Lithuania than in any other OECD country.

- Public transport timetables are designed for the working population or the school run, with very infrequent, if any, service during the non-commuter periods.

2.4. Financial and social resources

Social participation requires both financial and social resources. Basic needs must be fulfilled before people can use available financial resources for participation in social activities. Relative poverty indicators are designed to assess whether individuals have sufficient income to fulfil the needs required for people to participate in society.

Social resources refer to relationships with others that provide individuals with access to services or benefits. This could for instance include getting a ride or being able to borrow a car from someone to reach an event, receiving informal care or administrative help, or receiving information about the existence of social events, social benefits or professional services. Social networks are a key component of social resources. Social activities and organisations can contribute to social resources indirectly through providing a platform to build a network. Hence, while the provision of events and activities is necessary for social participation, their provision is in itself insufficient to promote participation if people's financial and social resources are insufficient to allow them to do so.

This chapter outlines the financial and social resources that are available to older people in Lithuania. It begins by analysing their financial resources, discussing the prevalence of poverty, pension entitlements and social assistance for older people in-depth. The chapter then turns to social resources. It compares the participation in social activities across European countries before concentrating on the specific activities available in the three selected Lithuanian municipalities, followed by an analysis of the social networks of older people in terms of composition and contact frequency. The chapter closes with an overview of the key findings.

2.4.1. Financial resources

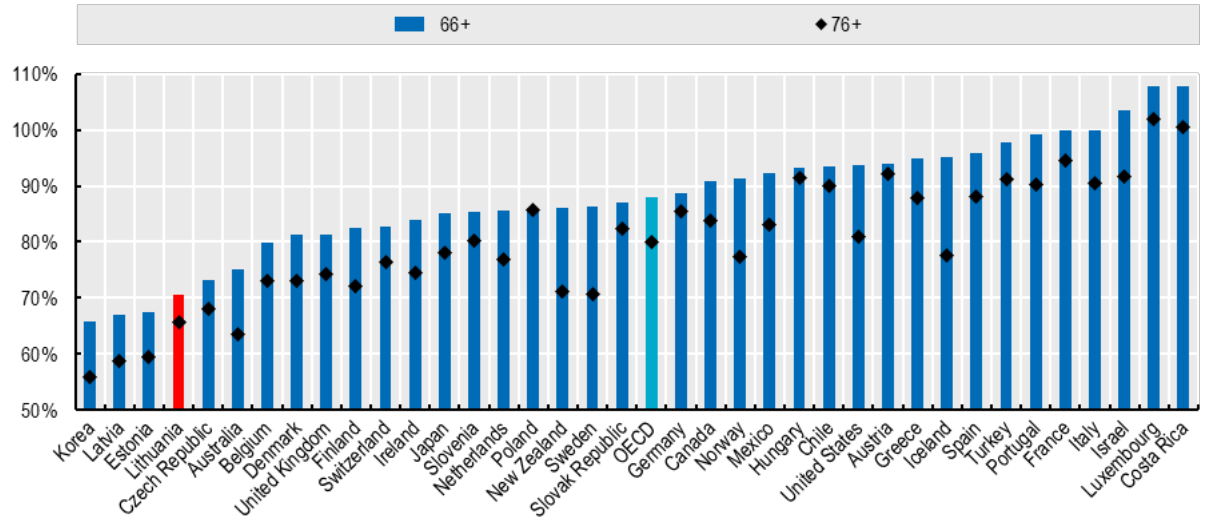
Financial resources are a key factor allowing people to participate in society. The idea behind relative income poverty measures is that what are considered basic needs depends on the general level of wealth of a society. People with a disposable income far below that of the others will face difficulties in living up to social norms and expectations in society, and hence may face difficulties in participating in social activities and risk social exclusion. This section first presents data on incomes and poverty of older people in Lithuania, and then goes into pension policies as the main source of income of people after retirement. Finally, social-assistance entitlements are discussed.

Income and poverty among older people

Older people in Lithuania on average have very low disposable incomes compared to the total population. The average income of those aged 66+ is 71% of that of the total population (Figure 2.44). It is even lower when honing in on the oldest subgroups – 66% among people aged 76+. In comparison, these rates are 88% and 80%, respectively, for the OECD on average. Older people have lower income ratios only in Estonia, Latvia and Korea.

Figure 2.44. Older people have a rather low disposable income relative to the total population

Average equivalised disposable income of older people as share of that of the total population



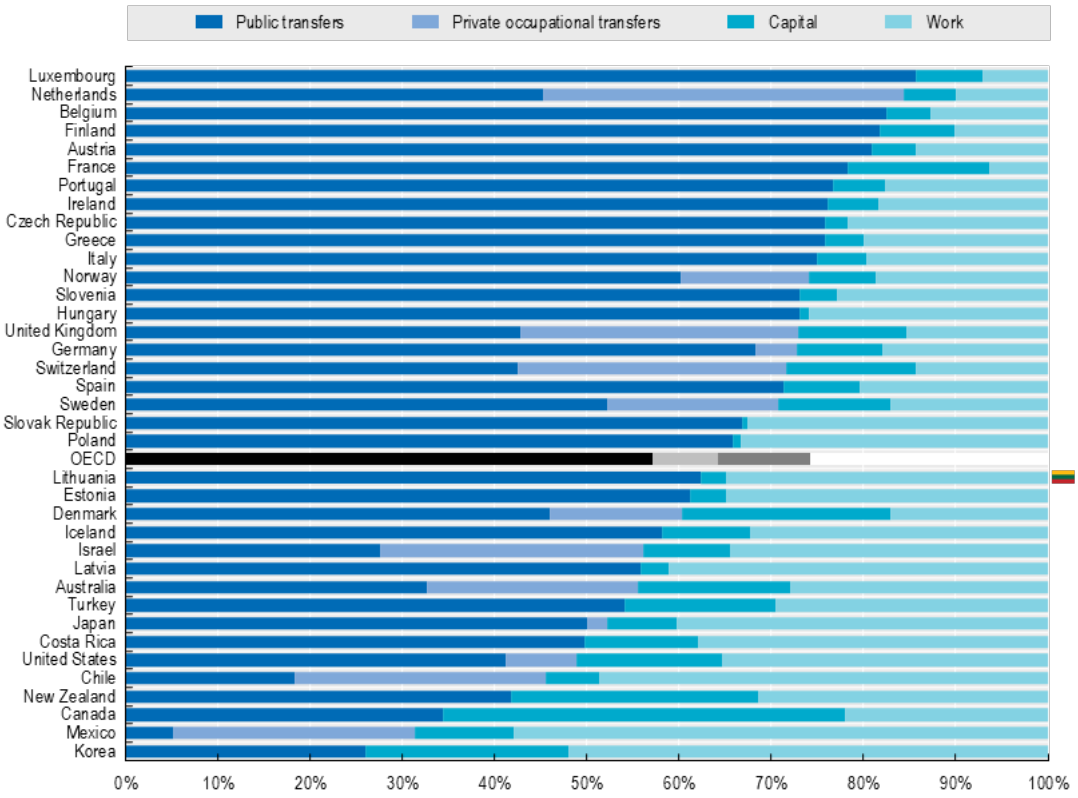
Source: OECD (2021[1]), Table 7.1

Older people live in households with little income from private transfers or capital, meaning that the low pension incomes are mainly supplemented by income from work. This can either be realised through retirees combining work and pensions, or through cohabitating or moving in with someone who is in employment, likely one of the retiree's children (Chapter 3). Among people aged 66+, 62% of household income comes from public transfers, and another 35% from work, compared to 57% and 26%, respectively, in the OECD on average (Figure 2.45). The income composition of older Lithuanians is very similar to that of older Estonians, while Latvia is the European country with the highest share of income from work at 41%. The share of household income from work is also high among older people in Chile, Costa Rica, Japan, Korea, Mexico and the United States. In Austria, the Benelux countries and Finland, on the other hand, over 80% of older people's household income comes from pensions. In these countries, only around 10% of household income comes from employment.[39]

[39] The composition of household income changes drastically for people between ages 60 and 67 in Lithuania. As individuals themselves, as well as their partners, transition from employment to retirement, labour income is largely replaced by pension income as the main source of household income. While labour income makes up around 75% of household income when people reach 60, this drops to 25% by age 67 (OECD calculations based on EU-SILC data). The remaining labour income is the result of older people or their partners remaining in employment, as well as of older people living in with their children who are of active age (Chapter 3). Between these same age groups, pensions increase from making up 7% of total household income to 70%.

Figure 2.45. Work is a substantial source of income for older people in Lithuania

Income sources of people aged 66+ as share of total equivalised gross household income and transfers, latest available year

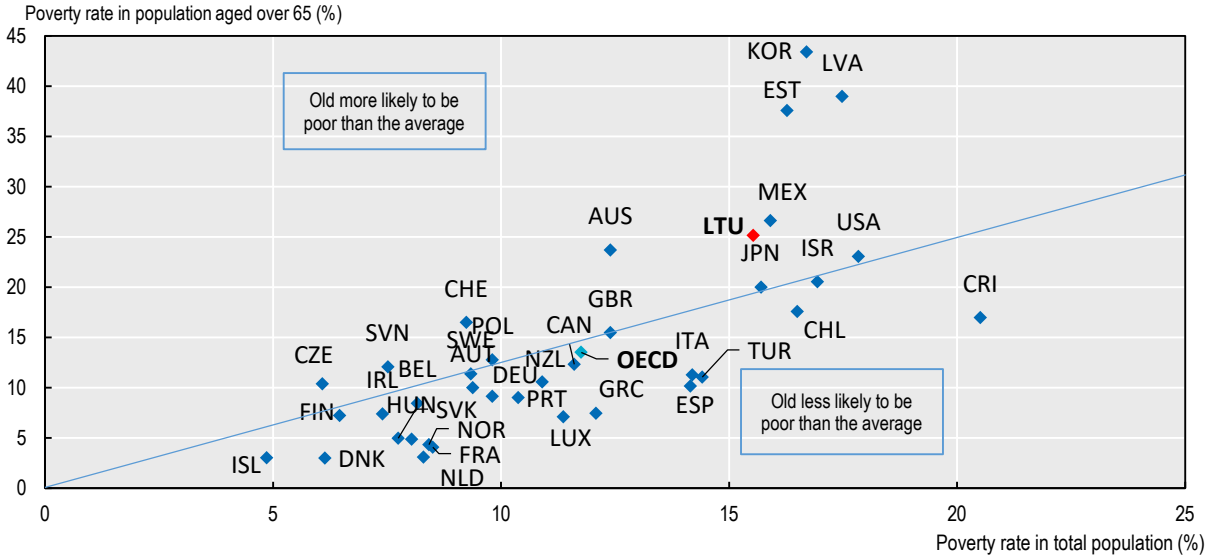


Note:. Income from work includes both earnings (employment income) and income from self-employment. Private occupational transfers include pensions, severance payments, death grants and other. Capital income includes private personal pensions and income from the returns on non-pension savings. Data are for 2018 except for the following countries: France, Sweden and the United Kingdom (2019), Denmark, Hungary, and Switzerland (2017), and the Netherlands (2016).
Source: OECD (2021[1]), Figure 7.1

Lithuanian older people are much more likely to be poor than Lithuanians of other age groups. Measured as having an equivalised disposable income below 50% of the median, 25% of older people in Lithuania live in relative poverty, compared to 16% of the total population (Figure 2.46). The relative poverty rate of older people is well above the OECD average of 14% and among the highest in the OECD, although the rate is more than 10 p.p. higher still in Estonia, Korea and Latvia – in these three countries the relative poverty rate among older people is more than twice as high as in the general population. By contrast, the relative poverty rate of older people is below 5% in Denmark, France, Hungary, Iceland, the Netherlands and Norway.

Figure 2.46. One-quarter of older people in relative income poverty, vs 16% for the total population

Relative poverty rates by age: older vs. total population, latest available year



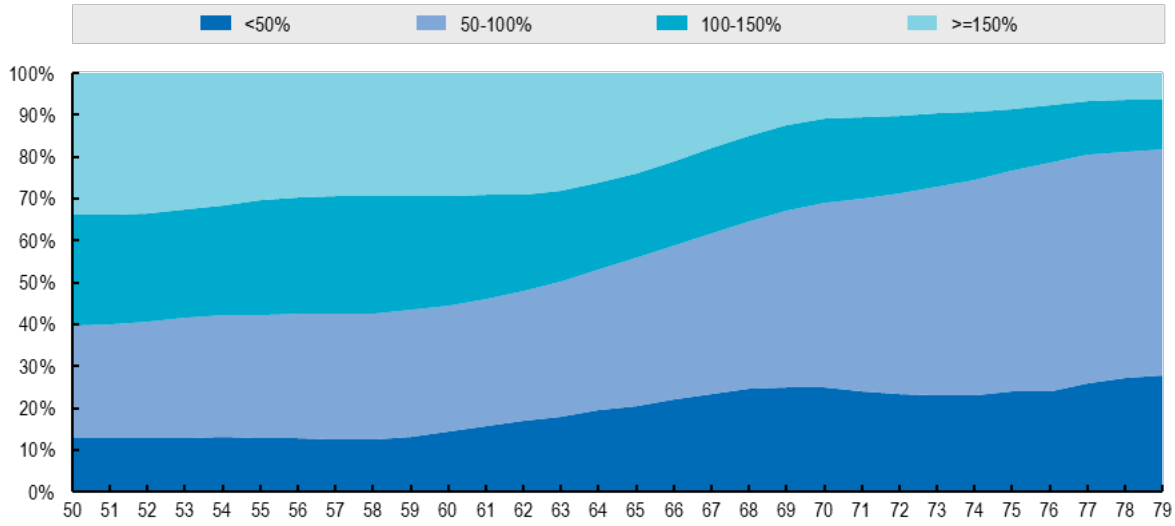
Note: Data are for 2018 except for the following countries: Costa Rica (2020), Canada, France, Sweden and the United Kingdom (2019), Chile, Denmark, Hungary, Iceland, Switzerland and the United States (2017), the Netherlands (2016) and New Zealand (2014).
Source: OECD (2021[1]), Figure 7.2

Relative poverty increases as people transition from paid work to retirement. The share of the Lithuanian population with a disposable income below 50% of the median income is constant around 13% until age 60, from where it gradually doubles by age 67 (Figure 2.47). Among older age groups, relative poverty fluctuates around 25%. However, the share of the population with a disposable income below the mean does not plateau among older cohorts. About 40% of the population between ages 50 and 60 has a disposable income below the median, after which the share continuously increases with age to exceed 80% as of age 77.

Relative poverty particularly affects older women in Lithuania. Among women aged 66+, almost one-third (32%) have an equivalised disposable income below 50% of the median (Figure 2.48). This is more than double the OECD average of 15%, but remains below the level in the other Baltic States (44%) and Korea (48%). At the same time, however, relative poverty among older Lithuanian men is around the OECD average, amounting to 11% and 10%, respectively. As a result, Lithuania has the highest gender gap in relative poverty of 21 p.p. in the OECD, followed by Estonia (20 p.p.) and Latvia (15 p.p.).

Figure 2.47. The income position of older people deteriorates with age

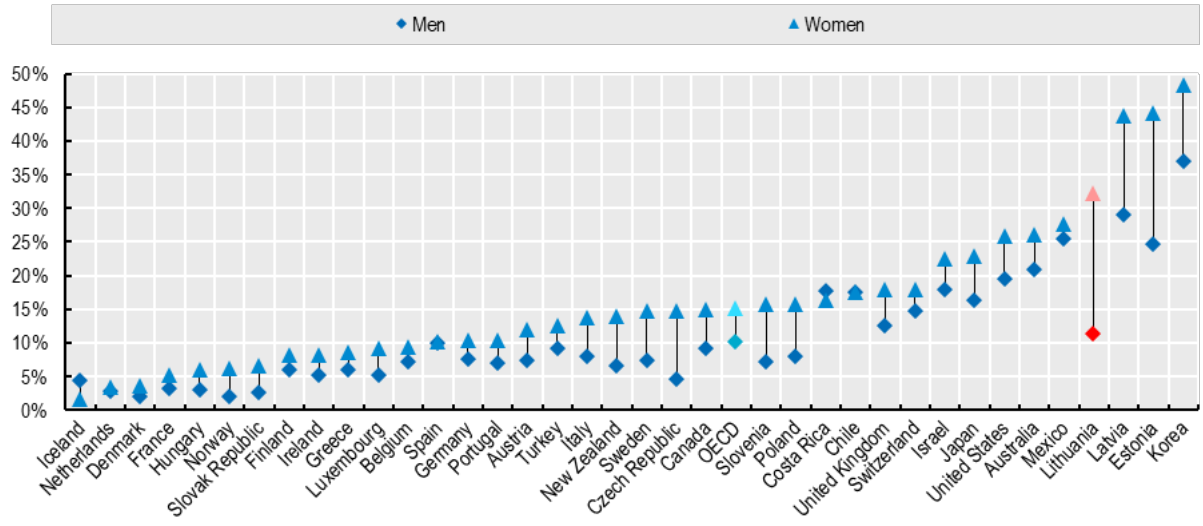
Lithuanian population by age and level of disposable income compared to the median, 2019



Reading note: The figure shows the share of persons with a disposable income within four income brackets expressed relative to the median disposable income, for each age between 50 and 79. The income band of 50-100%, for instance, shows the share of the population at each age with a disposable income between half of the median and the median.
Note: Distribution among age groups smoothed with a non-parametric kernel smoother.
Source: OECD calculations based on EU-SILC 2019.

Figure 2.48. Lithuania has the largest gender gap in relative income poverty among older people

Relative income poverty rates among people aged 66+ by gender, latest available year



Note: Data are for 2018 except for the following countries: Costa Rica (2020), Canada, France, Sweden and the United Kingdom (2019), Chile, Denmark, Hungary, Iceland, Switzerland and the United States (2017), the Netherlands (2016) and New Zealand (2014).
Source: OECD (2021[1]), Table 7.2

As women are more likely to live alone in old age due to higher life expectancy (Chapter 7), they are more vulnerable to having a disposable income below 50% of the median given the lack of economies of scale. However, living alone only explains about half of the gender gap in relative poverty among older people in

Lithuania: if women were as likely to live alone as men currently are, 21% of women would live in relative poverty, down from 32% now but still substantially above the 11% relative poverty rate among men.

Table 2.4 shows that, while indeed cohabitating men and women aged 65+ face lower and more similar poverty risk, 5% and 8% respectively, more than half of single older women (57%) are likely to be in relative poverty compared with 31% for single men. This difference is related to women's pensions being significantly lower than men's pensions. While employment rates for men and women were similar between the mid-1990s and the mid-2000s, women's earnings were only between 70% and 82% of men's earnings over the same period (Skučienė, 2006[2]). By the mid-2010s, women's relative earnings stood at 86%, which was largely the consequence of gender differences in working hours and labour market segregation of men and women across sectors and occupations (Statistics Lithuania, 2016[3]).

Table 2.4. Household structure only partially explains the gender gap in relative income poverty

Relative income poverty among Lithuanians aged 65+, by gender and household structure (2019)

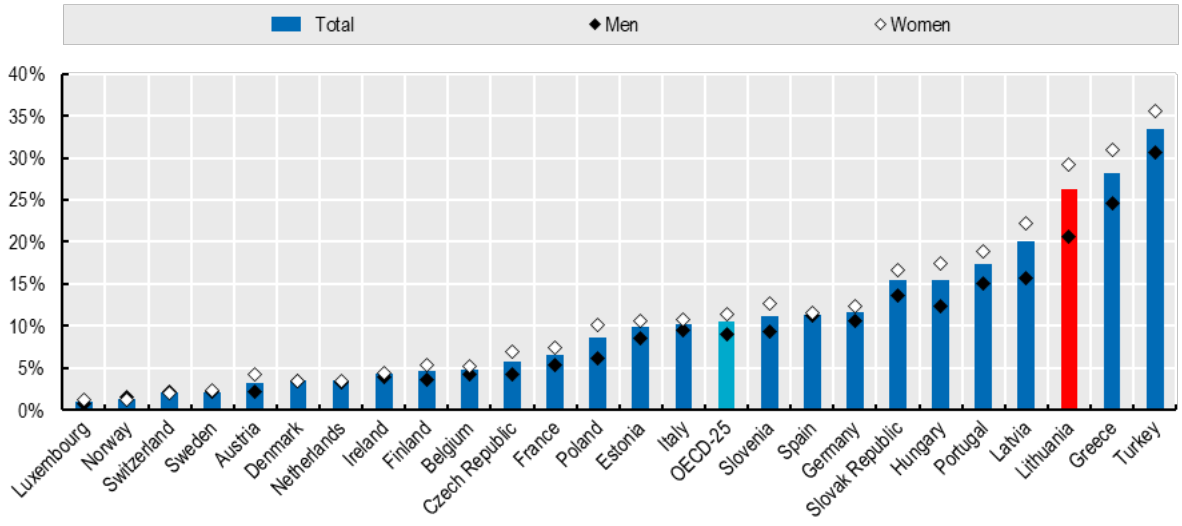
	Men	Women
Living alone	30.6%	56.5%
Living together	5.4%	8.0%

Source: OECD calculations based on EU-SILC

The picture for material deprivation is consistent with that of relative income poverty. Overall, the level of material deprivation, measured as not being able to afford at least three items of a nine-item list, is very high among older people in Lithuania, at 26%, compared to 11% among European OECD countries on average (Figure 2.49). Only Greece and Turkey have higher levels of material deprivation in the population aged 65+. At the same time, there is an 8.5 p.p. gender gap in material deprivation in Lithuania, the biggest of all countries included.

Figure 2.49. Material deprivation affects one-quarter of older people

Share of population aged 65+ unable to afford at least three items of a nine-item list, 2020



Note: The nine items include payments connected to housing (e.g. mortgage, rent or utility payments), adequate heating for the home, a car, one week of holidays away from home, a meal with meat, fish or a vegetarian equivalent every other day, unexpected financial expenses, a telephone, a colour TV and a washing machine.
Source: Eurostat Income and Living Conditions Database (ILC_SIP8).

Pension protection for low-income earners

First-tier benefits provide older people with basic income security with the aim of ensuring that elementary needs are fulfilled. There are three types of first-tier benefits:

- *Basic pensions* are pension schemes in which the benefit is not tied to previous earnings. Entitlement to a basic pension is either non-contributory based on years of residence or contributory based on years of contributions, irrespective of the level of contributions paid.
- *Minimum pensions* refer to the minimum of a specific earnings-related pension scheme or of all schemes combined, to which people become eligible if they reach a certain amount of years of contributions. People who have built up an earnings-related pension that is below the minimum pension level, and fulfil the qualification requirements for the minimum pension, are provided a top-up to the level of the minimum pension.
- *Social-assistance* or *safety-net benefits* are means-tested benefits that provide an income top-up to those who do not have sufficient pension entitlements to fulfil basic needs.

The Lithuanian pension system consists of a complex combination of separate benefits. In addition to a points-based earnings-related scheme, first-tier benefits include a contribution-based basic pension, a minimum pension, a number of safety-net benefits and a supplement for single pensioners.

People can claim an old-age pension if they reach the statutory retirement age and have made at least 15 years of contributions.[40] The statutory retirement age is 64 years and 4 months for men and 63 years and 8 months for women in 2022, but is gradually increasing to reach 65 for both men and women by 2026. After a ruling from the Constitutional Court in 2002, there are no limits on combining work and old-age pensions, meaning that old-age pensions are not reduced in case of employment income.

The contributory pension consists of a contribution-based basic pension and an earnings-related pension. In 2022, the contribution-based basic pension ('general part' of the contributory pension) is equal to EUR 225.84 per month. If the number of years of contributions exceeds a certain threshold – 32.5 years in 2022, gradually increasing to 35 years by 2027 – the basic pension amount is multiplied by the ratio of the number of years of contributions and the threshold. If total contributions in a certain year are at least equal to total contributions of a person working full-time for the full year at the minimum wage, this is counted as one year of contributions; if total contributions in a certain year are below this amount, then the year is only taken into account proportionately. Periods of social-insurance benefit receipt (e.g. illness, unemployment, maternity leave) are credited in the calculation of the number of years worked.

The earnings-related pension ('individual part' of the contributory pension) equals the number of pension points accumulated multiplied by the pension point value in a given year (EUR 4.94 per month in 2022). For every year of contributions, the number of pension points accumulated is determined by dividing total contributions made in that year by those an average-wage worker makes in the same year.[41] Periods of social-insurance benefit receipt are credited for the earnings-related pension; for those periods, pension

[40] Under certain conditions, a pension can be drawn before the statutory retirement age. Earliest five years before the statutory retirement age, a person can claim an old-age pension on the condition of having reached at least the number of years of contributions required for a full pension (or half of that amount in case of a parent of a disabled child or a mother who raised at least five children). For every month of early retirement, the pension is permanently reduced by 0.32%. However, the penalty does not apply to a person with a career of at least 40 years and three months (gradually increasing from 40 years in 2021 to 42 years and six months by 2031) and who will receive early retirement benefits for no more than three years. Early retirement benefits cannot be combined with income from work or from other social insurance schemes. Claiming an old-age pension can be deferred by between one and five years after the statutory retirement age. A bonus of 8% applies for each full year of deferral.

[41] No more than five pension points can be accumulated in a given year, meaning that pension build-up in the public pension scheme is capped at five times average earnings.

contributions are calculated by applying the contribution rate to the benefit received. The values of both the basic pension and the pension point are adjusted yearly to the seven-year average growth rate of the wage bill, although indexation cannot reduce pensions in nominal terms (OECD, 2021[1]).

Lithuania has a minimum (contributory) pension called pension supplement. If the contributory pension is below the amount considered to be required to fulfil minimum consumption needs (EUR 267 per month in 2022 for a single person), the pension supplement tops it up to this amount for a person having fulfilled the 32.5-year contribution requirement. In case the person qualifies for a contributory pension but has fewer than 32.5 career years (in 2022), the top-up amount is diminished proportionately to the career length. The pension supplement is tested against all pension incomes except for the survivor's pension and the pension supplement for singles. As shown below, the minimum pension plays a very small role: due to increases in other pension benefits – the pension supplement is indexed to the price of a basket of essential goods, whereas all other pension benefits are adjusted to growth of the wage bill – the top-up provided by the pension supplement has eroded and the benefit is likely to become obsolete.

The Lithuanian pension system contains a modest supplementary benefit specifically for single people who reached the statutory retirement age was introduced in 2021. In 2022, the benefit equals EUR 32 per month.[42] A survivor's pension is paid to the surviving spouse upon reaching the statutory retirement age when their deceased spouse was entitled to an old-age or disability pension or made at least 15 years of contributions.[43] Finally, the pension system also includes a targeted benefit. The social-assistance old-age pension is tested against pension income as it is only available to people who reached the statutory retirement but cannot claim a contributory pension. The benefit equals EUR 173 in 2022.[44] As this benefit exceeds that of social assistance benefits provided under the Law on Cash Social Assistance for Poor Residents, the latter only matter for older people under exceptional circumstances, for instance in case of a low-income multi-generational household in which pension benefits form the main source of income.[45] The combination of the social assistance old-age pension and the supplementary benefit for single people together result in a benefit of 13% of gross average earnings, while on average across the OECD, non-contributory benefits equal 21% of gross average earnings (Figure 2.50).

[42] The benefit is not paid to people receiving a survivor's pension, but the survivor's pension is of the same amount.

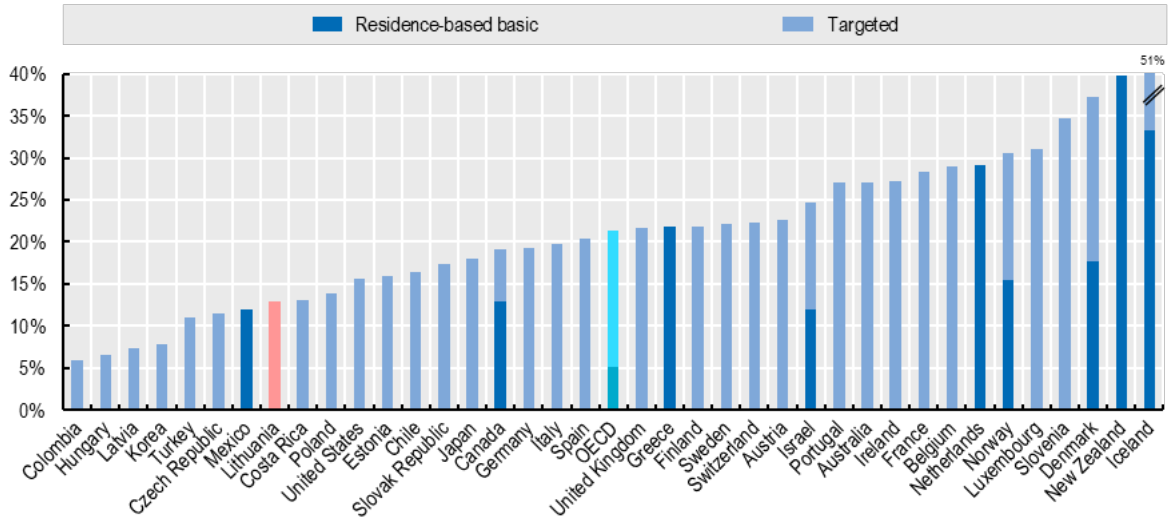
[43] In case the married couple had no children, there is a supplementary requirement that the couple was married for at least one year before the spouse passed away in order to qualify for a survivor's pension.

[44] The social-assistance old-age pension is 1.5 times the normal amount for parents of a disabled child and for mothers who raised at least five children.

[45] The social assistance threshold under the Law on Cash Social Assistance for Poor Residents equals EUR 141.90 for an individual and EUR 283.80 for a couple in 2022, while a single person above the statutory retirement age receives at least EUR 182 from the pension system (i.e. the social assistance old-age pension and the supplementary benefit for single people) and a couple EUR 300 (i.e. twice the social-assistance old-age pension). In Švenčionys, only four of the 772 social assistance recipients in 2021 were 65 or older. Neither the State nor the other two municipalities could provide data on the breakdown of the social assistance recipients by age.

Figure 2.50. Non-contributory first-tier benefits are very low in international comparison

Non-contributory first-tier benefits as share of gross average earnings, 2020 (2022 for Lithuania)

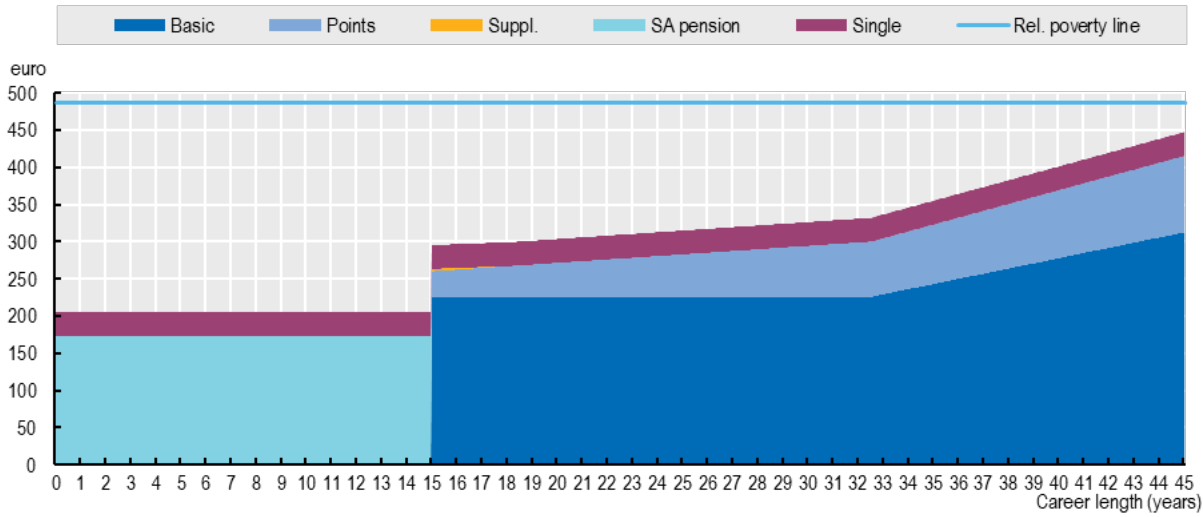


Note: For Lithuania, the figure refers to the combination of the supplementary benefit for single people and the social assistance old-age pension.
Source: OECD (2021[1]), Figure 3.2, complemented with data provided by the country

Figure 2.51 provides an overview of the composition of the monthly pension of persons working their entire careers at the minimum wage (in 2022 amounts). For singles with fewer than 15 years of contributions, pension income is at EUR 205 (combination of social-assistance pension and singles' supplement). Upon reaching 15 years of contributions, the pension income increases by EUR 90, as people receive the contribution-based basic pension and the points-based earnings-related pension instead of the social-assistance pension. The pension supplement provides a modest top-up of EUR 3 at this point and further declines as careers are longer. For a career of 32.5 years at the minimum wage, total pension income is EUR 37 higher than after 15 years of contributions, but once career length exceeds 32.5 years pension income increases significantly as the basic part of the pension is higher: total pension income equals EUR 401 after a 40-year career, and EUR 447 after 45 years. Even after a 45-year career, the pension remains below the relative income poverty threshold.

Figure 2.51. Pension benefits for minimum-wage earners depending on career length

Income composition of a retiree who earned minimum wage throughout working life, by career length (amounts for a retiree in 2022, in euros)



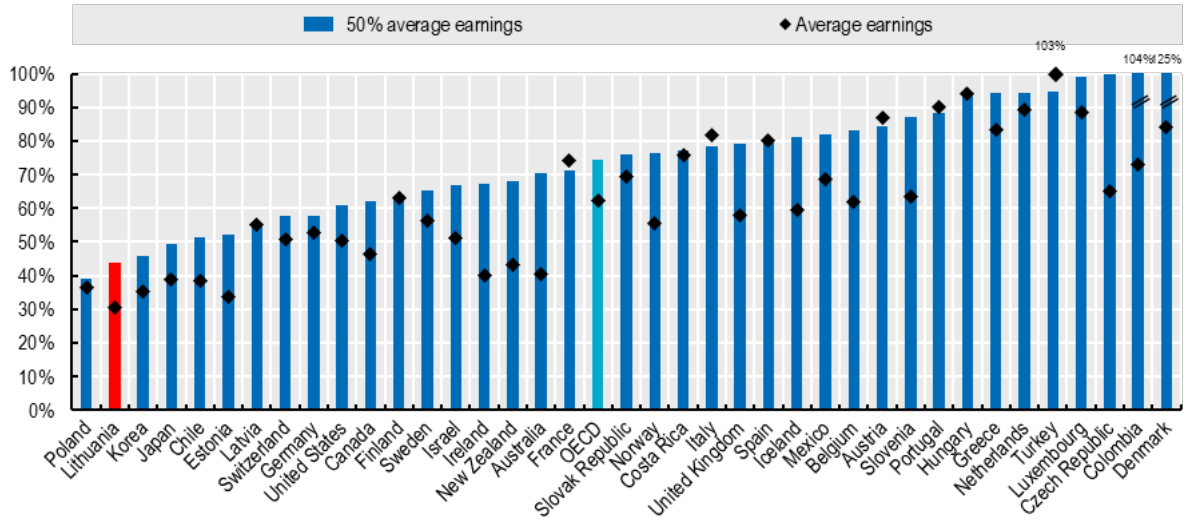
Note: 'Basic' refers to the contribution-based basic pension ('general part' of the contributory pension); 'points' to the earnings-related pension ('individual part' of the contributory pension); 'suppl.' to the pension supplement; 'SA pension' to the social-assistance pension; and 'single' to the supplementary benefit for single people. The poverty line is the relative poverty line at 50% of median income in 2019, adjusted to average wage growth in 2020 and 2021. The calculation is based on the assumption that the ratio of the minimum wage to the average wage is constant at its 2022 level (46.2%). Between 2014 and 2019, the minimum wage fluctuated between 45% and 50% of the average wage, and the Tripartite Council decided in 2017 that the minimum wage should remain within these boundaries. Across this six-year period, the minimum wage on average was at 47.6% of the average wage (Garcia-Louzao and Tarasonis, 2020[4]). The minimum wage in 2022 is EUR 730 per month.
Source: OECD calculations based on information provided by the country; poverty line based on OECD Income Distribution Database.

Lithuanian future net replacement rates are very low in international comparison. For people working a full career from age 22 in 2020 at half of average earnings (i.e. about the minimum wage), the net replacement rate of 44.0% is the second lowest in the OECD, after Poland at 39.1% (Figure 2.52). Japan and Korea are the only other countries where the net replacement rate for the low-income earner is below 50%, whereas the OECD average is at 74.4%. In Colombia, the Czech Republic and Luxembourg, the net replacement rate is around 100% for low earners, and in Denmark it is even at 124.7%, meaning that the income improves upon retirement for these people.

For people receiving average earnings throughout the career, the Lithuanian future net replacement rate of 30.7% is even the lowest in the OECD; it is below 35% as well in only Estonia. In comparison, in the OECD on average, a worker receiving average earnings can expect a replacement rate of 62.4%. In Hungary, the Netherlands, Portugal and Turkey, the net replacement rate for such a person is around 90% or more.

Figure 2.52. Low net replacement rates for both low and average earners

Future net pension replacement rates: low and average earners, percentage



Note: The calculation refers to a worker entering the labour market at age 22 in 2020 with an uninterrupted career and retiring when receiving a full pension without penalties (normal retirement age). Two cases are shown here: individuals earning 50% and 100% of the average wage throughout the career. The net replacement rate is defined as the individual net pension entitlement divided by net pre-retirement earnings, taking account of personal income taxes and social security contributions paid by workers and pensioners. The calculation is based on mandatory and quasi-mandatory pension schemes.
Source: OECD (2021[1]), Table 4.4

2.4.2. Social resources

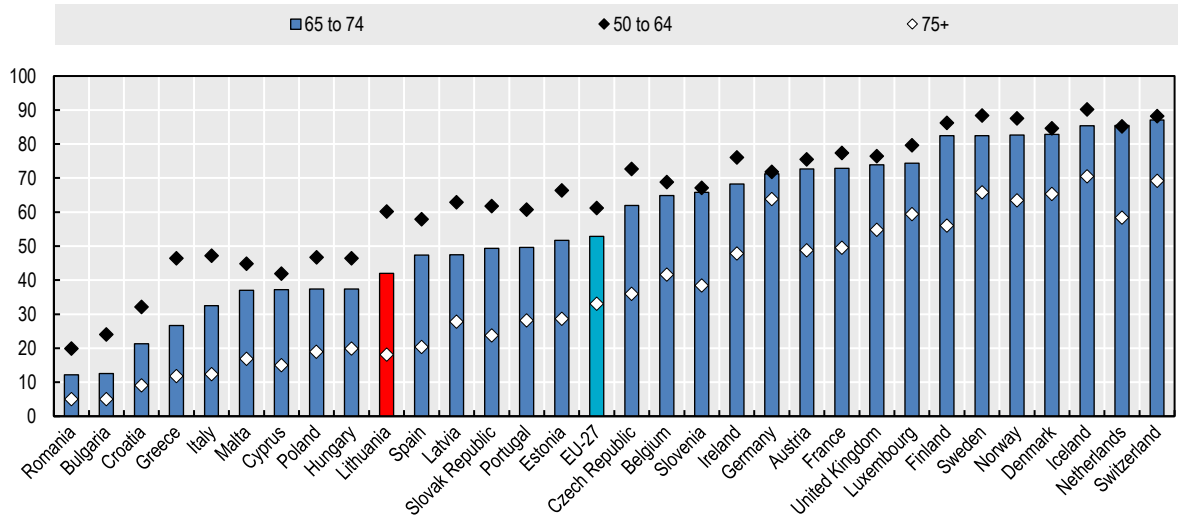
How older people spend their time, generally after having retired, gives an indication of their interaction within society. For example, high levels of participation in activities and frequent social interaction suggest that older people are able and likely even encouraged to maintain an active and interactive life in society, whereas low rates may indicate that older people perceive themselves as being abandoned and regarded as a burden. This section analyses the level of participation in cultural and sporting activities by age, gender, degree of urbanisation and income level as well as examining the most popular types of activities and the main reasons for not participating. Each of the three selected municipalities is then examined, highlighting the main activities available. The section then turns to social interaction beyond participation in social activities, analysing the frequency of older people living alone and the level and form of contact, before showing the size and diversity of the social network.

Participation rates in cultural or sporting activities and reasons for non-participation

Participation in cultural or sporting activities can help increase well-being by forging a sense of belonging and engaging in the local community. Across the EU over one-half of those aged 65 to 74 participated in 2015 in a cultural or sporting event within the previous 12 months (Figure 2.53). However, in Lithuania it was only 42%, placing Lithuania among the third of countries with the lowest participation rates. Bulgaria and Romania ranked lowest at around 12%, whilst Iceland, the Netherlands and Switzerland were highest at over 85%. Participation in cultural and sporting activities decrease by age, but among the 50-64 age group; Lithuania's participation at 60% is very close to the EU-27 average. This means that the decline from age 65 is particularly high in Lithuania, which could suggest that access to events in later life may be an issue for the older age groups.

Figure 2.53. Participation in cultural or sport activities is low across all age groups in Lithuania

Percentage participating at least once in the previous 12 months in EU-27 and selected countries, by age, 2015



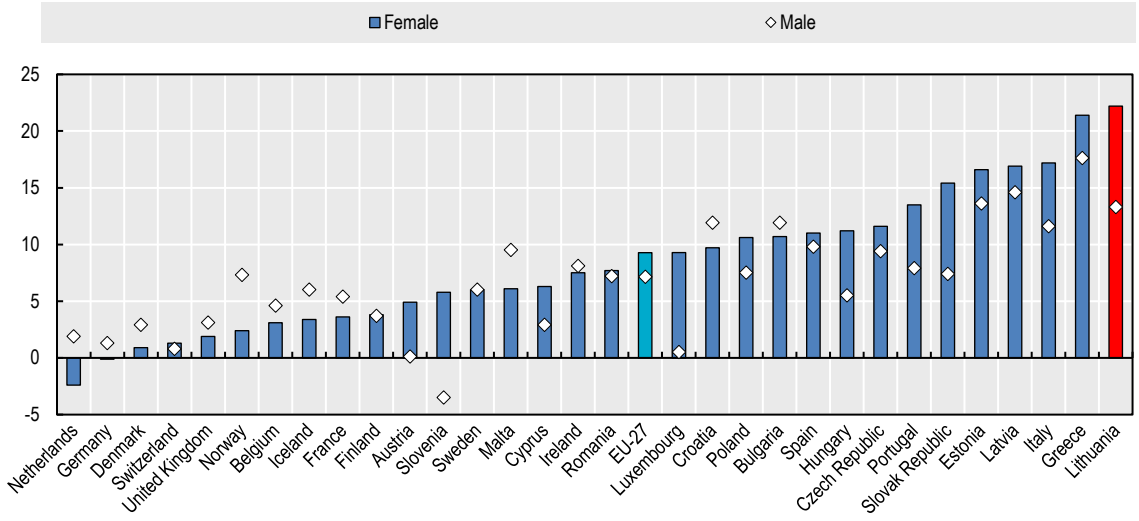
Note: Cultural and sporting events are defined as trips to the cinema, live performances (theatre, music concerts, ballet), trips to cultural sites (historical monuments, museums, art galleries or archaeological sites) or sporting events.
Source: Eurostat (online data code: ilc_scp01)

The decline with age in this participation rate is stronger among women than among men in the majority of countries. In Lithuania the fall between those aged 50-64 and those aged 65-74 is higher for women that in any other EU country, at 22 p.p. compared to 9 p.p. on average in the EU-27 (Figure 2.54). There are limited differences in participation rates between these two age groups in several countries, including Denmark, Germany, the Netherlands, Switzerland and the United Kingdom.

Within the above analysis there are four distinct cultural activities listed: cinema, live performance, trips to cultural sites and attending sporting events. In Lithuania, for the 65 to 74 age group as an example, live performances are the dominant activity with 38% having attended at least once with the 12-month period (Figure 2.55). Visits to cultural sites is next at 19%, followed by cinema at 9% and sporting events with 6%. For the EU-27 as a whole live performances also come first at 36% just ahead of cultural visits at 35% with both cinema and sporting events at 19%.

Figure 2.54. The decline at older ages in participation rates in cultural or sport activities are very high in Lithuania, especially among women

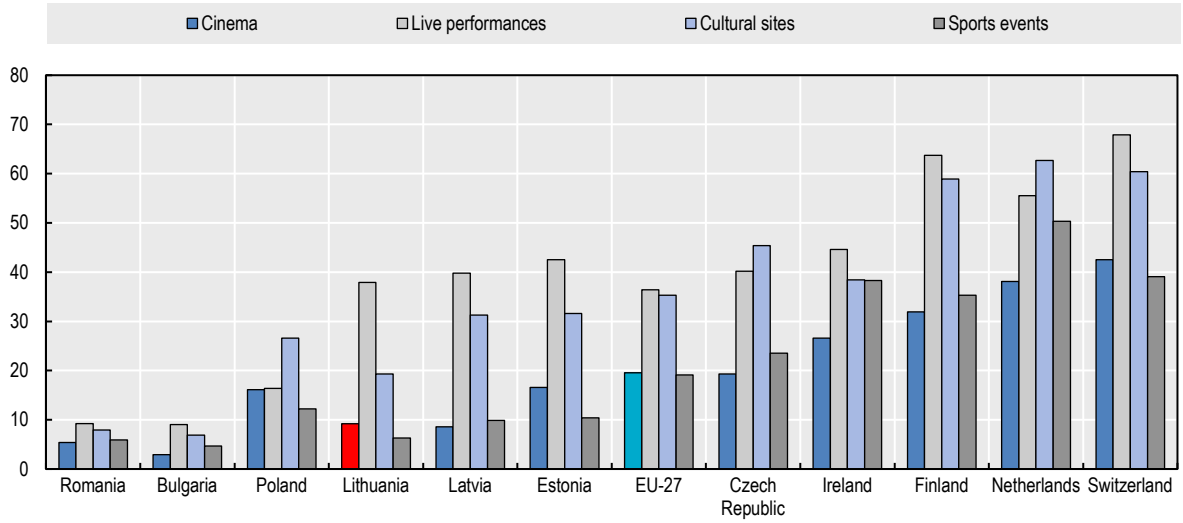
Percentage point decline (aged 50 to 64 – aged 65 to 74) in participation rates in any cultural or sport activities in the previous 12 months by sex, 2015



Note: Cultural and sporting events are defined as trips to the cinema, live performances (theatre, music concerts, ballet), trips to cultural sites (historical monuments, museums, art galleries or archaeological sites) or sporting events.
Source: Eurostat (online data code: ilc_scp01)

Figure 2.55. Live performances are much preferred to cultural visits in Lithuania

Percentage participating at least once in the previous 12 months in EU-27 and selected countries, for those age 65 to 74, 2015

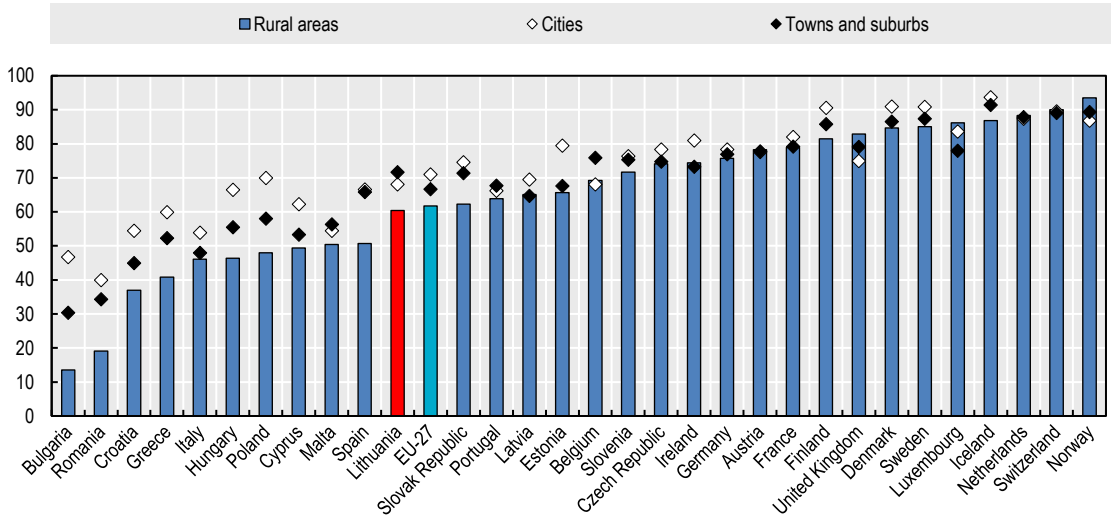


Note: Cultural and sporting events are defined as trips to the cinema, live performances (theatre, music concerts, ballet), trips to cultural sites (historical monuments, museums, art galleries or archaeological sites) or sporting events. Data are sorted in ascending order of overall participate rate from Figure 2.53.
Source: Eurostat (online data code: ilc_scp03)

Location is a key factor influencing participation at an event across most European countries, with cities unsurprisingly highest, followed by towns and suburbs and lastly rural areas (Figure 2.56). Participation rates across locations are similar to EU averages. In Lithuania, participation within rural regions is around 10 p.p. lower than within the other two urban classifications.

Figure 2.56. Participation rates in cultural or sporting activities is lower in rural areas

Percentage of all individuals participating at least once in the previous 12 months in EU-27 and selected countries, by degree of urbanisation, 2015

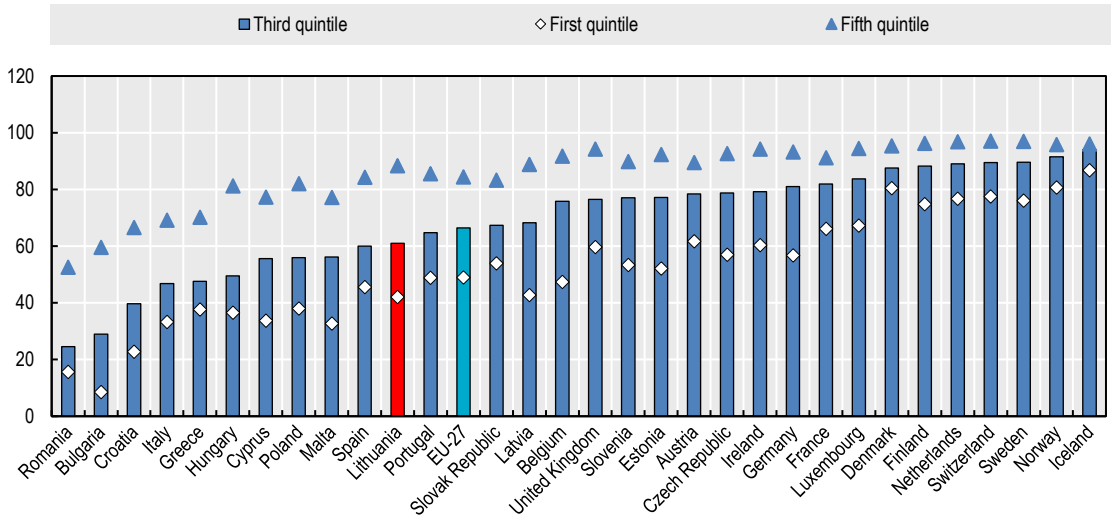


Note: Cultural and sporting events are defined as trips to the cinema, live performances (theatre, music concerts, ballet), trips to cultural sites (historical monuments, museums, art galleries or archaeological sites) or sporting events.
Source: Eurostat (online data code: ilc_scp02)

Beyond the degree of urbanisation but also related to it, lower income levels are associated with lower participation rates. This weighs against the participation amongst older people as they tend to fall within the lower income groups, as shown in the first part of this chapter. In all countries, the level of participation in cultural or sporting events increases with income level. In Lithuania only 42% of those in the bottom income quintile participated in an event within the 12-month period, compared to over twice that level at 88% for the top income quintile (Figure 2.57). This 46 p.p. gap is the second highest amongst the listed countries, after only Bulgaria. Across the EU-27 the average for the lowest quintile is 49% compared with 84% for the high income group.

Figure 2.57. Participation in cultural or sporting events varies strongly across incomes

Percentage of all individuals participating at least once in the previous 12 months in EU-27 and selected countries, by income quintile, 2015

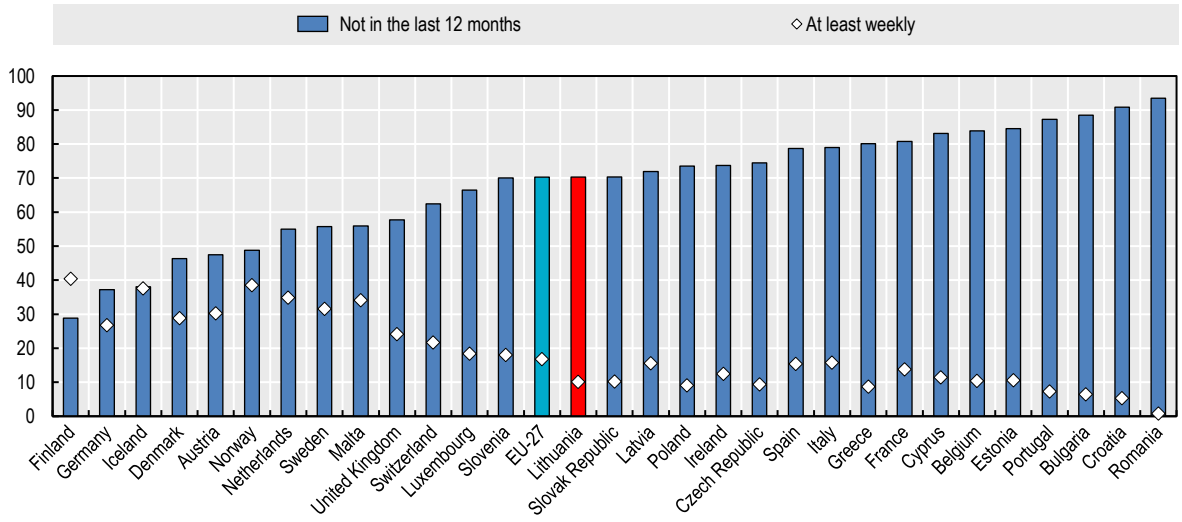


Note: Cultural and sporting events are defined as trips to the cinema, live performances (theatre, music concerts, ballet), trips to cultural sites (historical monuments, museums, art galleries or archaeological sites) or sporting events
Source: Eurostat (online data code: ilc_scp02)

The level of participation in artistic activities is even lower than that for cultural and sporting activities. In Lithuania as in the EU on average, around 70% of those aged 65 to 74 do not participate at all in artistic activities (Figure 2.58). In Croatia and Romania, non-participation rates are the highest, over 90%, whilst they are the lowest, under 30%, in Finland. By contrast, 10% of those aged 65 to 74 in Lithuania, and 17% on average across the EU-27 participate at least weekly in artistic activities. Finland, Germany and Norway are highest at around 40%, with Romania again performing worst at under 1%, with Bulgaria, Croatia and Portugal also under 10%.

Figure 2.58. Artistic activities are not that popular in Lithuania

Percentage of those age 65 to 74 participating in artistic activities in EU-27 and selected countries, 2015



Source: Eurostat (online data code: ilc_scp07)

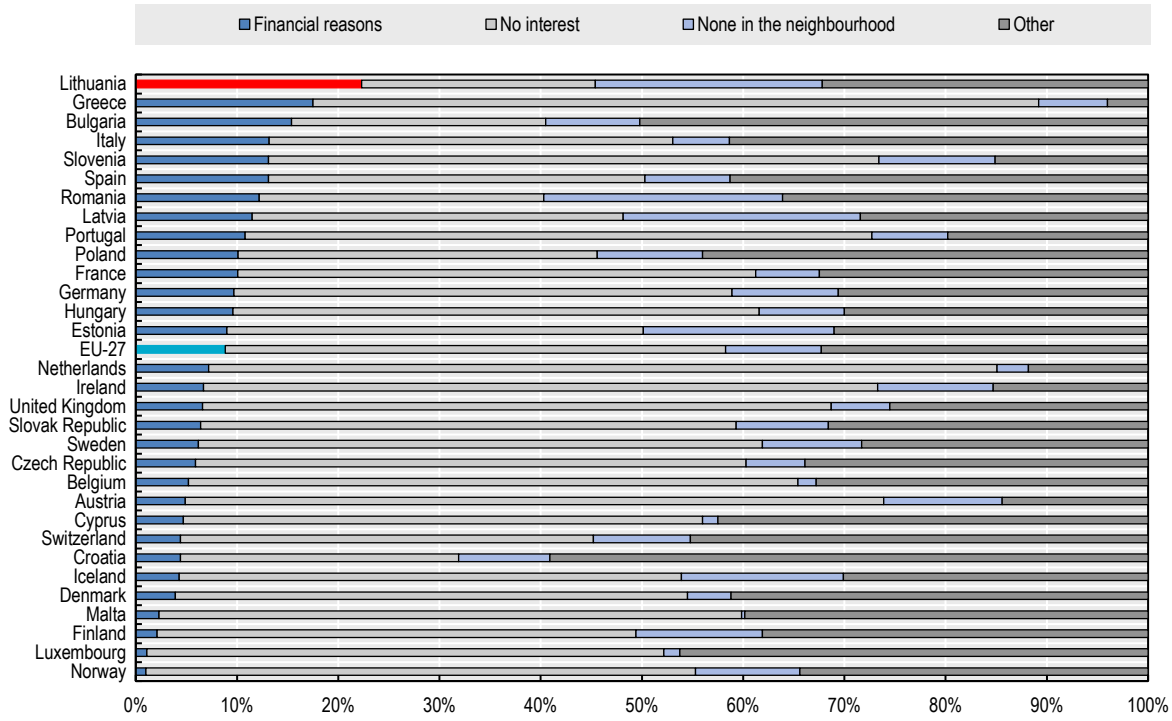
Most cultural and sporting activities are free, whereas artistic activities will include live performance events at theatres, for example. Although there may be concession tickets for the older age groups they will not be free and could still be quite expensive relative to their income.

Despite the relatively high levels of participation within many countries, there are clearly individuals who are either unable or unwilling to participate, and assessing the underlying reasons call help concentrate policy efforts. If there is no interest in any of the proposed events then perhaps a more varied programme of activities is needed, whereas lack of availability or cost issues need to be addressed through other measures.

For those aged 65 to 74 in Lithuania there is no clear consensus as to the reason for not participating in cultural or sporting activities with 22-23% of respondents in each of the three categories: ”Financial reasons”, “No interest” and “None in the neighbourhood” (Figure 2.59). The remaining 32% are not classified. Lack of interest seems to be less prevalent than in all other countries as only 23% of those surveyed respond “No interest” in Lithuania against 49% in the EU on average. Having 22% of responses for “Financial reasons” in Lithuania is 5 p.p. higher than in any other country, and more than double the EU-27 average of 9%. This is not surprising as income levels amongst the older age groups are particularly low in Lithuania, especially for women. However, during the OECD mission in Lithuania, large scepticism of this result emerged, as it was highlighted that most activities are in fact free, but this applies mainly to Third Age Universities, rather than theatre performances for example. The same proportion is also found both for Lithuania (22%) and the EU (9%) under the “None in the neighbourhood” category. Although not shown in the chart, for those aged 75+, “Financial reasons” are also much higher in Lithuania than anywhere else. Older people therefore appear willing to participate in Lithuania but have greater availability and cost difficulties than are found in other countries.

Figure 2.59. Non-participation due to financial reasons is higher in Lithuania than anywhere else

Reasons of non-participation in cultural or sport activities for those aged 65 to 74, 2015



Source: Eurostat (online data code: ilc_scp05)

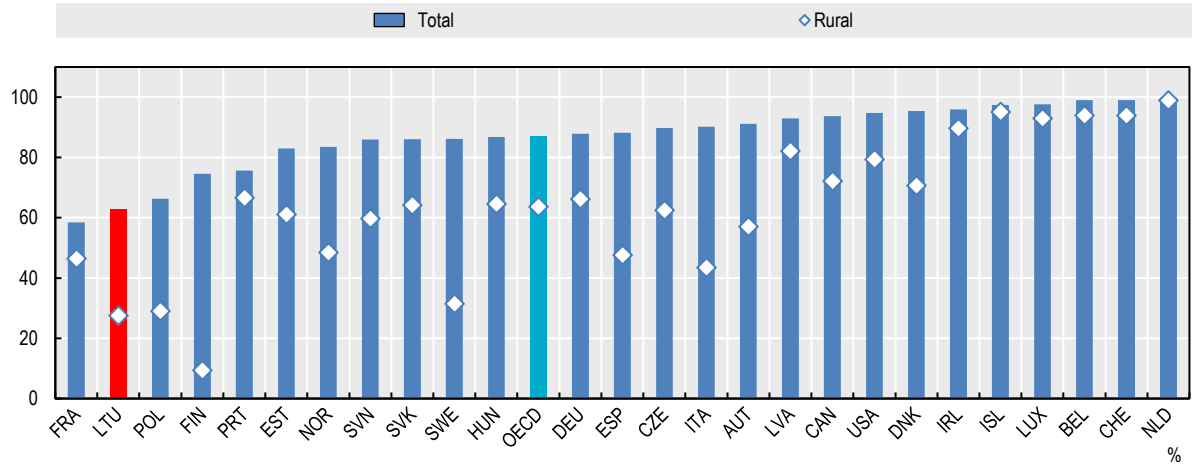
What activities do the three municipalities offer?

The majority of events or activities within each of the three municipalities under study are either directly organised by the municipality themselves or at least registration has to take place through the municipality. The municipality therefore serves as the information hub for all such events, with their websites being a rich source of information for all of the services that are provided across all sectors. A calendar of events is a common tool that can be used to see what is available each day with contact details being given should additional information be required. Therefore, older people who have access to the internet are not short of information or options.

However, high-speed internet access in Lithuania is poor in comparison to other OECD countries, both in general and for those living in rural areas. Only 63% of households in Lithuania have access to internet with fast broadband (download speed greater than 30Mbit/s); only France is lower at 58% and Poland close at 66%, while the OECD-26 average is 87% (Figure 2.60). For rural areas Lithuania is again second to last at 28%, above only Finland at 9%, with an OECD average of 64%. The Netherlands is highest at just under 100% coverage for both rural and total households, and five other countries are at 90% or more.

Figure 2.60. Lithuania lagging behind in terms of access to fast broadband

Percentage of households with access to Internet >30Mbit/s in 2019 or latest available year, at the rural and national levels



Note: 2019, or last available year: EU countries (2018).
Source: OECD (2020[5])

As the population density and urbanisation level of the three municipalities differ, so does the level of service that can be provided. Being a city municipality Panevėžys has the advantage of being able to provide services within a relatively small area with limited restrictions in terms of access, whilst Švenčionys District Municipality that is very rural with a widely dispersed population faces natural obstacles in terms of access. On top of also being rural, Kaunas District Municipality encircles the city of Kaunas, which acts as a service hub that is within relatively easy reach of many residents of the District Municipality, particularly in the south and west, which may reduce the supply of more localised services.

Across Lithuania, including in each of the municipalities under study, there are around 50 Universities of the Third Age (U3A) which offer a wide range of activities specifically targeted at older people. There is in general a wide variety of courses and classes offered covering many interests, even though the cities, such as Kaunas and Vilnius, offer a wider range. Many of the activities offered are free of charge for each class, but there is commonly an annual fee of around EUR 30. Some activities do, however, have a charge for each class, which can in some cases be as much as EUR 10. Given that the contributory basic pension in Lithuania is only around EUR 200 per month, it is not surprising that financial constraints are a common reason for non-participation as shown in Figure 2.59.

Panevėžys City Municipality

Whilst the COVID-19 pandemic greatly reduced the number of activities that are available in Panevėžys U3A, online courses were offered. The start of 2022 has seen a return to more in person events. The activities themselves fall under different faculties within the university, and are concentrated within languages, arts and health. In addition, there is a range of outdoor events or trips. Within the language faculty there are weekly courses for two or three groups for those learning English, French, German and Polish, with an additional weekly class for advanced English speakers. Within the health faculty there are yoga and meditation classes, running twice per week with two classes on each of these days, giving around 16 classes in total. In addition, there is a weekly workout class with Nordic sticks for those that are able to be more active.

The arts faculty offers a wide range of activities covering literature, art, handicraft, dancing and singing. They offer mostly weekly classes on knitting, jewellery making, sewing, felt making and painting. Weekly

courses are also offered for line dancers as well as those wishing to take part in the choir. There are also literature and poetry clubs as well as a photography course for those wishing to take photos using their mobile phone. Regular excursions are also organised to local industries or buildings of interest as well as educational trips to other cities.

The annual fee for the U3A is EUR 10 for the first year and then EUR 5 for each subsequent year. Whilst there may be some additional charge for specific activities, over 80% of all activities are free, including all those activities for which project funding is received. For those activities that have an additional charge, there are always complaints from participants that it is too expensive, irrespective of the size of the fee.

Participation levels have been increasing in recent years, with over 300 students now registered at the U3A and over 2 000 visits being made to sports centres. For comparison, around 20 000 of the population is aged 65 or over. Within those that do participate, only 3% are men, as their interests tend to be more towards popular activities during Soviet times, such as hunting and fishing. Attempts at encouraging more men to participate have concentrated on developing activities for couples or having more specific activities, such as political debates near election time.

Švenčionys District Municipality

Activities in the Švenčionys U3A are normally twice per month within each faculty and cover a range of primarily arts-based activities. There are classes in the basics of table etiquette, T-shirt painting and basket weaving. There are also seasonal courses so in March 2022, for example, there were Easter-related activities such as pastries and egg-printing methods, as well as regular group trips. Annual membership is EUR 10 and the classes are held at several locations throughout the municipality.

In 2019, about 150 participants took part in U3A activities, with only around 10% being men. Arts and Lithuanian/ Polish culture classes took place in Švenčionėliai faculty classes. Classes in the Faculty of Psychology took place in Pabradė and Vidzeme. In Milkušk classes were held at the Faculty of Arts. History and political science classes took place in Adutiškės.

There are also three cultural centres operating in the district: Švenčionys City Culture Centre, Švenčionėliai City Culture Centre and Pabradė City Culture Centre and their branches, which have dance and song groups, and about ten classes in which seniors participate. Popular and cultural services in the district are informal writers' clubs (there are five of them) and the NGO Švenčionys district writers' club "Versmė". Classes with the cultural centre are free, though there are charges when travelling outside the municipality is required.

Access to either cultural centres or U3A is a particular problem in Švenčionys as there is limited public transport within the most rural areas of the municipality. Although it is possible for cultural centres to rent transportation from the municipality at a preferential rate, it is restricted to events and not regular classes.

Kaunas District Municipality

The majority of activities within Kaunas District Municipality are provided at the local level within the Elderships – the administrative level below municipality - rather than at the municipality level. In addition, Kaunas U3A covers both the Kaunas District and City Municipalities with ten faculties, with many courses being available online during the COVID-19 pandemic. More than 250 events are organised every year. Although the majority of events are classified as lectures/seminars or practical workshops, there are some common events, such as field trips, excursions, performances, sports competitions, brain battles, fairs, educational concerts and song festivals. As the main topics of interest among older people are health and well-being the university has been running courses promoting healthy lifestyle as well as cultural programmes. There are also computer literacy courses for older age groups. There is no annual fee for the U3A in Kaunas, with the only charges being for excursions.

As part of the university a Senior Award Programme started in October 2021 and participants can obtain gold, silver and bronze awards. There are partner universities in Bulgaria, Latvia, the Netherlands and Slovenia. The programme is designed to encourage older adults to remain active and integrated in society beyond retirement as well as to empower them to engage in meaningful lifelong-learning and volunteering activities. Suggested volunteering locations include animal shelters, cultural centres, libraries and charity organisations among others. It also aims at motivating them to pursue their leisure activities and interests, stay healthy both physically and mentally, contribute to their communities and participate in organised educational trips. Volunteering and learning new skills and obtaining new knowledge are mandatory, while physical activities and educational tourism are optional. All of the award levels require 8-10 hours of participation per month with the bronze award taking 3 months, the silver 6 months and the gold 12 months.

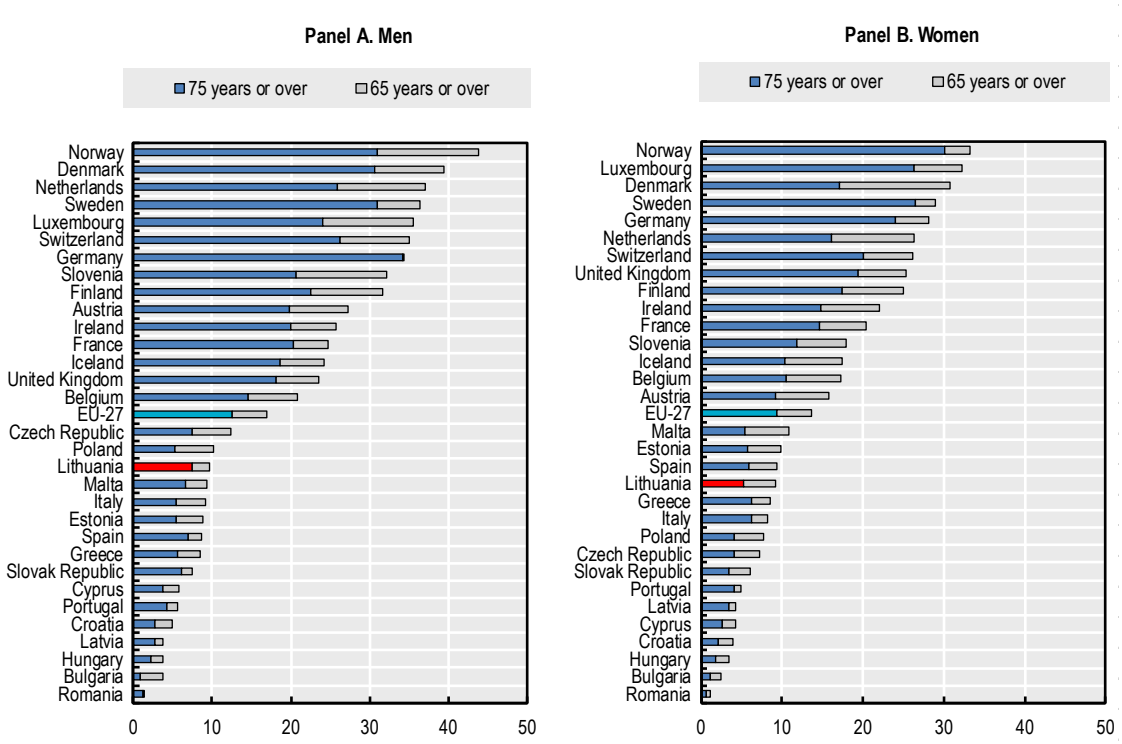
Within the district, every month a number of cultural centres and leisure halls have a variety of exhibitions of drawings, paintings or photography among others. There are also seasonal exhibitions covering important national days, such as Independence Day, or religious festivals, like egg exhibitions at Easter, for example. These are just some of the activities offered to the whole population rather than being targeted to older people; however, the likelihood is that they account for the majority of visitors during working hours especially. The number of cultural activities offered in Kaunas in 2022 is much higher than in previous years as Kaunas City and the district municipality have been designated European Capital of Culture for 2022. The operating budget is EUR 30 million of which around 50% was allocated to the years prior to 2022, 45% for 2022 and the remainder for 2023 and beyond (Kaunas City Municipality, 2017[6]). Of this budget 65% is planned for the cultural programme itself. Overall there will be thousands of different events planned throughout the year (Kaunas 2022, 2022[7]).

Volunteering

The last form of interaction covered here is volunteering, whether formal or informal. For men over 65 in Lithuania only 10% participate in voluntary activities, well below the EU-27 average of 17%. Bulgaria, Hungary, Latvia and Romania are below 4%, whilst Denmark and Norway are both around 40% (Figure 2.61, Panel A). For women, the cross-country comparison is similar although rates are generally lower than those for men (Panel B).

Figure 2.61. Volunteering levels are low among older people in Lithuania

Participation rate in formal or informal voluntary activities or active citizenship for those aged 60 to 74 and 75+ by gender, 2015



Source: Eurostat (online data code: ilc_scp19)

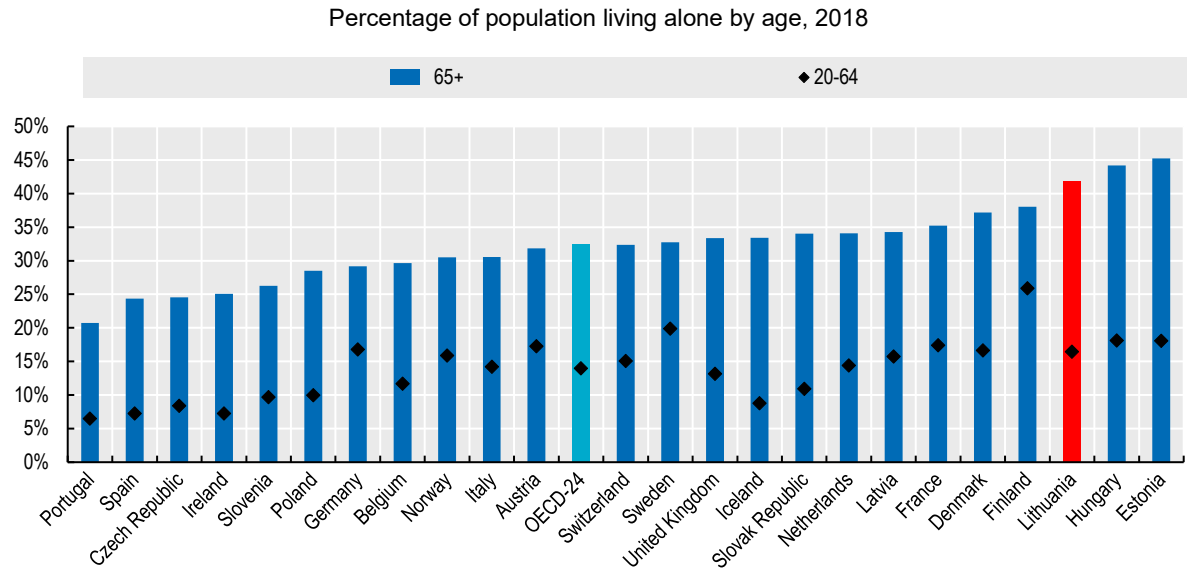
Social network

Beyond participating in official courses or activities organised through municipalities or universities, general social contact is an important factor to maintaining a healthy life. As shown in (Sommerlad et al., 2019[8]) and (Crooks et al., 2008[9]), maintaining an active social life reduces the risk of many complications in later life, such as dementia.

Loneliness

Social interaction may be more important in Lithuania than in most other European countries as the proportion of the older age group living alone is relatively high. More than 40% of those aged 65 or over are living alone in Lithuania, compared to 32% for the OECD-24 average (Figure 2.62). Only Estonia (45%) and Hungary (44%) have higher levels than Lithuania, with Latvia (34%) and Poland (29%) for example being much lower and Portugal having the lowest share (21%). Living alone is more common amongst older women in Lithuania at 49% compared to 24% for men aged 65 or over.

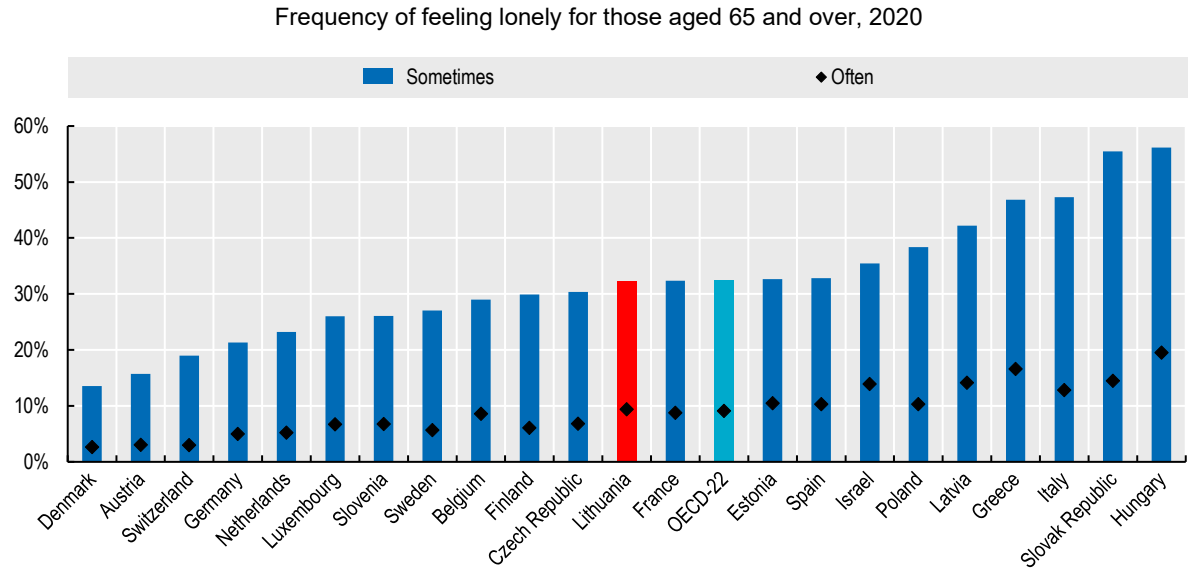
Figure 2.62. A high proportion of older people are living alone in Lithuania



Source: European Social Survey wave 9

However, despite this relatively high level of those aged 65+ living alone, the feeling of loneliness is around the average. About one-third of those age 65+ report as feeling lonely sometimes, with 9% stating that they feel lonely often (Figure 2.63). The OECD-22 averages are the same. Hungary reports the highest level for often feeling lonely at 19%, while both Hungary and the Slovak Republic have the highest share of people feeling lonely sometimes at 55% or over, 8 p.p. above any other countries. By contrast Austria, Denmark and Switzerland record under 20% for the "sometimes" category and 3% for often feeling lonely.

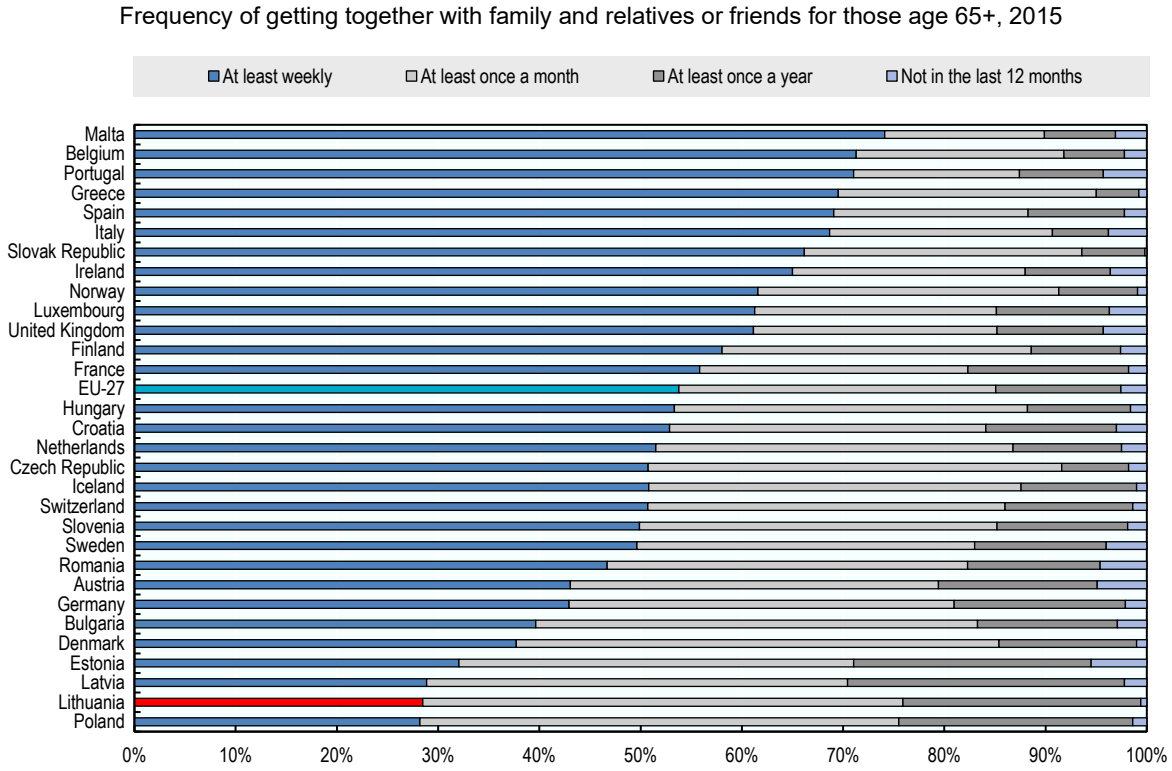
Figure 2.63. One-third of older people feel lonely both on average and in Lithuania



Source: SHARE wave 8

Regular weekly contact from friends or family is the lowest in Latvia, Lithuania and Poland among the selected countries for those aged 65 or over, under 30%, compared to an average of 54% for the EU-27 (Figure 2.64). At the other end Belgium, Malta and Portugal are all over 70%. When expanding to more infrequent contact, 76% of the population group in Lithuania get together at least once per month, but this is still well below the average of 85% and only above Estonia, Latvia and Poland.

Figure 2.64. Regular contact for older people is limited in Lithuania

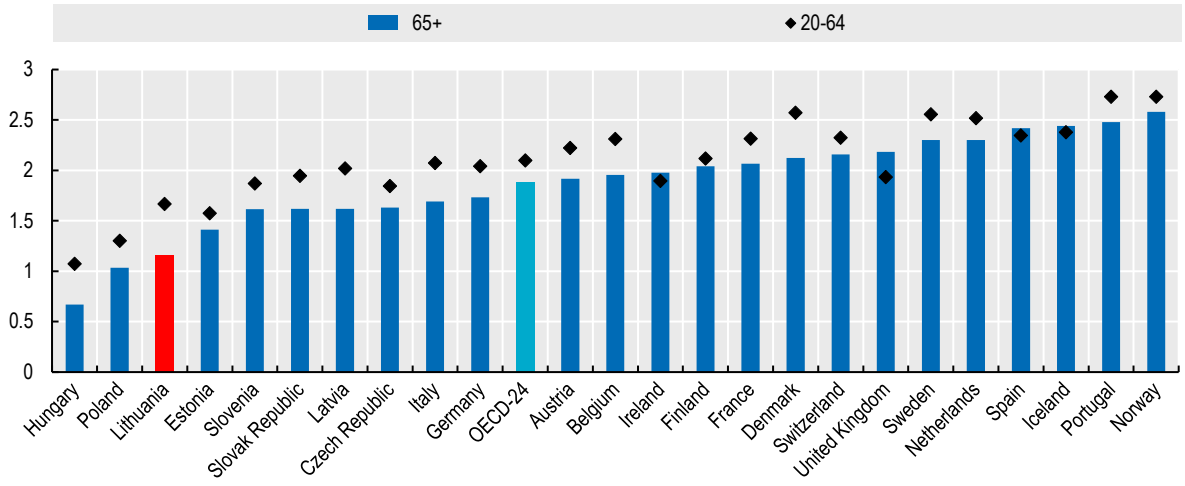


Source: Eurostat (online data code: ilc_scp09)

The level of social contact with friends or relatives is quite low in Lithuania and there is a drop-off for those aged 65+. The European Social Survey indicates that on average social contact is only a couple of times per month for the over 65s as the average score is 1.2 with “1” representing 1-3 times per month and “2” representing weekly (Figure 2.65). By comparison the average for the 20-64 age group is 1.7. Only Hungary and Poland have lower levels for those aged 65+ at 0.7 and 1.0, respectively, with the OECD-24 average being 1.9. At the other extreme, Iceland, Norway, Portugal and Spain all have above 2.4 for the older age group with Iceland and Spain being two of only four countries that have higher values for those 65+ than for those aged 20-64, along with Ireland and the United Kingdom.

Figure 2.65. Contact is only around a couple of times per month

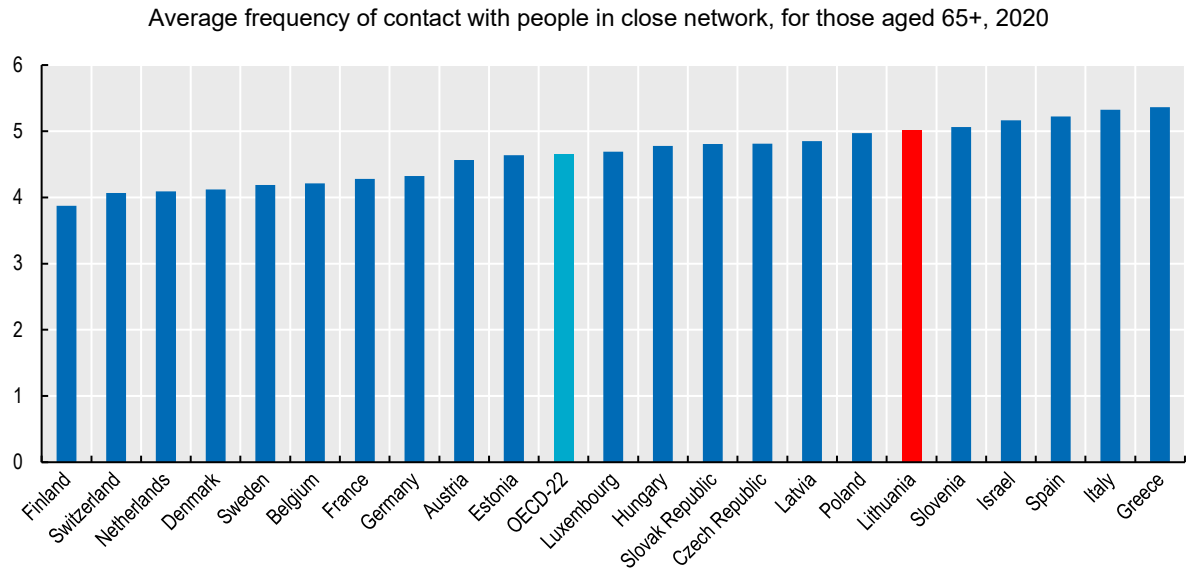
Index of how often individuals socially meet with friends, relatives or colleagues, by age, 2018



Note: 0 = less than monthly; 1 = 1-3 times per month; 2 = weekly; 3 = multiple times per week; 4 = daily
Source: European Social Survey wave 9

Beyond in-person contact shown in the above charts, the situation in Lithuania improves markedly when the form of contact is expanded to include interaction through email, mail or telephone calls. The latest SHARE data indicate that on average social contact among the close network - people with whom you often discuss things that are important to you – for those aged 65+ is several times per week, with Lithuania actually ranking 6th highest amongst the surveyed countries with an average score of 5.0 (Figure 2.66). The OECD-22 average is slightly lower at 4.7, with a low of 3.9 in Finland and a high of 5.4 in Greece. There is considerable variation between these data and those from Figure 2.65 for the countries that are common between the two, particularly for the Netherlands and Switzerland showing a relative lower positioning in the former, while it is the opposite for Lithuania and Poland. In Lithuania and Poland, the average contact including non-face-to-face is several times per week, showing the importance of alternative forms of communication in both countries.

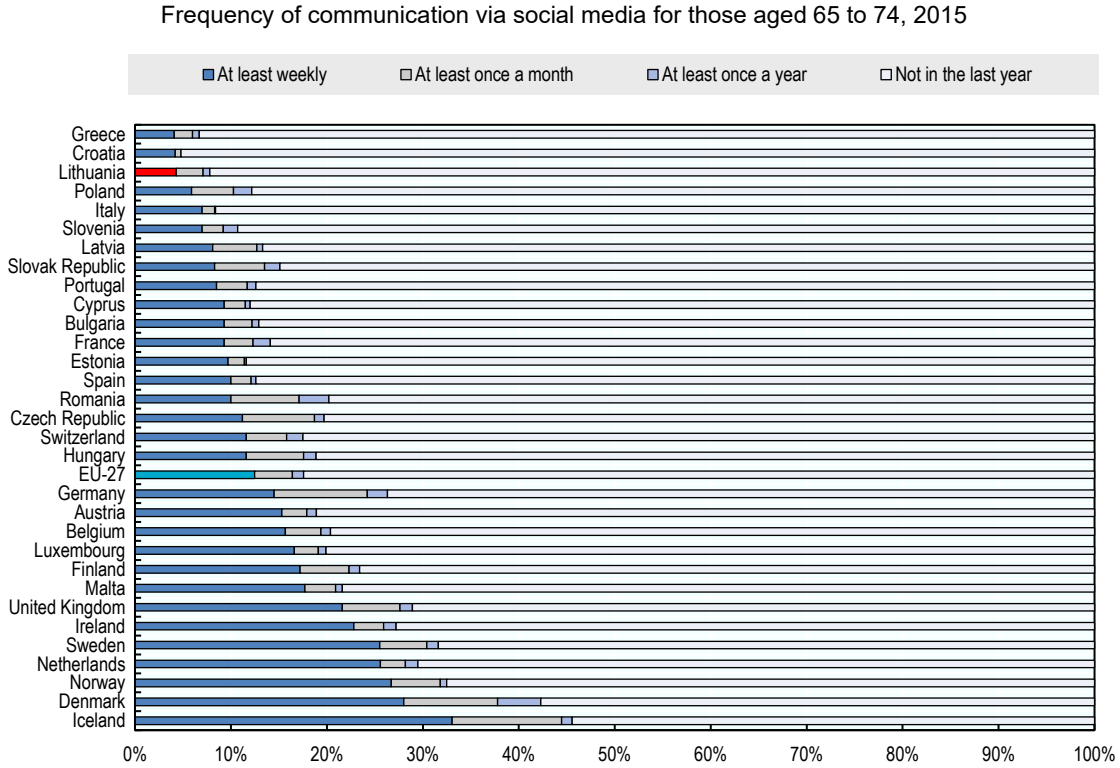
Figure 2.66. Non-face-to-face contact appears to be more frequent in Lithuania



Note: 0. Never; 1. Less than once a month; 2. About once a month; 3. About every 2 weeks; 4. About once a week; 5. Several times a week; 6. Daily.
Source: SHARE wave 8

This alternative forms of communication does not, however, encompass social media in Lithuania. According to the 2015 Eurostat survey data over 92% of Lithuanians aged 65 to 74 had no communications via social media in the entire year (Figure 2.67). Only Croatia and Greece had lower levels. By contrast only 55% had no such contact during the year in Iceland. Only 4% of those aged 65 to 74 had at least weekly contact in Lithuania, again the third lowest, compared to a European average of 13% and well behind Denmark and Iceland at around 30%.

Figure 2.67. Social media is not popular among older people in Lithuania



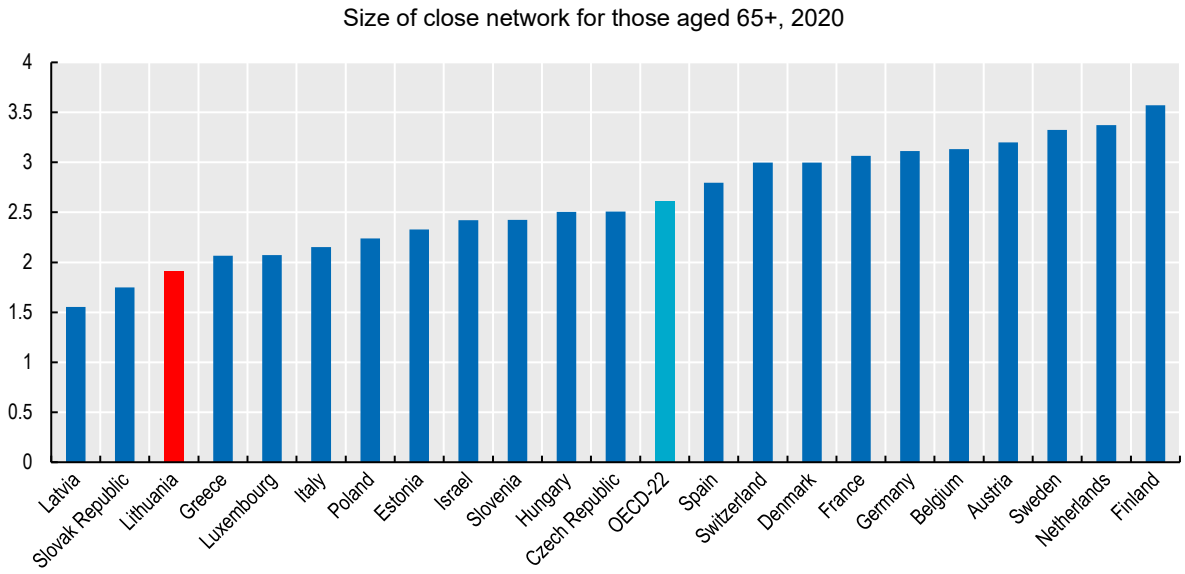
Source: Eurostat (online data code: ilc_scp13)

Composition of close network

Although there is regular social contact with friends and family, the number of people within the close social network in Lithuania is relatively small. On average there are fewer than two people with whom older people often discuss things that are important to them, with only Latvia and the Slovak Republic recording a smaller close network based on this indicator (Figure 2.68). The average for all countries is 2.6 with Finland, the Netherlands and Sweden highest, with 3.3 or more.

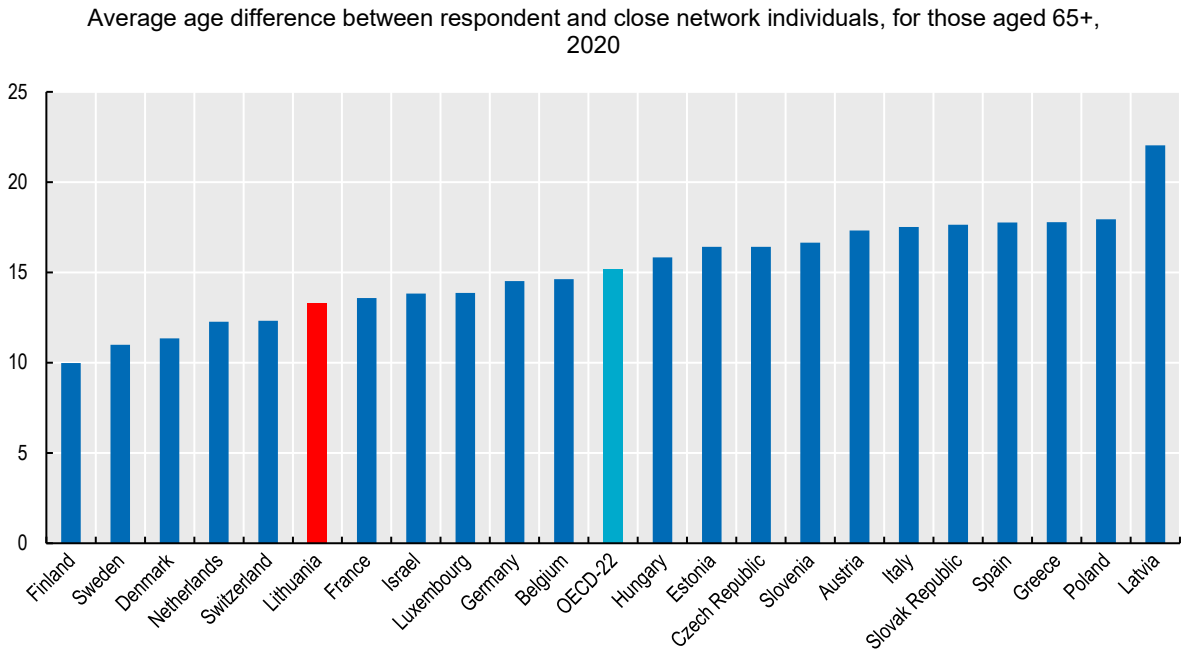
The social networks in Lithuania are also more likely to contain people of similar ages than in most other countries. In Lithuania, the average age difference in the network is equal to 13 years, only above three Nordic countries, the Netherlands and Switzerland, and two years below the OECD-22 average (Figure 2.69). Latvia is by far the highest with an average gap of 22 years, four years above any other country.

Figure 2.68. Network groups are small in Lithuania



Note: Defined as people with whom you (most) often discuss things that are important to you; max 7 people
Source: SHARE wave 8.

Figure 2.69. Network groups have limited age diversity in Lithuania



Note: The difference is calculated for each individual in the network and then the sum of these differences is divided by the number within the network.
Source: SHARE wave 8

2.4.3. Key findings

- Older people on average have very low disposable incomes compared to the total population, as the average income of those aged 66+ is 71% of that of the total population.
- Many older people face poverty risks. One-quarter of the population has a disposable income below 50% of the median over the whole population, and one-quarter of people faces material deprivation.
- Particularly single women face a very high risk of poverty in old age. More than half of single women aged 65+ lives in relative income poverty.
- Minimum income protection in the pension system is relatively complex as there are multiple benefits. Despite the multitude of benefits, the pension protection of low-income earners is very low.
- Participation in cultural or sporting activities falls sharply with age, particularly for women, and as income decreases.
- Over 40% of older Lithuanians live alone. Despite this high level, compared to other EU countries, older people feel less lonely on average and have higher levels of contact within their close networks, than in most other countries. Contact is primarily not in person; these networks are typically small. Low levels of broadband further limit interaction opportunities.

The level of activities available is extensive, in numerous locations within municipalities, but the level of participation is generally low, increasing the need for outreaching projects to assist those who wish to participate.

3. Diagnosis and analysis of the existing situation of older people in the area public/political life

3.1. The participation of older people in public and political life in the context of population ageing

A fast-declining population and a growing number of older people is predicted to make Lithuania continue to age at a fast pace. In 2019, over 34% of the population of Lithuania was older than 55 years (Eurostat, 2020[1]). The share of the population aged 55 years and older is projected to reach over 45% by 2050 (Eurostat, 2020[1]).

Population ageing has implications across all public policy and service areas and the allocation of public resources (OECD, 2017[2]). Tackling the challenges of population ageing and enabling older people to actively contribute to the economy, society and public and political life necessitate a whole-of-government approach across ministries, municipalities and non-governmental stakeholders (e.g. civil society, academia, the media and the private sector). Public governance is at the heart of promoting active ageing by enabling evidence-based decision and policy making, reinforced inter-ministerial and inter-agency coordination, and a more coherent approach between central and subnational stakeholders in the implementation of policies and programmes and delivery of services targeting older people.

Yet, important governance challenges persist due to fragmented delivery of public services and lack of coordination across certain policy areas such as health, employment, finance, and social affairs and levels of government across many countries, including in Lithuania (UNECE, 2021[3]; AGE Platform Europe, 2021[4]). Moreover, older people often lack the tools, channels and opportunities to actively contribute to decisions that are relevant for their well-being (UNECE, 2021[3]). Evidence shows that a lack of political will, or lacking financial or human resources or instruments for implementing participatory approaches in the public administration as well as ageism[46], social isolation and digital exclusion constitute important barriers to older people's participation in public and political life (UNECE, 2021[3]). Addressing such challenges is crucial to strengthen the relationship between older people and public institutions and their association with democratic processes.

The OECD Framework on Drivers of Trust in Public Institutions shows that opportunities for participation and engagement of citizens in policy and decision-making processes and institutions of representative democracy are important drivers of their trust in government (Brezzi, 2021[4]). At times of declining trust in government in Lithuania (see Figure 3.2), opportunities for the meaningful participation of citizens of all

[46] Ageism refers to the stereotypes, prejudice and discrimination directed towards people based on their age.

ages, including the elderly, in public decision and policy-making is particularly urgent (OECD, 2022[5]; OECD, 2021[6]).

In this context, the Government of Lithuania is seeking to increase the participation of older people in public and political life as part of its active ageing agenda. The Strategy for Demography, Migration and Integration Policy for 2018-2030, approved by the Parliament of Lithuania in 2018, refers to the participation of older people in political life as one of its key objectives (Government of the Republic of Lithuania, 2018[7]). According to this Strategy, political participation of older persons is defined and measured in terms of their engagement in non-governmental organisations (NGOs), activities of political parties and their participation in decision making processes (Government of the Republic of Lithuania, 2018[7]) (See Box 3.1).

Box 3.1. Lithuania's Demography, Migration and Integration Policy Strategy for 2018–2030

The Demography, Migration and Integration Policy Strategy for 2018–2030 provides a roadmap for cross-sectoral coordination between government bodies to implement measures to foster the participation of older people in social and political life, among others. For example, the Strategy outlines an initiative by the Ministry of Social Security and Labour to support non-governmental organisations (NGOs) to launch projects aiming to represent older people and their interests in public life, as well as encouraging older people to participate in related efforts. Measures also include providing funding to NGOs representing older people, delivering trainings, and organising competitions for NGOs to develop projects that foster older people's participation in public life. It also features an initiative to involve older people in decision-making processes, by preparing and disseminating recommendations among municipalities and state institutions, and raising public awareness through media. This initiative is coordinated by the Ministry of Social Security and Labour and the Office of the Government of the Republic of Lithuania.

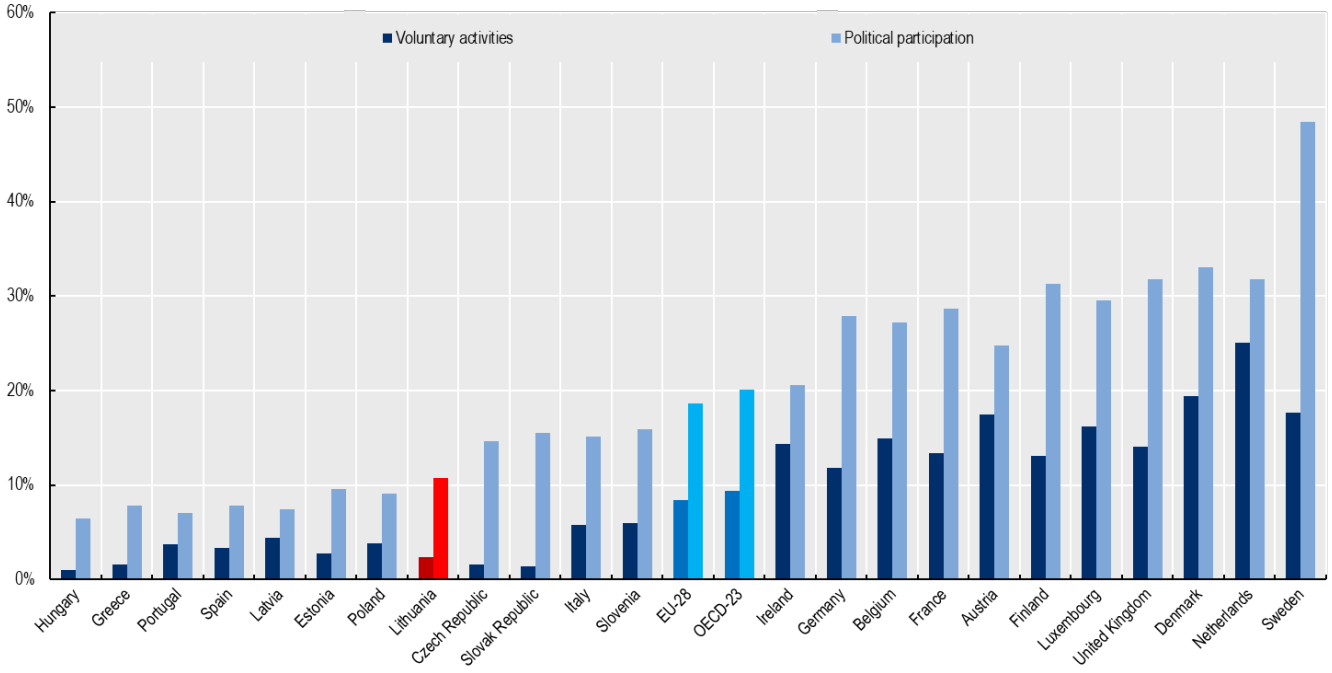
The Strategy also outlines measures to strengthen intergenerational relations and develop volunteering activities for older people. For example, an initiative led by the Ministry of Social Security and Labour outlines a plan to call for proposals from NGOs, and provide funding to promote intergenerational solidarity and develop volunteering opportunities targeting older people.

Source: Demography, Migration and Integration Policy Strategy for 2018–2030
https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/fbb35e02c21811e883c7a8f929bfc500

The Strategy for Demography, Migration and Integration Policy is accompanied by an inter-institutional action plan, which assigns responsibilities and a budget across different governmental stakeholders (Government of the Republic of Lithuania, 2020[8]) (See Box 3.2). Co-ordinated by the Ministry of Social Security and Labour (MoSSL), the Ministry of Environment, the Ministry of Health, the Ministry of Education, Science and Sports, the Ministry of Agriculture and the Chancellery of the Government of the Republic of Lithuania take part in its implementation (Government of the Republic of Lithuania, 2021[9]). The Plan also aims to provide financial and capacity building support to NGOs representing older people to encourage elderly citizens to join their activities more frequently.

The Plan also includes specific measures and activities to involve older people in public decision-making processes at state and municipal levels through consultative councils, commissions and working groups (Government of the Republic of Lithuania, 2020[8]). The Chancellery of the Government of the Republic of Lithuania and the MoSSL jointly oversee the implementation of activities in this area and are in charge of preparing recommendations.

Figure 3.1. Lithuania scores below the OECD and EU averages in terms of older people's participation in voluntary activities and political participation, 2016

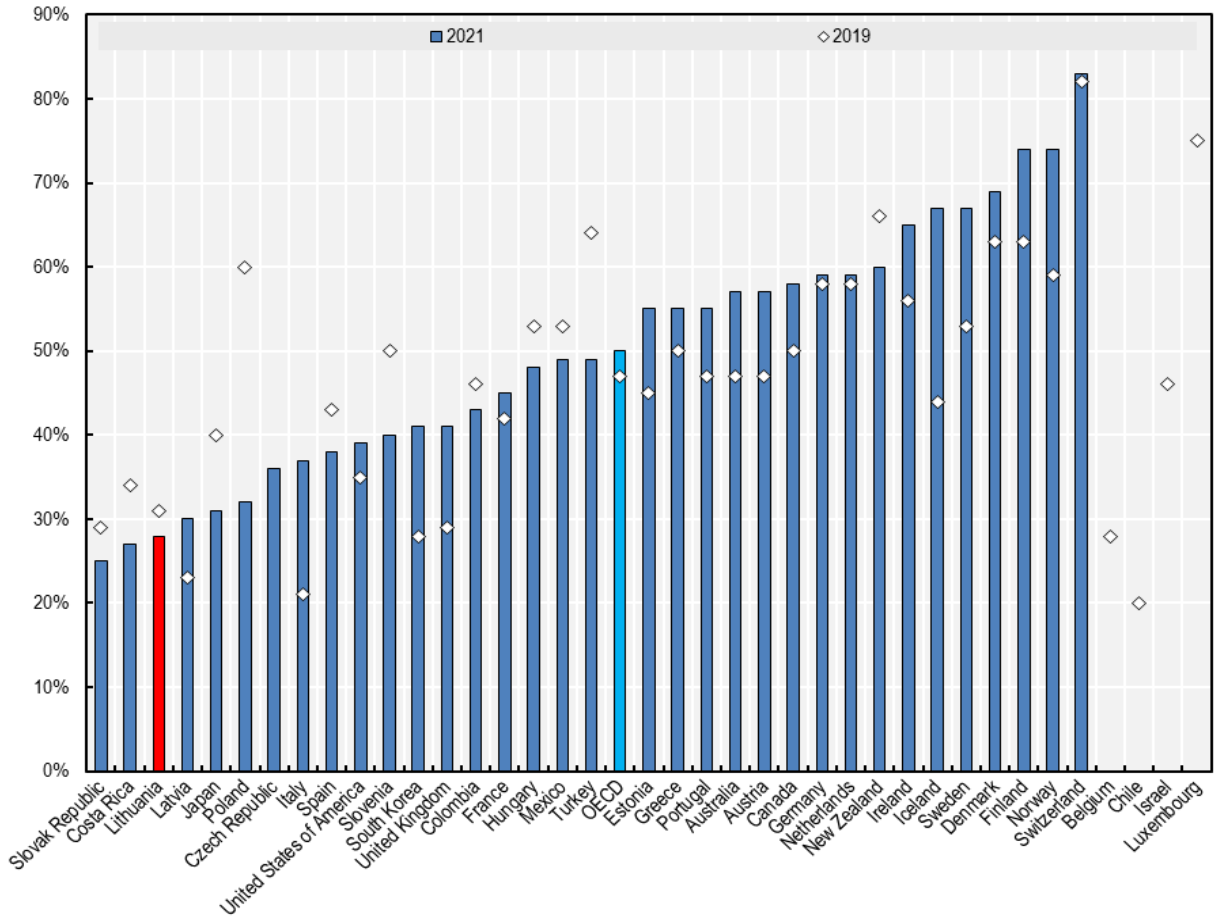


Note: "Voluntary activities" reflects data from 2016 on the share of respondents aged 55+ who answered "at least once a week" to the following question: Please look carefully at the list of organisations and tell us, how often did you do unpaid voluntary work through the following organisations in the last 12 months? a. Community and social services (e.g. organisations helping the elderly, young people, disabled or other people in need); b. Educational, cultural, sports or professional associations; c. Social movements (for example environmental, human rights) or charities (for example fundraising, campaigning); e. Other voluntary organisations. "Political participation" reflects the proportion to which they answered "yes" to any of the options in the following question: Over the last 12 months, have you …? a. Attended a meeting of a trade union, a political party or political action group; b. Attended a protest or demonstration; c. Signed a petition, including an e-mail or on-line petition; d. Contacted a politician or public official (other than routine contact arising from use of public services). Given the date in which this data was collected, the UK is counted as part of "EU-28" averages.
Source: UNECE Active Ageing Index 2016

Despite these efforts, significant challenges persist to the active participation of older people in political and public life in Lithuania. The Active Ageing Index developed by the European Commission and UNECE shows that only 11% of older people attended a meeting of a political party, signed a petition, or contacted a politician or public official compared to the EU average of 19% and the OECD average of 20% in 2016 (UNECE, 2016[10]) (Figure 3.1). Furthermore, only 2.4% of those aged 55+ participated in voluntary activities such as community and social services in 2016 (UNECE, 2016[10]).

According to the Gallup World Poll, in 2021, less than 3 in 10 people aged 50 years and older in Lithuania expressed trust in government compared to 5 in 10 older persons across the OECD on average (Gallup, 2021[11]) (Figure 3.2). The poll shows that trust levels are slightly higher for middle-aged and younger people in Lithuania: 35% of those aged 15-29 expressed trust in national government compared to 30% of the middle-aged (30-49 year olds).

Figure 3.2. 28% of older people (50+) in Lithuania expressed trust in national government in 2021 compared to 50% on average across OECD



Note: The data from 2021 are not available for Belgium, Chile, Israel and Luxembourg. The data from 2021 are not available for the Czech Republic. The graph shows percentages relating to persons aged 50 or older only.
Source: Gallup World Poll, 2019 and 2021.

A number of studies finds that since the onset of the COVID-19 pandemic, citizens' trust in government and their confidence in government's ability to handle and recover from the crisis have been volatile (OECD, 2022[5]; Brezzi, 2021[4]; OECD, 2021[12]; Eurofound, 2021[13]). Following an initial increase in trust levels in the early phase of the pandemic across many countries ("rally round the flag"), most have seen a pattern of decreasing trust in government (Brezzi et al., 2021[15]; Kritzinger et al., 2021[16]). Evidence from Lithuania also reaffirms this downward trend. Prior to the pandemic, 31% of people aged 50 years and older in Lithuania expressed trust in government in 2019. A surge of trust in government was observed among all age groups in 2020, with the largest increase among the elderly: 47% of people aged 50 years and older in Lithuania expressed trust in government. In 2021, trust levels plummeted to 28% among the elderly, which is lower than its pre-pandemic levels (Gallup World Poll, 2021[15]).

The way in which governments have reacted to the pandemic and citizens' perceptions of the competence, openness, transparency and fairness of government action have been important determinants of the fluctuations in trust levels.

In this context, this assessment seeks to identify key barriers to the active participation of older people in political and public life in Lithuania. In particular, it aims to identify obstacles and measures to address them in:

1. Strengthening the relationship between older people and public institutions;
2. Enhancing the participation of older people in public and political life; and
3. Encouraging the participation of older people in local public life.

This assessment focuses on the broader governance arrangements to achieve these objectives. It analyses existing legal frameworks, government plans and strategies, institutional structures, administrative capacities, practices and resources dedicated to consult and engage older people in the policy cycle, volunteering, and political forms of participation and through non-institutionalised channels. It features comparative evidence from EU and OECD countries.

The assessment is accompanied by a note on the broader public governance arrangements in Lithuania, with a focus on the administrative structure and general distribution of competencies between institutions at central and subnational level. The note provides a broad overview of the existing administrative structure governing the active ageing agenda in Lithuania and is appended to this assessment. It supports the findings of this assessment on public governance challenges and barriers to the participation of older people in the labour market, social and public and political life (See Annex 3.A).

The assessment builds on the replies of the Ministry of Social Security and Labour, the Association of Local Authorities and the municipalities of Kaunas, Panevėžys and Švenčionys to the OECD Policy Questionnaire on Active Ageing provided between September and November 2021. The information collected through responses to the questionnaire is complemented by insights from a series of fact-finding meetings with representatives from ministries, municipalities, NGOs, civil society and academics undertaken virtually between September and November 2021. It also draws on the findings of a workshop with public officials from relevant ministries and municipalities that was held in Vilnius on 17 May 2022.

3.2. Assessment of governance barriers to the participation of older people in public and political life

3.2.1. Walk the talk: promoting older people's participation and representation in public and political life

Lithuania has made important advances to promote older people's participation and representation in public and political life, including through the establishment of the Lithuanian Council for Pensioners' Affairs, the creation of municipal elderly councils in the municipalities of Kaunas City and Klaipeda City, as well as the collaboration with NGOs representing older persons and Universities of the Third Age (Government of the Republic of Lithuania, 2021[9]). In several municipalities, elderly people are also involved in working groups focused to issues relevant to them. However, important challenges persist.

Across OECD countries for which data exists, older people are more likely to take part in elections and vote than younger people (OECD, 2020[17]; Eurostat, 2020[18]). Recent evidence from the AGE Barometer indicates that older persons are often more loyal to political parties they have voted for when they were young (AGE Platform Europe, 2021[19]). People aged 65+ also express more interest in politics compared to those aged 18-64 on average across the OECD (European Social Survey, 2018[20]). However, the participation of older people in the policy cycle appears to take place rather on an ad-hoc basis in many OECD countries and is rarely grounded in formalised practice (Eurostat, 2020[18]).

Some of these trends can also be observed in Lithuania. Evidence from the European Social Survey demonstrates that people aged 65 years and older in Lithuania are more likely to vote and feel closer to

one political party over others compared to young people (European Social Survey, 2018[20]). Yet, Lithuania fares worse than a majority of OECD countries across key indicators of public and political participation (Figure 3.3 and Figure 3.4). In particular, this concerns the level of political apathy (i.e. the lack of interest in politics) as well as internal and external political efficacy (i.e. the perceived ability to participate in politics and feeling of having a say in what governments do, respectively), which remains low among older people (European Social Survey, 2018[20]). Notably, Lithuania ranks below the average of 24 OECD countries, for which data is available, on the participation of older people in public and political life through institutionalised (e.g. voting, political party membership, contacting a politician or public official) and non-institutionalised channels (e.g. signing a petition, participating in a lawful demonstration, posting online about political issues, boycotting a certain product for political reasons).

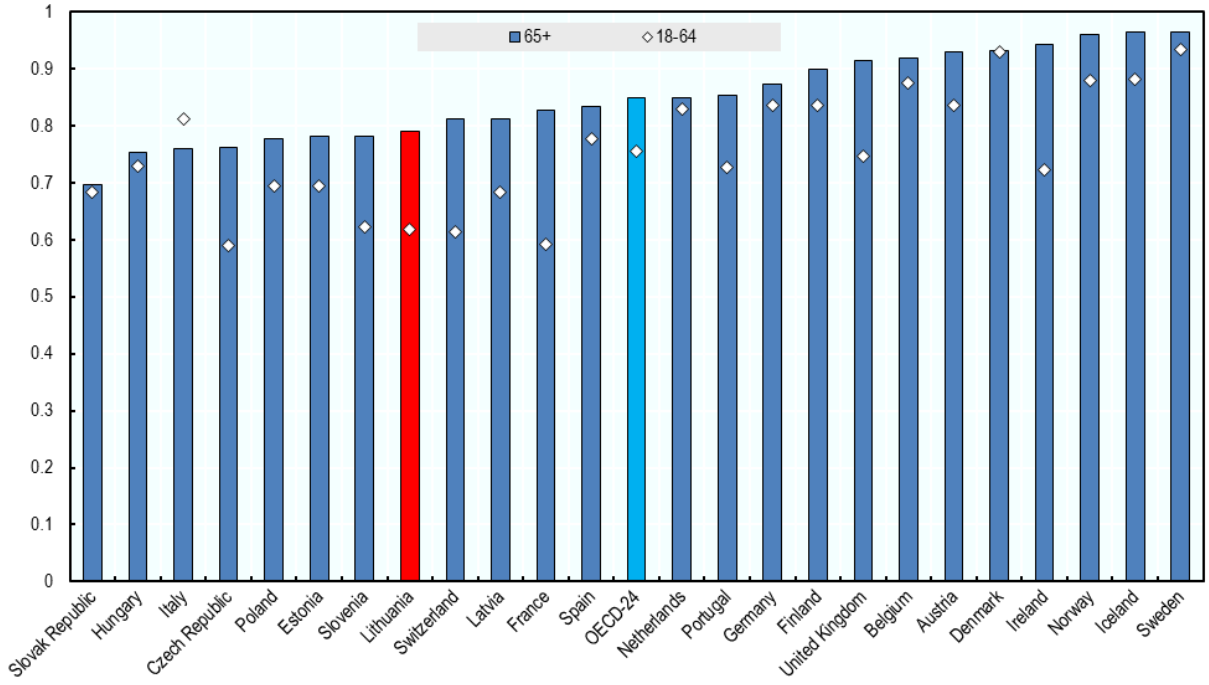
In turn, older people express less trust in government, participate less in democratic processes and indicate lower levels of satisfaction with democracy compared to other age groups in Lithuania (European Social Survey, 2018[20]).

Key figures on older people's participation in public and political life

Voting and running for office in national and sub-national elections as well as participation in political parties, civil society, and advocacy groups constitute the backbones of representative democracies. Citizens who exercise their civic and political rights underpin vibrant democracies.

According to the sample of the European Social Survey, 79% of older citizens in Lithuania report to have voted in the national elections in 2016, compared to 62% of other age groups. Yet, Lithuania ranks below the majority of OECD countries in this area. Across OECD countries for which data is available, 85% of older people voted on average in the last national election (European Social Survey, 2018[20]).

Figure 3.3. Older people in Lithuania are more likely to vote than other age groups, however, turnout is below OECD average, 2018



Note: This graph represents country averages on respondents' likelihood to have voted in the last national election of their country, from data gathered in 2018. Responses were weighed as 1 = yes and 0 = no. The graph shows OECD countries for which the latest data is available.

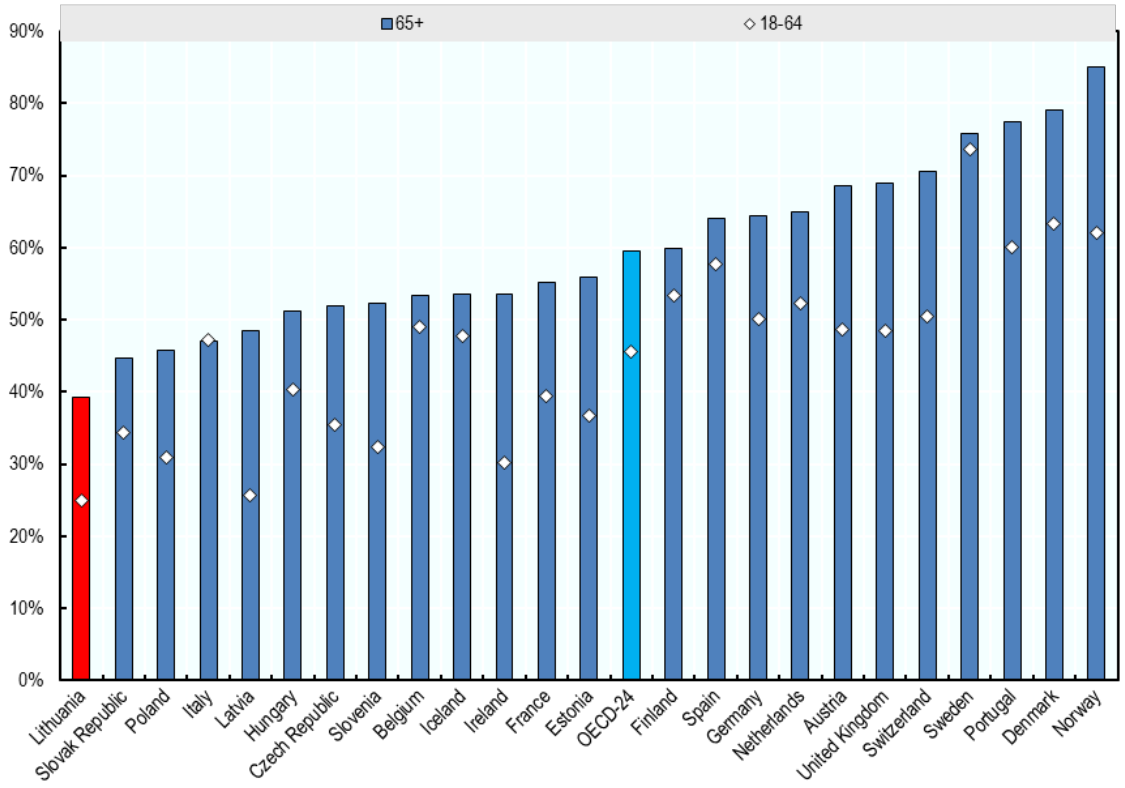
Source: OECD calculations based on European Social Survey (wave 9).

Evidence shows that the underlying reasons for lower turnout can be manifold, including a lack of confidence in institutional channels or political parties, the perception that personal priorities are not covered in any party programme and a lack of confidence that voting will lead to positive change. From a public governance perspective, voter registration rules, compulsory/voluntary voting and the access to and quality of civic education are some of the factors that can influence the likeliness of citizens to vote (OECD, 2020[18]).

According to the interviews and responses to the OECD Policy Questionnaire, legal barriers (e.g. voter registration requirements), lack of interest, lack of awareness of political issues and mistrust of older people in political parties constitute some of the main barriers to showing up at the ballot boxes in Lithuania. However, there is no governmental body tasked with strengthening the civic skills and knowledge of citizens, including older people, for example by raising awareness about civic rights and duties or designing civic education programmes. Initiatives to provide civic education and engagement skills appear to be provided by some political parties and NGOs on an ad hoc basis and with limited outreach to people living in more vulnerable circumstances.

Despite these challenges in promoting civic and citizenship literacy, several initiatives exist to facilitate voting processes for older persons in vulnerable circumstances such as those with disabilities to help them exercise their democratic rights. For example, disabled voters and voters aged 70 years and older can vote at home in the presence of members of the electoral commissions and observers. Voting is also organised in nursing and retirement homes. Magnifying glasses are provided in each polling station to facilitate voting for older persons. Similar examples also exist in other OECD and EU countries. To remove barriers for older people to vote, in Malta, the Electoral Commission organises polling booths within retirement homes and political parties organise transportation for older voters from long-term care facilities to polling stations on voting day (The National Association of Pensioners of Malta, 2021[21]; AGE Platform Europe, 2021[19]).

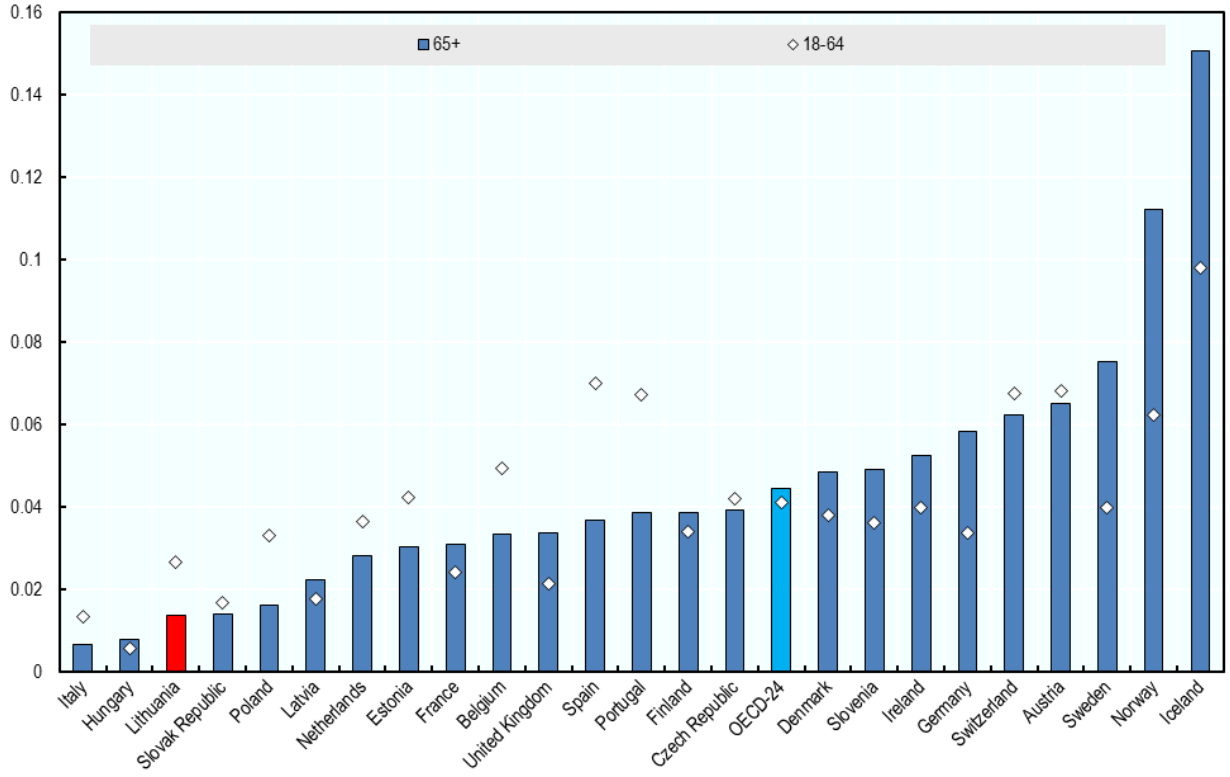
Figure 3.4. Older people in Lithuania feel closer to one political party over others, compared to younger age groups, 2018



Note: The graph represents data gathered in 2018 on country averages of responses to the question "Is there a particular political party you feel closer to than all the other parties?". Answers were weighted Yes=1 and No=0. The graph shows OECD countries for which the latest data is available.
Source: OECD calculations based on European Social Survey (wave 9).

As in many OECD countries, older people in Lithuania are more likely to feeling closer to a political party over others, compared to other age groups (Figure 2.2). In 2018, 39% of Lithuanians aged 65 years confirmed that this was the case (2010: 47%), compared to 60% across OECD countries. (European Social Survey, 2018[20]). Only 1% of older people in Lithuania worked in a political party or action group in 2018, compared to 3% of people aged 18-64 and compared to 4% of older people across the OECD on average (Figure 3.5). The proportion of older constituents that worked in political parties in Lithuania has remained relatively stable since 2010 (European Social Survey, 2018[20]). These findings imply that while older persons in Lithuania are more likely to have a stronger preference for a certain political party than other age groups, this association does not necessarily translate into a greater engagement in the activities of political parties or membership.

Figure 3.5. Only 1% of older people (65+) in Lithuania report to have worked in a political party or action group, 2018

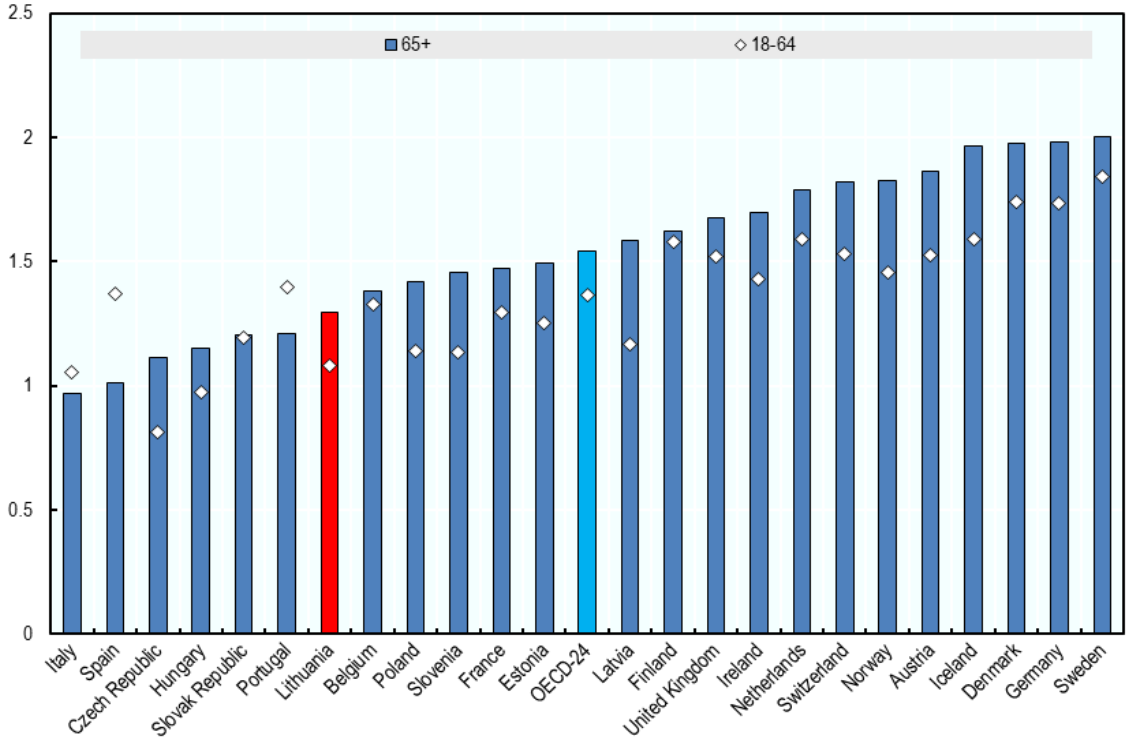


Note: This graph represents country percentages of respondents that had worked in political parties or action groups in the last 12 months, from data gathered in 2018. The graph shows OECD countries for which the latest data is available.
Source: OECD calculations based on European Social Survey (wave 9).

Trust in political parties and politicians may affect citizens' participation in civic and political life (OECD, 2021[6]). Lithuania ranks below the OECD average in terms of trust in political parties. On a scale from 0 to 10, where 0 is "no trust" and 10 is "complete trust", people aged 65 years and older in Lithuania assigned a score of 3 out of 10 for political parties compared to an OECD average of 4 (European Social Survey, 2018[20]). Trust in politicians also remains below OECD average among older persons (European Social Survey, 2018[20]). In turn, only 7% of older people (65+) say they contacted a politician, government or local government official in 2018 (2010: 4%) compared to an average of 15% across OECD countries (European Social Survey, 2018[20]).

According to the Ministry of Social Security and Labour, the lack of interest among a significant share of older people in public and political participation opportunities constitute a key challenge. This is confirmed by data from the European Social Survey, in which Lithuania ranks below the OECD average in terms of older people's interest in politics in 2018 (Figure 3.6) (European Social Survey, 2018[20]).

Figure 3.6. Older people (65+) in Lithuania express more interest in politics than younger ones but overall interest is low, 2018

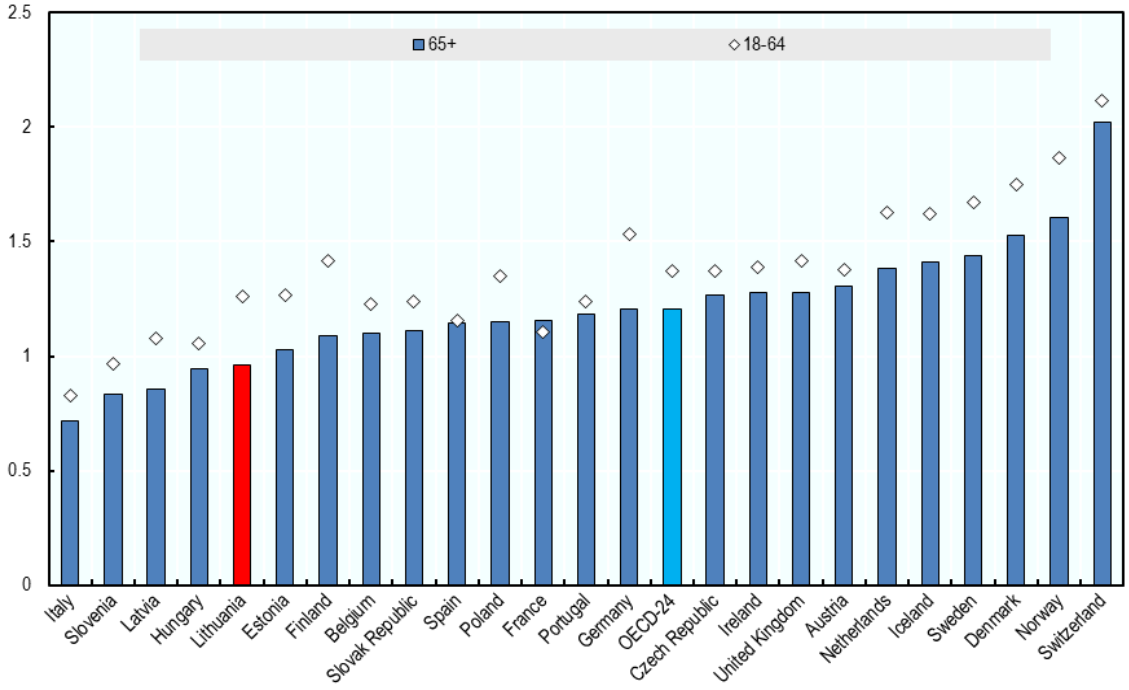


Note: The graph represents country averages of responses gathered in 2018 to the question "How interested would you say you are in politics?". Respondents ranked their interest from "not at all"= 0 to "very" = 3. The graph shows OECD countries for which the latest data is available.
Source: OECD calculations based on European Social Survey (wave 9).

However, evidence shows that the lack of interest in politics alone cannot explain the differences across age groups in terms of their participation in public and political life. In fact, the same survey shows that older people express more interest in politics compared to other age groups in Lithuania (Figure 2.4). Yet, older people are less likely than the younger population to join political parties, contact politicians or public officials, or take an active role in a group involved with political issues (European Social Survey, 2018[20]).

Older people in Lithuania are less likely than their peers in most other OECD countries as well as younger people in Lithuania to feel that the political system allows them to have an influence on politics (Figure 3.7) (European Social Survey, 2018[20]). The following section will analyse in greater detail some of the underlying governance challenges that might help to explain these findings.

Figure 3.7. Older people (65+) in Lithuania are less likely than those aged 18-64 to feel they have a say in what government does, 2018



Note: The graph represents country averages of responses gathered in 2018 to the question "How much would you say the political system in [country] allows people like you to have a say in what the government does?". Respondents were asked to provide a rating from 0-4, where 0= not at all and 4= a great deal. The graph shows OECD countries for which the latest data is available.
Source: OECD calculations based on European Social Survey (wave 9).

3.2.2. Removing barriers, uniting stakeholders

Lack of clear definition of participation in public and political life

The Government of Lithuania has demonstrated political commitment to promote the participation of older people in public and political life with the adoption of the Strategy for Demography, Migration and Integration Policy for 2018-2030. The strategy defines “engagement of older people” as their involvement in non-governmental organisations (NGOs), activities of political parties and in making decisions related to them (See Box 3.1).

The Strategy and its accompanying Action Plan adopt a cross-sectoral approach to tackle multidimensional challenges of population ageing. They aim to promote the participation of older people in the labour market, social and political life; ensure their financial security, access to life-long learning, quality health care, volunteering; and strengthen intergenerational relations. In the area of public and political life, both documents acknowledge the importance of supporting NGOs representing the elderly and involving them in public decision-making processes (See Box 3.2) (Government of the Republic of Lithuania, 2020[8]; Government of the Republic of Lithuania, 2018[7]).

However, the Strategy and Action Plan lack a clear definition of “older people’s participation in public and political life” as well as measurable targets and objectives. For instance, although the Strategy underlines the need to promote the participation of older people in political parties, the Action Plan does not provide any measurable targets in this area. Moreover, while the Action Plan stipulates that older people shall be encouraged to participate in consultative councils, commissions and working groups at state and municipal

level, it leaves the establishment of these consultative bodies at the discretion of ministries and municipalities. The Plan also does not include any measures to reinforce civic and citizenship literacy among the elderly, or to strengthen their trust in government and association with democratic institutions, and does not discuss the role of public communication and civic space in creating an enabling environment for engagement. It also does not cover practical considerations that oftentimes constitute barriers to the participation of older people in public and political life, such as lack of transportation in rural areas.

Moreover, the distribution of responsibilities would benefit from more clearly assigned tasks and duties, notably between central level and municipalities, as well as measurable targets and performance indicators. The Strategy and Plan also do not include measures or tools to support policy makers in integrating the perspectives of older people across policy and service areas nor to strengthen their relationship with public institutions.

Box 3.2. Inter-institutional Action Plan for the implementation of the Strategy for Demography, Migration and Integration 2018-2030

The Government of the Republic of Lithuania developed the Inter-institutional Action Plan for the implementation of the Strategy for Demography, Migration and Integration 2018-2030 to determine the goals and directions of the country's demography, migration and integration policy. The Action Plan outlines challenges to the participation of older people in social and political life, including their contributions to social and political spheres, interactions with family and community, volunteering, taking part in group activities, building social connections, and being able to access social networks from home. It also identifies their involvement in non-governmental organisations operating in various fields, including elderly welfare.

A key task of the Plan is to strengthen intergenerational solidarity and to develop volunteering activities for older people. Recognising that the competences and experiences of older people are valuable to society, this initiative seeks to dispel negative age-related stereotypes through media and information campaigns. Further, it encourages the development of voluntary activities that meet the needs of older people and their involvement in such activities.

Source: Inter-institutional action plan for the implementation of the Strategy for Demography, Migration and Integration 2018-2030 https://www.e-tar.lt/portal/lt/legalAct/3dc58e80fc8411e8a969c20aa4d38bd4/asr

The OECD Recommendation on Open Government highlights that a systematic approach to involve stakeholders in consultations is needed and calls on governments to "grant all stakeholders equal and fair opportunities to be informed and consulted and actively engage them in all phases of the policy-cycle and service design and delivery" (OECD, 2017[22]). The OECD Guidelines for Citizen Participation Processes (2022[23]) introduce a ten-step methodology to support public institutions from all levels of government in designing, planning and implementing participatory processes and outline nine guiding principles that help ensure the quality of these processes. This document could be introduced as a practical hands-on tool to support public authorities in Lithuania in their efforts to reach out and involve older people in public decision making.

Lithuania is a member to the Open Government Partnership (OGP) since 2011. To support the participation of older people in public and political life, the Action Plans Lithuania is required to submit in the context of its membership to the OGP could be used to include specific measures targeting older citizens (Open Government Partnership, 2022[23]). Moreover, monitoring reports to keep track of the implementation of the Action Plans could include age-disaggregated data to display progress across different age groups,

including for the elderly. Lithuania is currently implementing its fifth Action Plan (2021-2023), which includes a provision to implement participatory democracy instruments of the OECD and provide assistance to institutions seeking to test these measures at national or municipal level (Government of the Republic of Lithuania, 2021[24]). These objectives and related activities are however not further defined in the Plan.

The Government of Lithuania has also established a national NGO Fund. This instrument will serve to allocate funds to develop the NGO sector and build its capacity to participate in policy making (Lithuanian Ministry of Social Security and Labour, 2022[25]). However, support to NGOs can neither guarantee meaningful stakeholder participation and nor substitute government efforts to engage with all citizens whether they are part of NGOs or not. Furthermore, the existing system of NGOs may not be representative of the diversity of backgrounds of the older population in Lithuania. For instance, interviews conducted by the OECD suggest that NGOs are facing difficulties to reach to older people living in less fortunate socio-economic conditions and rural areas, among others.

The creation of consultative bodies for older people in ministries and municipalities presents another platform to involve older people in public policy and decision-making processes. For example, in Denmark, Finland and in some parts of Germany, municipalities and regions are legally obliged to have a consultative council for older people to inform relevant policies and decisions. In Denmark, this also applies to councils at regional level. In Germany, regional laws guarantee the right of older citizens' councils to give their advice on any legislative project (AGE Platform Europe, 2021[19]). The experiences across these countries shows that, to be considered legitimate and impactful, clear roles and procedures are needed to regulate the relationship between such councils and public authorities. In Lithuania, consultative councils at subnational level exist in only two out of 60 municipalities: Kaunas City Municipality and Klaipeda City Municipality.

The OECD has gathered evidence from almost 600 case studies on the impact of representative deliberative processes for public decision making. In such processes, a broadly representative body of people, weighs evidence and deliberates to find common ground, and develops detailed recommendations on policy issues for public authorities (OECD, 2021[20]). Representative deliberative processes focus on the depth of deliberation and all parts of society being represented within a smaller group of participants, whereas the majority of other methods of citizen participation place the focus on the breadth of participation – aiming to ideally directly involve everyone affected by a specific issue (Carson and Elstub, 2019[21]; OECD, 2020[10]). Local governments from OECD countries have used deliberative processes to tackle policy issues regarding older people. For example, in Joso City (Japan), citizens deliberate about ways to build a city where older people are healthy and independent, and in Ardern (Germany), the process produced recommendations on strategic urban planning to create space for older citizens to express their opinions (OECD, 2021[45]).

Given that active ageing policies cut across various ministerial portfolios and demand concerted efforts among ministries and municipalities, a clear and comprehensive strategy can help identify and coordinate priorities. Australia, Austria, Chile, Colombia, Costa Rica, Finland, France and Germany, among others, have developed national elderly strategies with measures to encourage older people's participation in civic life. The Austrian Federal Plan for Senior Citizens "Ageing and the Future" aims to mainstream ageing in all policy fields and foster intergenerational dialogue through volunteering activities, and strengthen their political participation (UNECE, 2021[26]). Colombia's Strategy on Ageing (2015-2024) envisages that, by 2024, 50% of municipalities and districts should have associations, organisations or support networks of older adults and apply measures to enable older adults to develop civic engagement capacities (Government of Colombia, 2015[27]). Finland's National Programme on Ageing 2030 commits to allocate specific budgets to foster volunteering initiatives among the elderly, promote cooperation and information exchange between authorities and elderly citizens, and survey elderly associations to map obstacles and challenges related to volunteering in an ageing society (Government of Finland, 2020[28]).

A national strategy focused on older people can also facilitate coordination among ministries, agencies and sub-national authorities as well as non-governmental stakeholders in the delivery of public services in areas such as health, employment, transport, housing, justice, sports, culture and leisure. Principles of good governance codified in various OECD legal instruments and recommendations stipulate that such strategies should be evidence-based; participatory; resourced; transparent and accessible; monitored, evaluated and accountable; cross-sectoral; gender-responsive and supported by high-level political commitment to achieve their intended goals (OECD, 2020[17]; OECD, 2017[22]; OECD, 2016[29]).

From ambition to action: A need to strengthen institutional structures, mandates, resources and capacities

Institutional structures and mandates

A robust institutional framework is crucial to design, implement, monitor and evaluate initiatives encouraging the participation of older people in public and political life. It requires a clear allocation of mandates and responsibilities across ministerial portfolios and different levels of government in charge of delivering policies, services and programmes for older people. NGOs, bodies in charge of collecting and analysing data, as well as independent oversight institutions also play a critical role (UNECE, 2021[30]).

In Lithuania, policies targeting older people are co-ordinated by the Ministry of Social Security and Labour. The Ministry is responsible for selecting and supporting projects of NGOs representing the elderly as outlined in the Strategy for Demography, Migration and Integration Policy for 2018-2030 (Government of the Republic of Lithuania, 2018[7]). This includes measures to promote the participation of older people's representatives in advisory councils of state and municipal institutions as well as activities to encourage their participation in social life through cultural and educational activities. The main priorities the Ministry of Social Security and Labour identifies in promoting the participation of older people in political life are:

- promoting cooperation between state and municipal institutions and bodies and NGOs representing the interests of the elderly, enabling them to participate in matters concerning them;
- promoting the change of society's values, a constructive culture focused on older people, fostering a positive image of them; and
- seeking innovative and creative mechanisms to promote solidarity and intergenerational interaction by supporting volunteering in order to avoid loneliness and isolation of older people.

The Ministry of Culture and the Ministry of Education, Science and Sports are involved in implementing these objectives. The Ministry of Education, Science and Sports supports activities that promote life-long learning including civic knowledge and engagement, while the Ministry of Culture provides opportunities for older people to acquire and improve digital skills and to address social isolation and loneliness, in particular through public libraries (The Ministry of Education, 2022[31]). Libraries provide spaces for events and communication targeting older people, run voting polls in small towns, and disseminate information to encourage citizens to vote.

However, the lack of clearly defined mandates risks undermining efforts in these areas. For instance, while involving older people in public decision-making processes through consultative councils, commissions and working groups formed by state and municipal institutions is a joint responsibility between the Chancellery of the Government and MoSSL, according to the Inter-institutional Action Plan, the allocation of responsibilities between them is not clearly spelt out (See Box 3.2). Moreover, although they are responsible for bodies and measures that ultimately can foster older people’s awareness of public and political issues, the mandates for the Ministry of Culture and the Ministry of Education, Science and Sports as well as for municipalities in this area are not clearly defined. Uncertainty about mandates also exists between the central level and municipalities on public and political life participation of older people because

they are not defined by law, which can undermine joint initiatives as well as effective inter-institutional coordination.

Moreover, the collection of age-disaggregated by Lithuanian Department of Statistics in the field of citizen participation in public and political life appears to be ad-hoc and remains uneven across sectors as well as regions and municipalities as the Department lacks a responsibility in this area (OECD, 2021[32]).

Vertical and horizontal co-ordination

Currently, there are no inter-institutional coordination channels and mechanisms, such as committees or working groups in place to implement the Strategy for Demography, Migration and Integration Policy for 2018-2030 and the accompanying the Action Plan.

The Lithuanian Council for Pensioners' Affairs operating under the MoSSL provides a platform for exchange and aims to facilitate co-operation among national and municipal authorities and NGOs representing interests of older and retired persons. The Council consists of 22 members and includes representatives of the main umbrella NGOs representing the elderly, representatives of the Ministry of Social Security and Labour and representatives of the Lithuanian Association of Municipalities, and meets on a quarterly basis. Depending on the issue under discussion, representatives of other ministries and institutions may also be invited to the meetings of the Council such as the Ministry of Health.

The Council gives its opinion on draft legislations by submitting proposals for amendments to existing legislation or its provisions (Government of the Republic of Lithuania, 2021[9]). For instance, the Council contributed to the drafting of the new version of the Law on Social Services as well as to the drafting of amendments to the Law on Social Insurance Pensions.

However, this Council fulfils a consultative purpose and the participation of ministries and municipalities apart from the MoSSL tends to take place on an ad-hoc rather than permanent basis, which discourages continuous inter-ministerial and multi-level co-ordination.

Several OECD countries have put in place mechanisms to implement active ageing or national elderly strategies across different ministries and stakeholders. These mechanisms often take the form of inter-ministerial or inter-departmental co-ordination bodies and working groups. For example, Ireland's National Positive Ageing Strategy was overseen by a Cross-Departmental Group, which was composed of representatives of the Departments of Health; Social Protection; Jobs, Enterprise and Innovation; Education and Skills; Environment, Community and Local Government; Communications, Energy and Natural Resources; Transport, Tourism and Sport; Justice and Equality as well as the Central Statistics Office (UNECE, 2021[30]). Finland's National Programme on Ageing 2030 established a cross-administrative group, which includes the Ministry of Social Affairs and Health, the Ministry of Education and Culture, the Ministry of Economic Affairs and Employment, the Ministry of the Environment, the Finnish Institute for Health and Welfare, and the Association of Finnish Municipalities (Government of Finland, 2020[28]).

According to the interviews conducted by the OECD and responses to the OECD Policy Questionnaire, the lack of effective coordination mechanisms between stakeholders is one of the most important barriers that prevents older people from volunteering or being active in public and political life. In addition, line ministries and municipalities in Lithuania lack incentives to deliver on horizontal initiatives.

To foster a more concerted approach, in October 2021, an agreement was signed between the Ministry of Health, the Ministry of Education, Science and Sports, the Ministry of Culture, the Association of Local Authorities and the Ministry of Social Security and Labour to coordinate more closely their respective interventions and initiatives in the area of active ageing and social inclusion. There is also a plan to establish a permanent Council for the Elderly, which is currently being set up under the MoSSL. It will include representatives from, ministries, non-governmental organisations and the Association of

Municipalities. It is envisaged that this newly formed Council of the Elderly will replace the existing Lithuanian Council for Pensioners' Affairs.

Resources and capacities

Findings also point to a need to strengthen human, financial and administrative capacities for inter-ministerial co-ordination as well as the collection and use of age-disaggregated evidence. For instance, in the Ministry of Social Security and Labour, only one person, the Chief Adviser for the Elderly, is responsible for demographic policy, ageing policy and social inclusion of older people. The responsibilities of the Chief Adviser for the Elderly include the preparation and implementation of legal acts and measures for the social inclusion of the elderly and cooperation with different units of the Ministry of Social Security and Labour, other ministries, municipalities, NGOs as well as international organisations. The absence of a dedicated unit or department in charge of implementing the active ageing agenda is one of the key reasons for the limited capacities in undertaking these tasks.

In many OECD countries, specific departments, units or ministries coordinate the work on active ageing. The location of the lead unit within government can be an indicator of the political importance given to this agenda. It can also have an impact on its specific functions (e.g. monitoring and co-ordination roles), resources (e.g. budgets and human resources) and scope of influence (e.g. convening power). For example, Canada, Denmark and Germany have specific ministerial portfolios for elderly policies while the Department or Ministry of Health is in charge of coordinating this portfolio in Australia, Belgium, Chile, Colombia and Costa Rica. In Austria, the Czech Republic, Estonia, Finland and France, the Ministry of Social Affairs is entirely or partially responsible for the development of policies focused on elderly people. Despite differences in their institutional set-up, they assume similar responsibilities, including the preparation, implementation and co-ordination of national elderly policies and strategies.

Some OECD countries opted for creating independent oversight institutions and mechanisms to strengthen the accountability of government action in this area. Spain and Norway established an Ombudsperson for Older Persons as an independent mechanism to promote the interests, needs and perspectives of older people in society and protect their rights (AGE Platform Europe, 2021[19]; UNECE, 2021[30]). In Malta, a Commissioner for Older Persons was appointed to raise awareness about the rights of older persons. The Commissioner can investigate alleged breaches of their rights and initiate measures to safeguard them (UNECE, 2021[33]). Oversight institutions fulfil an important function to promote transparency by holding governments accountable for achieving its objectives in the area of active ageing.

Tools to mainstream the perspectives of older people in policymaking

The availability and use of age-disaggregated evidence

The wellbeing and inclusion of older people in all spheres of public life demands responsive and concerted efforts across various policy fields. To ensure that interests and perspectives of older people are reflected across these areas, and to involve older people in the process of decision making, core functions of the government can be leveraged, such as the collection and use of evidence, the allocation of public resources, rulemaking, and public procurement (OECD, 2020[17]).

The Madrid International Plan of Action on Ageing recommends "mainstreaming ageing'' through the systematic integration of ageing issues across all relevant policy fields and at all levels of government to respond more effectively to the needs of different age groups (UN, 2002[34]). To be effective, commitments to embed an "age lens" needs to be anchored in government strategies and plans, underpinned by political commitment and leadership, and effective coordination mechanisms (UNECE, 2021[30]). In addition, age-disaggregated data and evidence as well as impact assessments that anticipate the implications of draft legislation across different age groups can inform new laws, policies and programmes and provide opportunities for stakeholder engagement and intergenerational dialogue.

However, obstacles persist to the integration of an ‘’age lens’’ across the core functions of government across OECD countries. Notably the availability of age-disaggregated evidence remains uneven across policy areas (OECD, 2020[17]). A recent OECD report shows that Lithuania faces challenges in collecting and processing quality data and translating data into policy design (OECD, 2021[32]). The report points to the need to improve public servants' capacity to generate and use robust and credible evidence and to systematically embed evidence in decision-making processes (OECD, 2021[32]). Evidence from the interviews and responses to the OECD Policy Questionnaire show that evidence, in the field of citizen participation in public and political life is not always disaggregated by age.

In Lithuania, the Department of Statistics collects data on the participation of citizens in public and political life through household and population surveys, which are conducted on a regular basis. However, the scope of data collection on political participation by the Department of Statistics appears to be limited with only few indicators in the area of public and political life participation being collected and monitored on a regular basis and disaggregated by age (see From ambition to action: A need to strengthen institutional structures, mandates, resources and capacities). Similar challenges can be observed in the collection of data disaggregated by geographical location, which risk masking the disparities that exist for citizens, including older people, in different regions and municipalities.

In addition to the Department of Statistics, evidence collected by the Ministry of Social Security and Labour, line ministries, municipalities as well as by the international organisations is used to track the participation of older people in public and political life. Nonetheless, the interviews and replies to the questionnaire point to a lack of data for key indicators such as the satisfaction of citizens with democracy, trust in national government and public institutions, membership in NGOs, satisfaction with opportunities to participate in public life, and participation in non-institutionalised channels of public and political life (e.g. participation in social movements and demonstrations, signing petitions).

Public management tools

Some OECD countries also use public management tools such as regulatory impact assessments to anticipate the impact of new legislation on specific age groups. However, overall, their use remains limited.

The Government of Canada has put in place “Gender-based analysis plus” (GBA+) as a tool for the development of policies, programmes, legislation and other initiatives. It examines who is impacted by an issue, how they are impacted, how their identities and environments shape those impacts, what responses are needed, the potential different impacts of the response on different populations, and how barriers or negative impacts can be mitigated. GBA+ primarily seeks to advance gender equality but it also looks at other factors such as age, race, ethnicity, religion and mental or physical disability (Government of Canada, 2022[35]). The Government of the Netherlands is currently piloting a “Generation Test” to assess whether a public policy is fair from an intergenerational perspective (OECD, 2020[17]).

There are also examples of countries which leverage public budgeting tools and processes to promote the participation of older people. In Portugal, the Municipality of Alfandega da Fé is implementing a participatory budgeting initiative for older persons aimed at involving older citizens in making decisions about municipal investments (AGE Platform Europe, 2021[19]). This participatory budgeting initiative for senior citizens strives to promote active citizenship in order to strengthen the credibility and transparency of public institutions and the quality of democracy (International Observatory on Participatory Democracy, 2022[36]).

In Lithuania, regulatory impact assessments or participatory budgeting processes are so far not leveraged to support the implementation of its active ageing agenda and promote the participation of older people. However, several participatory budgeting initiatives already exist at local level which are directed towards all residents regardless of their age. In fact, 22 out of 60 municipalities in Lithuania currently implement participatory budgeting (Transparency International Lithuania, 2021[37]). In 2021, almost 40,000 citizens were involved through these initiatives in deciding on the allocation of a part of the municipal budget

(Transparency International Lithuania, 2021[37]). For example, Kaunas District Municipality is conducting a participatory budgeting programme, which allows residents to submit proposals on how to improve public areas in the municipality and which are then voted by the public. Selected projects receive funding and support from the municipality to implement them (Kaunas District Municipality, 2022[38]).

Yet, a study conducted by Transparency International Lithuania shows that only a few municipalities assess outcomes of their participatory budgeting programmes (OECD, 2020[39]). The same study points to a need to define and publish the selection criteria more clearly and involve citizens more actively in the implementation of the selected projects (Transparency International Lithuania, 2021[37]). The existing participatory budgeting initiatives can also be leveraged to support active engagement older people in making decisions and allocating public budgets.

Annex 3.A. Mapping of broader governance arrangements to advance the active ageing agenda in Lithuania

Active ageing agenda: A national priority

Over the last two decades, the Government of Lithuania has launched strategic initiatives to promote active ageing (UNECE, 2022[40]). For instance, the National Strategy for Overcoming Consequences of Ageing Population, approved by the Government in 2004, consolidated the application of principles of active ageing and aimed to create the conditions for the well-being and social integration of older people. Ten years later, the government adopted the National Progress Programme 2014-2020, which outlined initiatives to implement activities to support active ageing and the employment of older people.

By 2018, the Government of the Republic of Lithuania approved the Strategy for the Demographic, Migration and Integration Policy for 2018-2030. Coordinated by the Ministry of Social Security and Labour, the Strategy is a cross-sectoral effort made in partnership with the Ministries of the Environment; Health; Education, Science and Sport; Agriculture; and the Office of the Government of the Republic of Lithuania. One of the strategy's goals is to foster the integration of older people into society, education and the labour market (Seimas of the Republic of Lithuania, 2018[41]). To support the implementation of the strategy, the Government of the Republic of Lithuania approved an Inter-institutional Action Plan for 2020-2022 (see Lack of clear definition of participation in public and political life).

In 2020, the Government updated the National Progress Plan (2021-2030), which includes the strategic commitment of improving the social welfare and health of residents, including among older people, and addressing wider demographic challenges. The Programme for Development of Social Solidarity 2021-2030 complements the National Progress Plan by addressing issues related to poverty and social isolation among older people, including increasing their access to the labour market and to social life, and developing integrated social services in compliance with their specific needs.

One of the key drivers behind these policy initiatives is the ambition of the Government of Lithuania to address the effects of larger demographic trends, including Lithuania's decreasing population due to negative migration and low fertility rates, and the need to adapt public service provision to respond to the effects of an ageing society (Seimas of the Republic of Lithuania, 2018[41]; UNECE, 2022[40]). The Strategy for the Demographic, Migration and Integration Policy for 2018-2030 outlines the priorities that have been put forward to address the implications of population ageing by:

- Ensuring the participation of elderly people in social and political life, as well as in the labour market and in efforts to ensure their financial security;
- Ensuring elderly people are provided with opportunities for lifelong learning;
- Improving the quality and accessibility of healthcare for elderly people;
- Fostering intergenerational solidarity and developing volunteering activities for the elderly.

Moreover, in 2022, the Parliament amended the Law of Pensions in 2022 with the objective of reducing old age poverty, and developing programmes to support the reintegration of older people into the labour market as part of Lithuania's national response and recovery plan (UNECE, 2022[40]). Among the amendments were the introduction of a new benefit for single persons to increase eligibility of payments

to a wider population and changes in the calculation of means-tested payments to reduce old-age poverty risks. To strengthen the digital skills of elderly people, the government launched the programme "Connected Lithuania" in 2018 to improve their access to digital services and reduce social isolation (Connected Lithuania, 2018[42]).

The Government of Lithuania has also been seeking to strengthen the participation of older people in policymaking. The Lithuanian Council for Pensioners' Affairs – active since 2005 – operates at national level and through municipal branches to represent the interests of older and retired persons. Placed under the Ministry of Social Security and Labour, this Council consists of representatives from non-governmental organisations and creates opportunities for elderly people to participate in decision-making, analyses relevant draft legislation, and makes recommendations on issues pertinent to older people (Government of Lithuania, 2022[43]). The Council may request information from state and municipal institutions about drafts of legal acts and decisions being prepared on issues related to elderly people. It may also participate in the drafting of such legal acts, establish working groups to examine issues relevant to elderly people, take part in international discussions about the subject, and take action to help elderly people solve the issues that affect them. It is envisaged that this newly formed Council of the Elderly will replace the existing Lithuanian Council for Pensioners' Affairs (see From ambition to action: A need to strengthen institutional structures, mandates, resources and capacities).

Efforts have also been made to tackle negative perceptions of older people through media campaigns portraying them in a positive light and to inform senior citizens about the services available to them (UNECE, 2022[40]). To foster intergenerational solidarity, the government has planned to organise and support projects engaging young and older people in strengthening digital literacy skills (Government of Lithuania, 2018[44]). To ensure public services are equipped to respond to demographic changes in Lithuania the government has planned to modernise and expand existing infrastructure for elderly persons, including infrastructure to support independent living of people with Alzheimer, people with disabilities or senile dementia (EU, 2021[45]).

Rolling out the active ageing agenda at sub-national level

Policies, strategies and programmes related to active ageing are generally developed at the national level, taking into consideration larger demographic trends. Local authorities are in charge of providing services and activities to respond to the needs of older people in local communities.[47]

At the sub-national level, Lithuania is divided into 60 self-governing municipalities. Local councils adopt budgets, enact local legislation, and may establish smaller territorial units. Municipalities also have independent municipal budgets that are separate to the State budget (European Committee of the Regions, 2022[46]). According to Article 22 of the Law on Local Self-Government of Republic of Lithuania, municipal budget revenues consist of tax income, non-tax income and state subsidies (Seimas of the Republic of Lithuania, 2014[47]). Within legal limits, local authorities are granted autonomy to draft their budgets every year, and may also impose and levy local taxes and duties. (European Committee of the Regions, 2018[48]).

Comparatively to other EU countries, however, revenue autonomy (own revenues relative to total resources available) at the municipal level in Lithuania is below the EU average (12% for Lithuania versus 53% for the EU in 2017), which implies a higher rate of dependency on central government transfers (European Committee of the Regions, 2018[48]). Similarly, the allocation of public investments remains largely centralised. In 2018, for instance, only about a quarter of total government expenditures were at the sub-national level (European Committee of the Regions, 2018[48]). A 2021 study conducted by OECD underlines that low revenue autonomy in municipalities may pose challenges to long-term policy planning,

[47] Information provided during interviews conducted in November 2021 with project stakeholders of the government of Lithuania.

and may lead to the fragmentation of policy direction-setting, as projects may develop to fit the criteria of particular funding sources, including both within government and from international organisations (OECD, 2021[49]).

To this effect, while the active ageing agenda is chiefly coordinated by the Ministry of Social Security and Labour at national level, subnational service provision related to active ageing, including the provision of physical and mental healthcare, aid at home, informal adult education and skilling programmes, may vary regionally and across municipalities and hence largely depends on local capacities (UNECE, 2016[11]; OECD, 2021[49]). Ageing population rates present differently across municipalities (UNECE, 2022[40]), and older people in rural areas may not always be able to access services in the same way as those living in urban areas as elaborated in respective sections of this chapter (UNECE, 2022[40]). This has resulted in an uneven access of older people to public services and opportunities to participate in public and political life at the subnational level. The Law on Local Self-Government also enables municipalities to cooperate with NGOs, community groups and cultural centres in delivering services to older people and in providing spaces for dialogue and encourage active citizenship among older people, such as through the Universities of the Third Age (Seimas of the Republic of Lithuania, 2014[47]). A survey conducted by the OECD in 2021 to map how municipalities increase the capacity of non-governmental stakeholders to deliver public services reflects that these often receive financial support (in 85% of responding municipalities), in-kind and logistical support (67%), and methodological assistance and capacity building opportunities (56%) (OECD, 2021[50]).

Elderships, or Elderates, are the smallest administrative division of Lithuania and a representation mechanism of local communities at a subnational level (Seimas of the Republic of Lithuania, 2014[47]). Lithuania is divided into 546 Elderships, each representing a small region consisting of a few villages, a town, or part of a city. Elders, which represent local communities in the Elderate, act on a voluntary basis and are democratically elected. The role of Elders is to represent the views of local inhabitants at municipal level. As such, they provide the first contact for interactions, playing a bridging role between older people and public authorities. However, available information suggests that elders and elderships are not yet harnessed as a space to discuss local priorities in the field of active ageing (Seimas of the Republic of Lithuania, 2014[47]).

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