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THE RISE OF THE DUAL LABOUR MARKET: FIGHTING PRECARIOUS EMPLOYMENT IN THE NEW MEMBER STATES THROUGH INDUSTRIAL RELATIONS (PRECARIR)

COUNTRY REPORT: LITHUANIA

APRIL 2016

BOGUSLAVAS GRUZEVSKIS

INGA BLAZIENE

The rise of the dual labour market: fighting precarious employment in the new member states through industrial relations (PRECARIR)

Country report: Lithuania

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Boguslavas Gruzevskis
Labour Market Research Institute of the Lithuanian Social Research Centre

Inga Blaziene
Labour Market Research Institute of the Lithuanian Social Research Centre

Central European Labour Studies Institute (CELSI)

Zvolenská 29
821 09 Bratislava
Slovak Republic

Tel/Fax: +421-2-207 357 67
E-mail: info@celsi.sk
Web: www.celsi.sk

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Corresponding Author:

Boguslavas Gruzevskis, Inga Blaziene
Labour Market Research Institute of the Lithuanian Social Research Centre, A. Gostauto st. 11, LT-01108 Vilnius, Lithuania
E-mail: Boguslavas.Gruzevskis@dsti.lt, Inga.Blaziene@dsti.lt

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Introduction

Precarious employment has been to some extent incidental to the Lithuanian labour market since the very restoration of independence in 1990. Under conditions of political and economic transformations that started in the country at the beginning of the 90s, the main source of precarious employment was a reduction in production scopes and restructuring of companies. These processes were followed by the emergence of the informal (shadow) labour market. Growing competition and efforts to reduce labour costs led to the increasing application of measures by employers in different sectors, contributing to higher job insecurity, in particular, i.e. hiring employees without a contract of employment; paying "envelope" wages so as to evade the full social insurance contributions owed; failing to ensure adequate working conditions; etc. However, the situation was steadily demonstrating positive developments. Trade unions, which confronted at the beginning of the independence period, started demonstrating coordinated actions; performance of the State Labour Inspectorate (SLI) was improving, as was the awareness of employees and knowledge of their rights. Positive changes in the reduction of precarious employment particularly accelerated in 2004 after Lithuania's accession to the EU. Rapid economic growth and shortage of labour force fostered the possibility for employees to obtain work in conditions of dignity.

Unfortunately, the economic crisis of 2008-2009 severely hit the Lithuanian labour market: more than 200 thousand people lost jobs (~15% of the employed), wages and salaries fell by 15-20%, old-age pensions, unemployment benefits and other social allowances were reduced. At the end of 2015, the number of the employed was still below the pre-crisis level and the unemployment rate was almost double its pre-crisis level. At the end of 2015, the number of payers of social contributions was some 90 thousand below the 2008 number (1,469 million people). In the post-crisis period (2010-2011), in order to foster economic growth and urged by employers, the Government actively looked for measures to liberalise labour relations and improve flexibility of the Lithuanian labour market. In 2013, the World Economic Forum Global Competitiveness Report 2013-14 ranked Lithuania 130th by hiring and firing practices, 111th by redundancy costs, and 135th by country capacity to attract talent. The need to increase flexibility in the Lithuanian labour market and attractiveness for investors was repeatedly highlighted by IMF and OECD experts. One of the recommendations of the Council of the European Union for Lithuania in 2013-14 was to *"review the appropriateness of labour legislation with regard to flexible contract agreements, dismissal provisions and flexible working time arrangements"*.

The Lithuanian Labour Code (LC) enacted in 2004 contained many limitations inherited from Soviet law. The purpose of the limitations was to ensure better social and job security for employees (e.g., max. 4 hours of overtime work in 2 consecutive days and max. 120 hours of overtime work per year; 2 to 4 months' notice of termination of employment contract when there is no fault on the part of the employee; severance pay in the amount of 1 to 6 average monthly wage; etc.). It should be noted that, on the one hand, the strict provisions of the LC were repeatedly criticised by employers for providing excessive social guarantees and not encouraging employers to hire more employees. This criticism became even more active after the crisis in 2008-2009. According to a survey of employers carried out in 2013[1], 27% of employers said that regulation of labour relations did not impede their economic activities; 47% of employers were

[1] Survey of Lithuanian employers. Spinter Tyrimai, 2013.

of the opinion of the LC sets forth excessive redundancy limitations; 36% of employers believed that limitation applicable to fixed-term employment contracts are too strict (*several answers were possible*). On the other hand, it should be noted that the stringency of labour market regulations were often offset by their non-observance in practice. For example, in cases of dismissing an employee with no fault on the part of the employee (on employer's initiative), the employer would make an arrangement with the employee to dismiss him/her "by mutual agreement between the parties", meaning that severance pays set forth in the LC were not paid and the term of notice giving was not complied with. Again, the mentioned practices appear to have been more common in Lithuanian-capital and smaller companies, whereas larger or multinational companies tend to comply with statutory requirements. This leads to unequal terms of competition within the labour market. That is why organisations representing the interest of foreign capital companies (e.g. Investors' Forum) were among the most active initiators of LC liberalisation.

In order to tackle the issues of increasing labour market flexibility in an integrated manner, the Ministry of Social Security and Labour (MSSL) initiated a research in 2013 to deliver, inter alia, recommendations regarding more flexibility in the Lithuanian labour market. A new "social model" elaborated by the researchers encompassed drafts of the LC, the Law on Employment, and social insurance regulations. In the context of political discussions of the liberalisation of labour relations, representatives of trade unions took a rather strong position that the proposed amendments would reduce income and job security. In 2015, there was quite fierce debate between representatives of employers and trade unions on a number of provisions in the new social model. It can be stated that in case of decelerating economic growth and wage stagnation, the new amendments to the regulation of labour relations could lead to increased practices of precarious employment. It is noteworthy that low wages represent a major risk factor for precarious work conditions in Lithuania (almost 20% of full-time employees in Lithuania receive less than 350 euro per month). As low wages do not allow employees to save much, loss of job means a serious drop in their standards of living, which is only partly compensated by available social guarantees. This explains why there are fewer people in atypical forms of employment in Lithuania (especially those working under part-time employment contracts). Social insecurity is another key problem of precariousness in Lithuania. This risk is faced by the majority of self-employed persons (especially – in agriculture), seasonal workers and persons working illegally. In 2014, self-employed accounted for about 10.8% and seasonal workers – for about 3.4%. According to various estimates of illegal employment, about 12-15% of the total number of the employed is working illegally in Lithuania.

It can be concluded that the problem of precariousness is relevant for about 30-35% of the employed population in Lithuania. However, this issue is not emphasised in any of the Government's programmes. More attention to the problem is paid by trade unions – Lithuanian Trade Union "Solidarumas" and the Lithuanian Trade Union Confederation. In this context, it should be noted that in 2014-2015 employment security issues were given much attention in political and public domains owing the consideration of the new social model. The future increase in employment flexibility may lead to the growth of precarious employment unless stable economic growth is ensured and social support is improved on a high-handed basis.

Part I: Precarious work in context

Legal developments and form and incidence of precarious employment in the economy

Precarious employment in Lithuania, same as in many other countries, mostly takes the form of legal, but alternative, employment forms, which comprise lower level of social security and labour rights than a regular full-time open-ended employment contract. In Lithuania precarious employment is closely related to low pay as well. The main legal act which regulates employment conditions and labour relations in Lithuania is the Labour Code of the Republic of Lithuania (LC). The current LC is in force in Lithuania since 1 January 2004. During the recent decade there were no very significant changes in the LC, however social partners (with the initiative of employers and investors) were permanently discussing possibilities to liberalise labour legislation in Lithuania. The need to liberalise labour relations in Lithuania was emphasised by the EC, IMF, experts of other international organisations. The present Government put the increase of employment flexibility among its priority activities in 2014. Currently, the so called New Social Model (NSM), which includes the new LC as well, is under consideration in Lithuania. The new legislation provides for the dominance of liberal regulation of labour relations which, according to the legislators, are supposed to ensure more flexibility in the labour market, improve attractiveness of the Lithuanian labour market for foreign investors and booster employment in Lithuania. According to some employees and trade unions' representatives, the NSM provides solutions that considerably reduce social and employment guarantees[2] without making a tangible contribution to employment growth. The main reason for a part of the population to stay out of employment and live on social benefits is low wages, not the lack of job vacancies[3] or insufficiently flexible employment relationships. Therefore, for the NSM to have a positive impact on the country's labour market, work on the implementation of the NSM should go in parallel with the activation of investment policy in pursuit of directing financial flows to the development of new technologies and innovations, as well as to overall promotion of wage upward trends. In 2014, Lithuania demonstrated the best indicators in the region by GDP per capita (74% of the EU-28 average); in Estonia, this indicator was 73%, in Poland - 68%, and in Latvia – 64%. However, Lithuania was behind all those countries by net average wage or annual disposable income (in 2014, net AW was EUR 524 in Lithuania, as compared to EUR 557 in Latvia, EUR 678 in Poland, and EUR 841 in Estonia). Low wages put the Lithuanian labour market in an unattractive situation and this is one of the main reasons for Lithuania to have one of the highest migration outflows in the EU. In addition to low wages, the attractiveness of the Lithuanian labour market is reduced by the spread of precarious forms of employment. The LC defines following types of employment contracts in Lithuania:

- indefinite (open-ended) contract;
- fixed-term, temporary, seasonal;
- secondary (additional) job contract;

[2] Already in March 2015 trade unions' representatives presented over 3,700 comments concerning the NSM proposals to improve the current LC. The main emphasis was on that the proposed amendments considerably undermine working conditions and the security of workers. The new version of the LC provides for reducing the term of notice of dismissal, cutting severance pays, simplifying conditions for dismissal from work, relaxing conclusions of fixed-term employment contracts, etc.

[3] In 2013-2015, there were more job vacancies registered with the LLE for skilled workers, craftsmen and machine operators/assemblers than the number of unemployed persons with appropriate skills.

- teleworking;
- other.

The LC says that “as a rule, an employment contract shall be concluded for an indefinite period of time (indefinite-term)”.

Considering that the same rules apply to both – main and additional jobs, as well as to the jobs performed in the “ordinary” workplace and telework and taking into account other provisions of the Labour Code, other legislation and relevant practices, we may identify the following main alternative/atypical forms of work in Lithuania:

- Temporary (fixed-term) contract
- Part-time contract
- Temporary agency work
- (Bogus) self-employment

In addition to these forms, employment under a contract of authorship/service, as well as work with agricultural service vouchers, can be also attributed to the atypical forms of work. Contracts of authorship/services are usually used by those on higher incomes in Lithuania (researchers/ scientists, translators/interpreters, lawyers, architects, etc.). Before the crisis tax burden in case of authorship/service contract was significantly lower comparing to the ordinary employment contract, however during the crisis in order to increase incomes of the national budget taxes and social insurance contributions on authorship/service contract were increased and now are equal to the employment taxes contributions. The only difference – in case of authorship/service contract persons providing services are working as freelancers or self-employed (i.e. working time, OHS, employment security and other requirements applicable for an employee do not apply to service providers). According to the Lithuanian legislation, employment with agricultural service vouchers is allowed in the agricultural and forestry sectors only. The use of service vouchers enables an employer (farmer) to hire a worker without many administrative requirements, simply by issuing a special service voucher. It is enough to specify usual particulars in this document: service recipient and service provider, type of service, time of service provision, service price rate, amount of health insurance contributions, etc. The farmer (employer) is required to notify the fact of service provision in the established procedure and within the set time limits.

Below we shortly present the main legislative regulations and the current statistics about the aforementioned forms of precarious employment.

Temporary (fixed-term) contract

According to the LC, a fixed-term employment contract may be concluded for a certain period of time or for the period of the performance of certain work, but not exceeding five years. It is prohibited to conclude a fixed-term employment contract if work is of a permanent nature (unless this is provided for by laws or collective agreements).

As it was mentioned above, there are separate definitions of seasonal and short-term employment contracts in Lithuanian labour law. According to the LC, a seasonal employment contract shall be concluded for the performance of seasonal work. Seasonal work shall be such work, which due to natural and climatic conditions is performed not all year round, but in certain periods (seasons) not exceeding eight months (in a period of twelve successive months), and is entered on the list of types of seasonal work. Short-term employment contract shall be an employment contract concluded for a period not exceeding two months. Grounds for the conclusion of a temporary employment contract (circumstances under which a temporary employment contract may be concluded), the characteristics of the change and expiry of such a contract, as well as of the working and rest time of temporary workers shall be established by the Government.

Following the outbreak of the crisis, the conclusion of the fixed-term employment contracts was liberalised in respect of newly established jobs within a period from 1 August 2010 to 1 August 2015 in order to create more favourable conditions for employment, provided that fixed-term employees would not exceed 50% of the total number of employees in an enterprise. However, this amendment did not have any material impact on the growth of fixed-term employees in the period from 2010 to 2015 (see the Table below). Figures in the Table show that the share of fixed-term employees in the total number of persons employed has remained roughly stable since 2008 in Lithuania, standing at approx. 2.6%.

Fixed-term employment in Lithuania in 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Employees, thous.	1,188.3	1,186.2	1,240.1	1,260.4	1,159.6	1,112.0	1,120.8	1,134.7	1,140.6	1,159.4
Fixed-term employees, thous.	64.7	54.3	46.5	29.9	26.4	27.0	30.1	29.9	30.9	32.0
Share of fixed-term employees, %	5.4	4.6	3.7	2.4	2.3	2.4	2.7	2.6	2.7	2.8

Source: Lithuanian Statistics

Such a situation can be explained by employees' rights being quite well protected in this area (both – by valid legislation and its enforcement). As mentioned above, it is prohibited to conclude a fixed-term employment contract if work is of a permanent nature. In addition, there are various other provisions in the LC restricting the use of temporary employment contracts in Lithuania. For instance, according to the LC:

- if the term of an employment contract is not specified therein or is specified unduly, the employment contract concerned shall be considered of indefinite duration;
- if the term of an employment contract has expired, whereas employment relationships are actually continued and neither of the parties has, prior to the expiry of the term, requested to terminate the contract, it shall be considered extended for an indefinite period of time;
- a fixed-term employment contract shall become an indefinite-term contract when the circumstances in respect whereof the term of the contract has been defined cease to exist during the period of employment relationships;
- if an employment contract, upon the expiry of its term, is not extended or is terminated, but within one month from the day of its termination another fixed-term employment contract is concluded with the dismissed employee for the same work, then, at the request of the employee, such a contract shall be recognised as concluded for an indefinite period of time (except some cases).

In the absence of strong trade unions, the implementation of the legal provisions in Lithuania is rather strictly observed by the State Labour Inspectorate. As a result of such provisions of labour law which have been in place for years, Lithuanian employers simply failed to have developed traditions to employ persons on a fixed-term basis. Moreover that in respect of employment conditions or in-service training and promotion opportunities, the LC stipulates that employees working under fixed-term employment contracts may not be treated in a less favourable manner than employees working under employment contracts of indefinite duration. The main difference between open-ended and fixed-term employee is that the latter is not entitled to the severance pay after the end of the contract. However, Lithuania's experience shows that even open-ended employees often leave the service with no or minimum severance pay.

We may conclude that fixed-term employment should not be generally viewed as the main reason of precarious employment in Lithuania. Fixed-term contracts may give grounds for precarious employment mainly in cases when fixed-term contracts apply on a larger scale in respect of certain categories of workers or sectors (workers with lower skills or in certain categories of jobs, e.g. auxiliary workers in some manufacturing or construction sub-sectors).

Part-time employment

According to the LC, part-time daily working time or part-time weekly working time shall be set:

- by agreement between the employee and the employer;
- at the request of the employee due to his health status according to a conclusion of a health care institution;
- on the request of a pregnant woman, a woman who has recently given birth, a breast-feeding woman, an employee raising a child under three years of age, as well as an employee who is alone raising a child under fourteen years of age or a disabled child under eighteen years of age;
- at the request of an employee under eighteen years of age;
- at the request of a disabled person;
- at the request of an employee nursing a sick family member according to a conclusion of a health care institution.

Part-time work shall not result in limitation when setting the duration of annual leave, calculating the length of service, promoting an employee, improving qualification, as well as shall not limit other employment rights of the employee. Employees shall receive payment in proportion to the time of work or by result.

Like with fixed-term employment, part-time work is not very popular in Lithuania, too, with part-time employees accounting for less than 10% of total employees in the country (see Table below). The share of part-time employment in Lithuania in 2005-2014 ranged from 6.8% in 2008 to 9.5% in 2012 and stood at 10.4% in 2006. Despite the fluctuations, part-time employment can be said to have stood at 8-9% of total employment in Lithuania in recent years.

Part-time employment in Lithuania

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Employed, thous.	1,434	1,429	1,452	1,427	1,317	1,248	1,254	1,276	1,293	1,319
Part-time employed, thous.	104	149	132	97	109	102	112	121	116	120
Share of part-time employment, %	7.2	10.4	9.1	6.8	8.3	8.2	8.9	9.5	9.0	9.1

Source: Lithuanian Statistics

The main reason of relatively low popularity of part-time employment is a generally low wage level; as a rule, part-time employment does not provide sufficient means of subsistence. Even though there have been no detailed studies on part-time employment conducted in Lithuania, long years of experience of labour market research suggest that a part-time job is held as a second job in addition to the primary one in Lithuania rather than being the only source of employment and income. This argument is partly confirmed by the situation where the beginning of the crisis and the resulting decline in job supply were accompanies by a decrease in the share of part-time employment due to fewer chances of getting secondary jobs.

With regard to part-time employment in the context of precarious work, it is important to note that in Lithuania part-time employment often stands in the same line with illegal employment/undeclared work (UDW). Employers declare their employees to work on a part-time basis and pay them official wages/salaries and taxes in accordance with the declared working hours, while in fact employees work full time and are paid in cash. This reduces tax burdens for the employer and, at the same time, social guarantees for the person so employed. Therefore, it is quite probable that the actual percentage of part-time workers in Lithuania is low than it is indicated by the official statistical figures.

Temporary agency work

The TAW sector is rather poorly developed in Lithuania. According to the STD, in 2013 the share of total employment in the TAW sector in Lithuania was approx. 0.5%.

One of the reasons determining such a low spread of TAW in Lithuania is that this form of employment was covered by national law quite a short time ago. The Lithuanian Parliament adopted the Law on Temporary Agency Employment to implement the EU Directive on temporary agency work only on 19 May 2011 (it came into effect on 1 December 2011). Although quite frequently appearing in practice and existing for more than a decade, agency employment relationships had not been previously regulated in Lithuania by any special legal acts. The aforementioned law raised the interest in temporary agency employment services: the number of TAW employees increased from 1.5 thousand in 2011 up to 4.4 thousand in 2013.

Despite the relatively low number of employees, the TAW sector is outstanding for high average wages. In 2012, the average monthly wage in the TAW sector amounted to EUR 1,414.6, being more than twice above the country's average wage (standing at 228% of AW). Also, a large pay gap may exist in the sector between different professional qualifications of employees.

Temporary employment agencies are required to provide information on temporary agency workers to the State Labour Inspectorate (SLI). According to the SLI, a total of 3,450 temporary agency workers were employed in Lithuanian enterprises in the second half of 2014; secondary school graduates or persons without profession accounted for the majority of them (65.6%). Therefore, it is quite probable that some employees in the TAW sector are in low-skilled jobs, often employed under unfavourable working conditions. However, despite the mentioned trend, the TAW sector has been recently demonstrating growing employment of skilled workers. For example, there was a significant increase in the number of temporary employed accountants, medical and construction workers as well as other rather highly skilled employees and workers.

(Bogus) self-employment

The share of the self-employed in Lithuania is close to 10-11% and is rather steady: in 2005-2014, the number of self-employed persons in Lithuania varied from 203.7 thousand in 2005 up to 115.2 thousand in 2011, accounting for 14.2% to 9.2% of the total number of employees, respectively (see Table below).

Employment and self-employment in Lithuania

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Employed, thous.	1,434	1,429	1,452	1,427	1,317	1,248	1,254	1,276	1,293	1,319
Self-employed, thous.	204	203	183	146	136	116	115	124	137	143
Share of self-employment, %	14.2	14.2	12.6	10.2	10.3	9.3	9.2	9.7	10.6	10.8

Source: Lithuanian Statistics

Persons working as self-employed (engaged in activities under individual activity certificates or engaged in activities under business certificates) in Lithuania have lower social guarantees and lower social and employment security compared with the employees:

- self-employed persons engaged in activities under individual activity certificates are covered on a compulsory basis by state social pension insurance, sickness and maternity social insurance (but only to receive maternity and paternity benefits, excluding sickness benefits), and obligatory medical insurance;
- self-employed persons engaged in activities under business certificates are covered in Lithuania only by basic old-age pension insurance and obligatory medical insurance

It means that differently than employees, self-employed persons are not entitled to unemployment benefits, sickness benefits, occupational accidents and other benefits in Lithuania. Moreover, self-employed persons are deprived of the social guarantees' package available for employees, i.e. periods of notice, severance pays, annual leaves, job preservation during maternity leaves, etc.

Same as in case with fixed-term employment, national legislation rather strictly regulates the fraudulent usage of this type of employment in Lithuania.

The Law on Personal Income Tax of the Republic of Lithuania defines "relations in their essence corresponding to employment relations" as follows: employment relations or relations in their essence corresponding to employment relations shall mean a relationship where work is performed under an employment contract, and also any other activity carried out on the basis of legal relations substantially corresponding (by agreement concerning remuneration for work, workplace and functions, work discipline, etc.) to a relationship between an employer and employee created under an employment contract.

The State Tax Authority (STA) emphasises and, together with the SLI, monitors that relationships between the parties – employer and employee, company and persons providing services to it, etc. - are documented in accordance with their true content. The tax administrator may qualify individual activities as employment relationships in the following cases:

- services are rendered to one company which often provides the person with a workplace and work implements;
- the person has some sort of binding commitments in respect of the company, e.g. performs company's instructions, participates in the training, seminars or sessions

organised by the company and/or participates, on the company's instruction, in the courses held by other legal or natural persons;
- the person has committed himself/herself to build a positive image of the company in the public, adhere to the ethics requirements established within the company;
- the person signs service agreements with customers not in his/her own name, but on behalf of the company which pays the person for the services rendered to the customer;
- the person receives a part of payment (usually, minimum wage) under the employment contract, whereas the rest of the pay for work is received as income derived from individual business activities;
- the presence of other circumstances indicative of employment relationships is established.

The above mention limits the chances for bogus self-employment to develop. Yet, certain categories of employees nonetheless work as dependent employees. This refers to hairdressers, some categories of builders.

Conclusions

From the short trends presented above we may conclude that rather standard forms of employment are prevailing in Lithuania, and these have been even slightly increasing over the last decade. That is why not much attention is paid to the problem of non-standard forms of employment and surveys in this area in Lithuania. Nevertheless there is a number of employees that are strongly affected by different atypical forms of work – self-employed persons and employees working under fixed-term and part-time employment contracts. Moreover – if the new social model will be adopted in Lithuania, it is expected that the share of atypical forms of employment will significantly increase.

We have to say, that precarious employment in Lithuania is strongly related to low income; moreover non-standard forms of employment interconnected with the low income environment create preconditions of highly precarious employment. At the beginning of 2015, average disposable wage in Lithuania was € 525. Minimum monthly wage (MMW), whose recipients are usually precarious employees, has remained below the real minimum living standards in net figures for a number of years. At the beginning of 2015, MMW in Lithuania amounted to € 300, being one of the lowest within the EU. About 12% of employees received MMW or less at the beginning of 2015 (this indicator stood at 15-16% after the crisis, in 2009-2011).

So the first and the main problem in Lithuania, when we are speaking about the precarious work, is a risk that work does not provide sufficient income to enable people to live decently (social security level is low too). This issue covers actually all categories of employees: by demographic features – men, women, older workers, young employees; by place of residence – rural and urban employees; by type of employment – open-ended, fixed-term, part-time, self employed. Generally MMW or similar wage receive people working in agriculture, low-skilled or unskilled workers, women. MMW earn almost all cleaners, a majority of retail workers, small scale service personnel.

Social insecurity is another key problem of precariousness in Lithuania. This risk is faced by the majority of self-employed (especially – in agriculture), seasonal workers and working illegally. In 2014 self-employed accounted for about 10.8% (143 thousand) and seasonal workers – for about 3.4%. According to various estimates of the illegal employment of about 12-15% of the total number of the employed (145 to 165 thousand) is working illegally in Lithuania.

Summarising the above said, we may conclude that the problem of precariousness is actual for at least about 30-35% of the employed population in Lithuania. However, this issue is not emphasised in any of the Government's programmes. More attention to this problem is paid by trade unions – Lithuanian Trade Union "Solidarumas" and the Lithuanian Trade Union Confederation. This problem is discussed during collective bargaining, drafting collective agreements. Unfortunately, trade unions do not play an important role in Lithuania in employment relations. Trade union density is less than 10% and collective bargaining coverage – not more than 15-20%. Moreover collective bargaining usually takes place in large, often – multinational, companies, where the risk of precariousness is lower. In general, in companies with collective agreements in place the risk of precariousness is lower.

Part II: Facing precarious employment in selected sectors

Metal sector

(1) brief characteristics of the sectors' economic position and employment trends

The metal sector is rather poorly developed in Lithuania – the gross value added generated in this sector (at current prices) accounted for approx. 1% in the overall GDP structure in 2013. The gross value added of the sector actually remained stabled over the period from 2005 to 2013, showing the highest indicator value in 2007 (1.2%) and the lowest value in 2009 (0.8%).

In general, the global economic crisis had a major negative impact on the sector's employees – in 2010 as compared to 2008 the number of employees in the NACE C25 sector dropped by more than 30% and average wage in the sector – by more than 20%. According to social partners, in some companies the number of employees decreased very rapidly by 40% during the crisis; even in 2015 some companies kept applying a shorter working week introduced during the crisis (4-day workweek instead of 5-day week).

In 2013, the metal sector employed 12.1 thousand persons or 1.3% of the total number of employees in the country. In 2005 – 2013, the number of persons employed in this sector decreased by about a quarter, from 16.3 thousand down to 12.1 thousand. The share of employees in the metal sector, as compared to the whole economy, also went down (from 1.8% to 1.3%).

In 2005 – 2013, wage level in the metal sector was close to average wage in Lithuania – the highest wage was paid in 2007 (representing 117% of the average wage in Lithuania) and the lowest wage was in 2009 (98% of the average wage). In 2013, gross wage of employees in the metal sector was approximately by 4% above the average wage in the country and stood at EUR 632.6.

Number of employees and average monthly wage (EUR) in the whole economy and in the metal sector in Lithuania in 2005-2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the whole economy									
Number of employees	916,95	976,31	1,029,	1,031,	870,90	825,59	859,59	896,16	922,397

	0	2	264	047	4	8	4	5	
Average monthly wage, €	393.5	457.5	557.5	656.8	589.0	569.5	599.2	619.3	632.6
NACE C25 Manufacture of fabricated metal products, except machinery and equipment									
Number of employees	16,325	17,662	17,759	16,937	12,128	11,457	12,420	13,132	12,149
Average monthly wage, €	409.7	500.4	651.9	740.9	579.3	579.4	647.9	673.9	659.2
NACE C25 in relation to the whole economy									
Share of employees in the metal sector (%)	1.8	1.8	1.7	1.6	1.4	1.4	1.4	1.5	1.3
Wage in the metal sector comparing to the whole economy (%)	104	109	117	113	98	102	108	109	104

Source: Lithuanian Statistics

(2) common forms of precarious work

Common forms of precarious work in the metal sector in Lithuania in 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of self-employed (NACE C25)	479	638	831	822	547	493	612	684	n/a	n/a
Share of self-employed in the metal sector (NACE C25) (%)	2.9	3.6	4.7	4.9	4.5	4.3	4.9	5.2	n/a	n/a
Number of fixed-term employees in the manufacturing sector (NACE C) (thous.)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.6	5.5
Share of fixed-term employees in the manufacturing sector (NACE C) (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.4	2.9
Number of part-time workers in the manufacturing sector (NACE C) (thous.)	n/a	n/a	n/a	6.7	8.6	9.3	10	9.1	7.4	7.4
The share of part-time workers in the manufacturing sector (NACE C) (%)	n/a	n/a	n/a	2.8	4.1	4.8	5.1	4.5	3.7	3.7

Source: Lithuanian Statistics, Eurostat

Unfortunately, neither the Lithuanian Statistics (STD) nor Eurostat provides data about ***fixed-term employment*** in the metal sector. We can only mention that according to Eurostat's summarised data, the manufacturing sector (NACE C) employed a total of 4.6 thousand fixed-term employees in 2013 and 5.5 thousand fixed-term employees in 2014. This represented 2.4% and 2.9% of total manufacturing sector employees in Lithuania, respectively. Considering that the national indicator was 2.8% in 2014, the manufacturing industry appears to have a quite average share of employees working under fixed-term contracts.

Likewise, only summarised statistics is available on ***part-time employment*** in Lithuania. Eurostat's figures suggest that a total of 7.4 thousand, or 3.7% of total sector's employees, worked part time in manufacturing (NACE C) in 2014. In the 2008 – 2014 period, the share of part-time employees in the given sector went up from 2.8% to 3.7%; the highest indicator was in 2011 (5.1%), still being below the average in the country. In 2008 - 2014, the share of part-time employees in all sectors in Lithuania accounted for 7-9%.

Interviews with the social partners suggest that the metal sector is characterised by a rather high level of diversity in general – some industries of this sector demonstrate successful performance (for example, laser industry), high wages/salaries and excellent working conditions for their employees. However, there also are a number of enterprises, usually small ones, living for today, trying to survive from order to order, where employees are paid near-to-minimum wages, appropriate OHS level is not ensured, etc. As a rule, such enterprises are highly dependent on particular orders; in case of big and/or urgent orders, employees have to work overtime. Even working at high speed, proper attention is not given to OHS due to insufficient financial resources.

According to the social partners, TAW is spreading in both better- and worse-performing metal industries. TAW employees are typically employed for jobs that do not require high skill, usually for conveyor jobs.

It follows from the social partners' interviews that the greatest threat of precarious work to occur and spread appears in the situation when a company is started in Lithuania to manufacture a certain product/part for a large international metal/automotive enterprise (for example, Lithuanian-based company X manufacturing "metal parts, assemblies and systems for the global automotive industry"; Lithuanian-based company Y, a unit of international group of companies, manufacturing automotive cable harnesses and electromechanical systems). As a rule, such companies have busy work schedules, rather low-skilled and poorly paid labour force.

According to trade unions, the problem of precariousness is relevant in Lithuanian metal industries in general, as most of them pay much attention to acquiring necessary equipment in order to compete in the market, while employees are often not given sufficient attention and regarded simply as "labour force to maintain the equipment".

Basing on valid legislation, available statistics and interviews with social partners, the following table is completed.

		Quality of working conditions dimension				
The formal employment status dimension		Wages	Working time	Job security	Social security	Voice through TUs, protection through CB
	Open-ended contract	No collective wage bargaining at any level Average wage close to country's average; however large diversity within the sector; in small companies - close to MMW	In smaller companies, dependant on particular orders – overtime possible	High according to valid labour legislation, however low skilled employees often are not able properly to protect themselves	Social security benefits (unemployment, sickness, maternity benefits, old-age pension) highly dependent on wage level; in case of wages close to MMW social security benefits are low.	Trade union density might be close to county's average – less than 10%. No sectoral CA, few company level CAs.
	Temporary (fixed-term) and part-time contract	Low share of temporary (fixed-term) and part-time employment; no major impact on wage level	Low share of temporary (fixed-term) and part-time employment; no major impact on working time	Low share of temporary (fixed-term) and part-time employment; more favourite conditions for dismissal in case of fixed-term contract	Low share of temporary (fixed-term) and part-time employment; no major impact on social security	Low share of temporary (fixed-term) and part-time employment; fixed-term employees more rarely become trade union members
	Bogus self-employ-ment*	n.a.	n.a.	n.a.	n.a.	n.a.

* there is no information on self-employed workers in the metal sector

(3) union and employers' actions, best practices, examples

Before the crisis two sectoral trade unions and one employer organisation were acting in the metal sector in Lithuania. Though coverage by collective agreements at that time was approximately 15% and no sectoral collective agreement was signed in the metal sector, it was the one of the most amenable sectors to social dialogue − employers and trade unions knew each other, participated in common projects and activities and had signed some cooperation agreements[4].

Unfortunately situation changed dramatically after the crisis – currently only one sectoral trade union left in the sector with significantly decreased membership and powers – the Union of Lithuanian Metalworkers Trade Unions (LMPSS). Some companies, operating in the metal sector in Lithuania are affiliated by the Engineering Industries Association of Lithuania (LINPRA).

According to interviews with the social partners, some industries have drastically reduced the number of employees in order to survive during the economic crisis. It was rather popular in this sector, like in some others, too, to apply shorter working time (and, accordingly, lower pay) on a forced and/or agreed basis, shifting to 4-day workweek instead of 5-day week, taking unpaid leaves, etc. Trade unions claim that even at the beginning of 2015 some companies still had shorter working time.

In these tough conditions, trade unions tried to maintain social dialogue in the companies they had already had reliable partners. However, provisions of earlier collective agreements were reviewed; negotiations were carried out about wage reductions, termination of employees under more favourable conditions, etc.

Having deteriorated during the recession, the situation did not change in many industries after the crisis. Yet, in some companies social partners managed to reach agreements. Some metal sector companies even signed new CAs in the recent years. It should be noted, however, that the CAs provide for certain additional social guarantees for employees (e.g., free days in certain family-related circumstances, additional benefits in special cases, etc.), more flexible working time and better work conditions (particularly OHS) rather than significant wage increases or tariff-based workpay.

(4) conclusions – most relevant findings in the sector in response to questions/aims outlined above

To sum up the information above, the Lithuanian metal sector appears to be highly heterogeneous and thus quite difficult to characterise. The sector has both successfully and stably operating companies that create good working environment for their employees and small enterprises that focus more on short-term results and less care of their employees.

In general, the problem of precariousness is relevant for a certain segment of the Lithuanian metal sector, mainly for smaller enterprises which operate in lower technology subsectors and are often oriented towards single customer and/or one-off orders. As a rule, such companies pay near-to-minimum wages to their employees and give insufficient attention to ensuring appropriate OHS levels (paying more attention technologies and equipment rather than to

[4] http://www.eurofound.europa.eu/node/6718/revisions/13444/view

employees' well-being). In addition, there is an increasingly common practice of hiring so-called "external OHS professionals" who, as a rule, pay more attention to ensuring compliance with formal OHS requirements than to improving working conditions for employees in reality.

Healthcare sector

(1) brief characteristics of the sectors' economic position and employment trends

The gross value added generated in the healthcare sector (at current prices) accounted for approx. 3% in the overall GDP structure in 2013. Over the 2005 – 2013 period, the gross value added of the sector grew from 2.3% to 2.9%, showing the highest indicator value in 2009 (3.4%) and the lowest value in 2005 (2.3%).

In 2013, the healthcare sector employed 19.0 thousand people or 2.1% of the total employees in the country. In 2005 – 2013, the number of persons employed in this sector was growing every year from 11.8 thousand up to 19.0 thousand (by 38% up). The share of employees in the healthcare sector, as compared to the whole economy, was also increasing (from 1.3% to 2.1%).

During the whole period from 2005 to 2013, wages in the healthcare sector were considerably lower compared to average wages in Lithuania. In 2013, gross wage in the sector at issue amounted to EUR 489.8, being almost by one fourth (23%) below the average wage in the country.

The global economic crisis had only a minor impact on the healthcare sector. The negative impact of the crisis was mainly felt through wage reductions. As compared to 2008, the average monthly wage in the sector decreased by approximately one tenth (9%) in 2010. In spite of this, the number of employees kept growing every year during the crisis.

Number of employees and average monthly wage (EUR) in the whole economy and in the healthcare sector in Lithuania in 2005-2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the whole economy									
Number of employees	916,950	976,312	1,029,264	1,031,047	870,904	825,598	859,594	896,165	922,397
Average monthly wage, €	393.5	457.5	557.5	656.8	589.0	569.5	599.2	619.3	632.6
NACE 86 Human health activities									
Number of employees	11,830	13,239	14,280	15,502	16,271	16,810	17,436	18,492	19,058
Average monthly wage, €	237.1	290.1	375.4	469.0	453.6	429.0	457.9	475.2	489.8
NACE 86 in relation to the whole economy									
Share of employees in the health sector (%)	1.3	1.4	1.4	1.5	1.9	2.0	2.0	2.1	2.1
Wage in the health sector comparing to the whole economy (%)	60	63	67	71	77	75	76	77	77

Source: Lithuanian Statistics

(2) common forms of precarious work

Common forms of precarious work in the human health and social work sector in Lithuania in 2009-2014

	2009	2010	2011	2012	2013	2014
Number of self-employed in the human health and social work activities (NACE Q)	n/a	87	141	304	n/a	n/a
Share of self-employed in the human health and social work	n/a	0.1	0.2	0.4	n/a	n/a

activities (NACE Q) (%)						
Number of part-time workers in the human health and social work activities (NACE Q) (thous.)	5.0	5.0	6.9	7.4	6.5	6.5
The share of part-time workers in the human health and social work activities (NACE Q (%)	5.7	5.7	7.9	8.7	7.7	7.7

Source: Lithuanian Statistics, Eurostat

Unfortunately, neither the Lithuanian Statistics (STD) nor Eurostat provides data about ***fixed-term employment*** in the healthcare sector. Share of self-employment in the sector is also very low (less than 0.5%).

As regards part-time employment, Eurostat's figures suggest that a total of 6.5 thousand, or 7.7% of total sector's employees, worked part time in human health and social work activities (NACE Q) in 2014. In the 2009 – 2014 period, the share of part-time employees in the given sector grew from 5.7% to 7.7%, showing the highest indicator in 2012 (8.7%).

From the interviews with social partners we may say that the problem of precariousness is relevant for the healthcare sector, however it has some very specific features. First of all, the main specific feature of the sector is related to the demographic structure of the sector's employees – majority of nurses working in the sector are pre-pension age women (according to the social partners of the sector, approximately 80% of nurses in Lithuania are women aged 50-55). Another specific feature of the sector is that nurses have university degrees, but still are paid far below AW, often receiving near-to-minimum wage. One more sector-specific problem identified by the social partners is excessive workload of nurses which is often not based on any objective criteria (workloads are frequently distributed unevenly among regions, medical institutions and their units). The problem of excessive workloads is especially relevant taking into account older age of nurses. Inadequate distribution of workloads leads to physical and emotional exhaustion, psychological, social and other related health problems of employees.

According to the social partners, there are several categories of employees in the healthcare sector exposed to extremely precarious work conditions, in particular, ambulance drivers and paramedics, regional nurses, and other support staff in the healthcare sector (caretakers, cleaners). As a rule, employees of the mentioned categories have to work in quite difficult conditions. Although their work is often dangerous and difficult from the physical and psychological point of view, involving work at night, on weekends and holidays, these employees are rarely paid more than MMW (which was as low as EUR 325 in Lithuania at the end of 2015s).

According to trade unions, one more specificality of the sector, which is also partly related to working conditions in the sector, is insufficient managerial efficiency of medical institutions. As a rule, medical institutions are run by medical professionals who are not managers. Moreover, lower ranking managers are not professional managers, either. Therefore, operations in medical institutions often lack efficient organisation, in addition to uneven and inefficient distribution of workloads among employees and units.

It should be also noted that the crisis had a large effect on the situation of sector's employees resulting in almost 10% decrease in AW in the sector in 2009-10 (this decrease was slightly below the average in the country only thanks to the persistence of trade unions).

Basing on valid legislation, available statistics and interviews with social partners, following table is completed.

		Quality of working conditions dimension				
The formal employment status dimension		Wages	Working time	Job security	Social security	Voice through trade unions, protection through collective bargaining
	Open-ended contract	Average wage lower comparing to country's average; however due to permanent discussions and agreements among TU and the Government wages in the sector were steadily increasing Some categories of employees earn wages close to MMW	According to legislation, however due to sector's specifics – significant share of unsocial working hours (night work, working on weekend and holidays)	Relatively high – according to valid legislation	Social security benefits (unemployment, sickness, maternity benefits, old-age pension) highly dependent on wage level; in case of rather low wages social security benefits are low.	Trade union density higher comparing to county's average – might be close to 20-25%. Long trade unionism traditions; trade union voice rather important – they participate in all activities related to decision making in the sector/initiate working conditions improvement. It is expected that in the near future sectoral CA will be signed; currently CB coverage might be close to 20%.
	Temporary (fixed-term) and part-time contract	Though there are some part-time and fixed-term employees in the sector the share might not be higher comparing to the whole economy and it does not have significant effect on wages. Part-time employment in the sector is often used as additional (e.g. employee might be working in two different health institutions or under two different employment contracts) in order to earn	According to legislation, however due to sector's specifics – significant share of unsocial working hours (night work, working on weekend and holidays) If an employee is working under several employment contract working time usually is close to max limits.	Relatively high – according to valid legislation	Social security benefits (unemployment, sickness, maternity benefits, old-age pension) highly dependent on wage level; in case of rather low wages social security benefits are low.	Trade union initiatives cover all employees equally independent of the type of the contract.

		more.				
	Bogus self-employment*	n.a.	n.a.	n.a.	n.a.	n.a.

* share of self-employed workers in the healthcare sector is insignificant

(3) union and employers' actions, best practices, examples

In Lithuania, health care services are mainly provided by budgetary institutions. Similarly, two trade unions and one employer organisation functioning in the sector mainly represent public-sector employees and employers. Two large trade union organisations operating in the sector – Lithuanian Nurses' Organisation (LSSO) and Lithuanian Trade Union of Health Care Employees (LSADPS) – unite nurses. One more organisation – the Union of Lithuanian Doctor Managers (LGVS) might be attributed to an employer organisation in the health care sector. The LGVS represents managing officers in healthcare facilities. The LGVS holds various events, participates in the development and implementation of various programmes, and puts forward proposals to the government, ministries, municipalities and other authorities and organisations on health policy matters. It should be noted, that LGVS often acts in concert with trade unions and share the same goal, i.e., to seek for the establishment of the possibly most favourable funding conditions as they determine, inter alia, the size of employees' wages. That's why the LGVS and the trade unions in reality act as partners to bargain with the government. According to TU estimations trade union density in the sector might be close 20-25%.

Relatively low funding and generally inefficient management of the healthcare sector in Lithuania creates bad working conditions and low wages both for doctors and nurses/care workers of the sector. Therefore the primary focus of trade unions of health care system employees and employer organisation representing doctor managers is to negotiate with the government of the country, namely, with the Ministry of Health, in pursuit of the main objective – improvement of working conditions and wage increase in particular[5].

We can say that TU activities have been quite efficient in the sector over the past 20 years. During this period, sectoral trade unions took an active part in processes related to sector's reforms, bargained about working conditions and remuneration for fork to employees (TUs succeded in agreeing on higher MMW in certain regions; stable AW growth (except for 2009-10) also represents a result of active TU efforts), OHS and social guarantees for workers to be dismissed. Great attention was also paid to the aforementioned problem of excessive workload and objective distribution thereof. In cooperation in the Institute of Hygiene, trade unions initiated assessments of occupational risk and related training which are in place in the sector.

Over many years of activities, TUs managed to agree that employees would participate in corporate management, distribution of financial resources and enjoy higher social guarantees in sector's institutions. Representatives of sectoral TUs actively participate in all bodies tackling issues relevant to sector's employees in one way or another. A major achievement of sectoral TUs was a Tripartite Council in the healthcare sector established at the Ministry of Health few years ago. TUs hope this Council to help signing a sectoral CA in the healthcare sector in the near future. The sectoral CA is expected to stipulate minimum monthly wages for nurses and

[5] http://www.eurofound.europa.eu/node/6776/revisions/13502/view

physicians, provide for workloads and qualification improvement of nurses, and define a transparent system of remuneration for work.

Given that social dialogue is quite well developed in the sector, the social partners usually succeed in agreeing on many issues, and recourse to courts/labour dispute commissions is not a frequent phenomenon. However, TU representatives noted that sectoral TU lawyers are present at court sittings and effectively represent employees' interests when it is necessary.

A specific focus of LSSO activities is on raising employee awareness, improvement of employee qualifications, implementation and maintenance of certain professional standards within the sector. The LSSO actively cooperates with national education establishments and higher education institutions (positioning itself as a professional association uniting professionals in the relevant area rather than a TU). The LSADPS prefers positioning itself as the main sectoral TU.

(4) conclusions – most relevant findings in the sector in response to questions/aims outlined above

Healthcare sector in Lithuania might be characterised as rather important one, permanently groving, employing highly qualified however mostly – pre-pension age employees whos salaries are by ¼ lower comparing to the country's average. Another important characteristic – rather important role of trade unions in the sector related decision making.

Problem of precariousness is relevant for the healthcare sector due to some specific reasons: demographic structure of the sector's employees (majority of nurses working in the sector are pre-pension age women); often excessive and not based on any objective criteria workloads, leading to physical and emotional exhaustion, psychological, social and other related health problems of employees; insufficient managerial efficiency of medical institutions. Some categories of employees in the healthcare sector exposed to extremely precarious work conditions, in particular, ambulance drivers and paramedics, regional nurses, and other support staff in the healthcare sector (caretakers, cleaners).

Relatively low funding and generally inefficient management of the healthcare sector in Lithuania creates bad working conditions and low wages both for doctors and nurses/care workers of the sector. Therefore the primary focus of trade unions of health care system employees and employer organisation representing doctor managers is to negotiate with the government of the country, namely, with the Ministry of Health, in pursuit of the main objective – improvement of working conditions and wage increase in particular[6].

Retail sector

(1) brief characteristics of the sectors' economic position and employment trends

In 2012, the gross value added generated in the retail sector (NACE G47) (at current prices) represented approx. 7.6% in the overall GDP structure. Over the 2005-2012 period, the gross value added of the sector increased from 5.3% to 7.6%. Most of the debate in Lithuania during ten last years was preoccupied with the issue of continuous consolidation of sales networks and ensuing monopolistic/oligopolistic behaviour of the largest sales networks. (According to

[6] http://www.eurofound.europa.eu/node/6776/revisions/13502/view

experts, retail sale concentration in Lithuania is currently one of the biggest in the EU; four largest retail networks are occupying more than a half of the Lithuanian market).

The retail sector is one of the largest employers in Lithuania. In 2013, the sector employed 135.0 thousand people or 14.6% of the total number of employees in the country. In 2005 – 2013, the number of sector's employees quite greatly varied. The biggest number of employees in the sector was recorded in 2008 (155.9 thousand), and the lowest was in 2010 (129.0 thousand). The share of employees in the retail sector, as compared to the whole economy, remained rather stable in 2005 – 2013 (accounting for 14-15%); the latter indicator insignificantly increased during the post-crisis period (in 2009-2010).

In 2005 – 2013, wages in the retail sector were well below the average wage in Lithuania. In 2013, gross wage in the sector at issue amounted to EUR 439.8, standing almost by one third (30%) below the average wage in the country.

Number of employees and average monthly wage (EUR) in the whole economy and in the retail sector in Lithuania in 2005-2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the whole economy									
Number of employees	916,950	976,312	1,029,264	1,031,047	870,904	825,598	859,594	896,165	922,397
Average monthly wage, €	393.5	457.5	557.5	656.8	589.0	569.5	599.2	619.3	632.6
NACE G47 Retail trade									
Number of employees	136,500	142,400	150,200	155,900	136,300	129,000	131,200	133,600	135,000
Average monthly wage, €	266.7	309.4	388.3	453.9	412.3	380.3	413.2	435.7	439.8
NACE G47 in relation to the whole economy									
Share of employees in the retail sector (%)	14.9	14.6	14.6	15.1	15.7	15.6	15.3	14.9	14.6
Wage in the retail sector comparing to the whole economy (%)	68	68	70	69	70	67	69	70	70

Source: Lithuanian Statistics

(2) common forms of precarious work

In general, the retail sector in Lithuania could be characterised as less worker-friendly than other economic sectors due to lower wages, more hours of overtime work (often unaccounted) and a greater gender wage gap. According to the SLI, there are quite many serious accidents at work occurring in the wholesale and retail trade in Lithuania – in 2013, the sector accounted for 15% of the total number of serious occupational accidents in Lithuania.

Common forms of precarious work in the retail sector in Lithuania in 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of self-employed (NACE G47) (thous.)	20.9	24.8	29.6	27.3	23.3	24.2	25.4	26.7	n/a	n/a
Share of self-employed in the retail sector (NACE G47) (%)	15.3	17.5	19.7	17.5	17.1	18.8	19.4	20.0	n/a	n/a
Number of part-time workers in the wholesale and retail trade; repair of motor vehicles and motorcycles	n/a	n/a	n/a	14.4	16.8	15.8	17.9	20.4	19.5	18.3

(NACE G) (thous.)										
The share of part-time workers in the wholesale and retail trade; repair of motor vehicles and motorcycles (NACE G) (%)	n/a	n/a	n/a	5.7	7.3	7.1	8.0	9.1	8.6	7.9

Source: Lithuanian Statistics, Eurostat

In Lithuania, self-employed persons represent a considerably large share of employees in the retail sector (NACE G47). In 2012, a total of 26.7 thousand individuals were self-employed in the retail sector, accounting for one fifth (20%) of the total number of sector's employees.

Unfortunately, there is no statistical data on fixed-term employment in the retail sector.

In 2014, the share of part-time workers in the wholesale and retail trade, repair of motor vehicles and motorcycles (NACE G) was 7.9% and actually represented the average share in the country. The highest indicator was recorded in 2012 (9.1%) with 20.4 thousand sector's employees working on a part-time basis.

According to trade unions and various publications in the mass media, working conditions are rather bad for employees in many trade companies who are compelled to do various jobs not foreseen in their employment contracts and regularly work overtime that is not duly accounted and/or paid for, etc. Of course, situations in various trade companies are fundamentally different, but we are not able to produce specific information on the issue due to the lack of research/studies giving grounds for objective assessment of the situation.

From the interviews with trade unions, we can say that generally bad working conditions in the retail sector in Lithuania have been determined by high monopolisation of the sector – competing with each other, large shopping centres are oriented, inter alia, towards minimisation of labour costs with a view to reducing their operating costs. As a rule, large shopping centres hire experienced lawyers to prepare documents that would help squeeze every drop of benefit from the employees. For example, trade unions assert that most employees upon admission to work have to sign a series of binding regulatory acts that "peg" them to the company. In addition, many employees of the retail sector are in the situation where certain "output" norms set by the administration are paid at a rate of MMW, while the rest pay is calculated as a variable wage component which is often subject to unilateral adjustment by the employer.

According to TUs, setting high "output" norms greatly affect employees' working conditions, work pace, conditions of OHS and working time. In order to achieve the target norms and receive pay that would be at least slightly above minimum, employees are forced to rush all the time: they come to work earlier to get properly ready for work, are in a rush all the time, carry heavy loads, do various jobs whether or not they are foreseen in the job description, stay longer hours at work to put their workplace and goods in order, etc. Even if they work overtime, employees often fail to achieve the set targets and thus receive wages that are even lower than MMW.

Taking into account the above-mentioned and also given that sector's AW is one of the lowest, whereas indicators for accidents at work, part-time work and share of self-employment are among the highest ones, the retail sector can be concluded as having the highest degree of precariousness of employment in Lithuania.

Basing valid legislation, available statistics and interviews with social partners, following table is completed.

	Quality of working conditions dimension in the retail sector					
		Wages	Working time	Job security	Social security	Voice through trade unions, protection through collective bargaining
The formal employment status dimension	Open-ended contract	No collective wage bargaining at any level Average wage lower than country's average	Working during unsocial hours, high spread of overtime (often – not accounted)	Low due to low wages and inability to protect own rights	Social security benefits highly dependent on wage level; in case of wages close to MMW social security benefits are low.	Trade union density is very low. No sectoral CA, few company level CAs.
	Temporary (fixed-term) and part-time contract	High share of part-time employment. Wages – significantly lower comparing to the country's average, often – even lower than the MMW	Working during unsocial hours, high spread of overtime (often – not accounted)	Low due to low wages and inability to protect own rights	Social security benefits highly dependent on wage level; in case of wages close to MMW social security benefits are low.	Trade union density is very low. No sectoral CA, few company level CAs.
	(Bogus) self-employment	High share of self-employment High diversity of self-employed – some may receive rather high incomes (e.g. sale of clothing in bazaars)	Working during unsocial hours, high spread of overtime (often – not accounted)	Close to the country's average Highly dependent on the economic situation in the country	Lower comparing to the 'ordinary' employment contract, however the same as in other sectors	Absence of trade unions, however there are some active interest organisations /associations in the sector

(3) union and employers' actions, best practices, examples

There are several sectoral trade unions functioning in the retail sector, but membership in the unions is not numerous; there are just a few collective agreements signed in the retail sector at the company level (the first and so far the only collective agreement in a large sales chain was signed in Lithuania in December 2009 between the administration of UAB 'RIMI Lietuva' and trade union)[7].

Main social partners organisations in the retail sector are: Trade Union of Hired Employees (SAMPRO), Trade Union of Commerce Employees (affiliated to the Lithuanian Service Structure Trade Union (LPSDPS)), Lithuanian Trade Union of Commerce and Cooperation Workers (LKKDPS) and Association of Lithuanian Trade Enterprises (LPIA), uniting twenty largest Lithuanian and foreign capital retail and wholesale trade companies.

[7] http://www.eurofound.europa.eu/observatories/eurwork/articles/despite-employer-opposition-unions-make-headway-in-major-retail-chains

Though there are several social partner organisations in the retail sector, social bargaining at the sectoral level does not take place. The main reason for that – LPIA does not assume obligations of the employer in the sector and does not enter into collective bargaining.

It can be said that all peak national trade union organisations have been quite unsuccessfully attempting for a long time to organise employees of the retail sector - TU density remains very low in the sector. The main reason for this is high staff turnover in the sector and employers biasness against TU activities. According to TUs, employee turnover is stably standing at approximately 75% in the retail sector (particularly in large shopping centres).

Despite considerably worse working conditions in the sector in general, as compared to the country's average, it should be noted that if trade unions get involved in the processes of safeguarding employee rights, they usually win labour disputes or judicial proceedings in practice. The problem lies in low trade union density and weak trade unions which activities often are very limited.

However, trade unions are quite optimistic about their future plans – their current activities are oriented towards youth and raising employee awareness, in parallel with activities in separate regions and efforts to engage local politicians in finding solutions to problems. The main objective of TUs in the context of improving working conditions in the retail sector is to reduce real hours worked, including overtime.

(4) conclusions – most relevant findings in the sector in response to questions/aims outlined above

In general retail sector is rather significant for Lithuanian economy – it generates approximately 7-8% of the gross value added and employees approximately 15% of the employees. The main problem often discussed in Lithuania – is the high level of consolidation: the largest sales networks often behave as monopolistic/oligopolistic market actors.

The sector's employers try to avoid social dialogue and trade unions due to high turnover of the employees in the sector are relatively weak therefore inspite of several social partner organisations operating in the sector collective bargaining does not take place at sectoral level and very few companies (mainly – multinational ones) have collective agreements in place.

The above mentioned situation determins relatively precarious employment and working conditions in the sector. In general, the retail sector in Lithuania could be characterised as less worker-friendly than other economic sectors due to lower wages, more hours of overtime work (often unaccounted), high work speed and unsocial working hours, insufficient OHS. The sector is also characterised by considerably higher share of part-time workers and self-employed. As in general employment and social security in case of part-time work and self-employment is lower this also increases level of precariousness in the sector.

Though trade union activity in the sector is relatively weak, it should be noted that if trade unions get involved in the processes of safeguarding employee rights, they usually win labour disputes or judicial proceedings in practice.

Construction sector

(1) brief characteristics of the sectors' economic position and employment trends

The construction sector is an important player in the Lithuanian economy. It was the fastest growing sector before the crisis and the one mostly hit by the crisis (in 2010, as compared to 2008, the number of employees dropped by 40% and average wage in the sector – by 31%). The sector started recovering in 2011, but indicators for the number of employees and wages still remain below their pre-crisis level.

The gross value added generated in this sector (at current prices) accounted for approx. 6.5% in the overall GDP structure in 2013. Over the 2005 - 2013 period, the gross value added of the sector fell from 7.8% to 6.5%. The biggest gross value added (11.2%) was generated in the sector in times of economic growth (in 2007/2008).

In 2013, the construction sector employed 95.4 thousand persons or 10.3% of the total number of employees in the country. In 2005 – 2013, the number of persons employed in this sector decreased from 103.2 thousand down to 95.4 thousand. The sharpest decline was observed after the crisis, when the number of employees dropped by 40% in 2010 as compared to 2008 (from 134.4 thousand to 81.3 thousand). The share of employees in the construction sector, as compared to the whole economy, also decreased insignificantly in the 2005 – 2013 period (from 11.3% down to 10.3%).

In Lithuania, average gross wage in the construction sector was EUR 618.2 in 2013, being very close to the average wage in Lithuania. The highest gross wages in the construction sector were paid in 2007 (representing 125% of the average wage in Lithuania), and the lowest - in 2010 (95% of the average wage). It should be noted in this context that the latter indicators may lack accuracy because of the widespread shadow economy in the Lithuanian construction sector.

Number of employees and average monthly wage (EUR) in the whole economy and in the construction sector in Lithuania in 2005-2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the whole economy									
Number of employees	916,950	976,312	1,029,264	1,031,047	870,904	825,598	859,594	896,165	922,397
Average monthly wage, €	393.5	457.5	557.5	656.8	589.0	569.5	599.2	619.3	632.6
NACE F Construction									
Number of employees, thous.	103,200	119,900	136,100	134,400	91,900	81,300	89,300	93,400	95,400
Average monthly wage, €	444.1	542.4	694.1	790.3	586.5	542.3	580.5	601.1	618.2
NACE F in relation to the whole economy									
Share of employees in the construction sector (%)	11.3	12.3	13.2	13.0	10.6	9.8	10.4	10.4	10.3
Wage in the construction sector comparing to the whole economy (%)	113	119	125	120	100	95	97	97	98

Source: Lithuanian Statistics

According to social partners, the most painful effect of the economic crisis on the construction sector was that the sector had been losing highly skilled professionals (road builders, highly skilled electricians, installers of security and ventilation systems, etc.). The crisis led to reduced sales in the housing market and possibilities of funding construction of public-purpose buildings from the State budget. As a result, many highly skilled professionals soon left for work in foreign countries (the United Kingdom, Norway, Denmark, etc.). Another problem engendered by the crisis was excessive customers' indebtedness to the construction sector (especially by public and municipal institutions). In the middle of 2015, outstanding payments to the construction sector amounted to some EUR 550 million (of which 60% were debts of public and municipal institutions). The social partners in particular mentioned instability in the funding of housing modernisation projects which has negative implications both for job security and for the quality of working conditions and performance.

Although the construction sector is rather quickly recovering in conditions of economic growth, representing an active source of job creation, employers in the construction sector are not very optimistic about the sector's future. According to the employers, in the middle of 2015 the housing market was fully supplied in Lithuania; sales figures have been growing since 2012, yet slower than the supply of new housing to the market. Slowly growing income of the population and limited budget funding possibilities give grounds to forecast a reduction in the potential of the Lithuanian construction sector in 2016-2017. Some prospects for larger construction companies are seen in foreign markets (not only in the EU, but also in Belarus, Ukraine, Kazakhstan, etc.

(2) common forms of precarious work

Common forms of precarious work in the construction sector (NACE F) in Lithuania in 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of self-employed in the construction sector (thous.)	7.8	13.1	15.5	15.6	5.7	6.4	11.1	14.1	n/a	n/a
Share of self-employed in the construction sector (%)	7.6	11.0	11.4	11.6	6.2	7.9	12.5	15.1	n/a	n/a
Number of fixed-term employees in the construction sector (thous.)	n/a	n/a	n/a	n/a	5.3	n/a	5.0	4.5	n/a	n/a
Share of fixed-term employees in the sector (%)	n/a	n/a	n/a	n/a	5.4	n/a	6.6	5.7	n/a	n/a
Number of part-time workers in the construction sector (thous.)	n/a	n/a	n/a	n/a	5.4	n/a	n/a	n/a	n/a	n/a
The share of part-time workers in the construction sector (%)	n/a	n/a	n/a	n/a	4.8	n/a	n/a	n/a	n/a	n/a

Source: Lithuanian Statistics, Eurostat

In 2012, there were a total of 14.1 thousand, or 15.1%, self-employed people in the Lithuanian construction sector in Lithuania. This indicator nearly doubled from 2005 to 2012 (up from 7.6% to 15.1%). It's true to say that the indicator was down to 6.2% during the crisis.

In 2012, the share of fixed-term employees in the construction sector was 5.7% in Lithuania, i.e. approx. by 2 higher than the mean indicator in the country (2.6% in 2012).

There are insufficient data on the share of part-time workers in the construction sector (NACE F), too. According to Eurostat, part-time workers accounted for 4.8% of the total employees in the sector in 2009 (as compared to 8.3% on average in 2009).

In general, the construction sector is one of the least stable sectors in Lithuania, demonstrating major and rapid fluctuations related to economic upturns and/or downturns, a big share of self-employed people (and, often, illegal workers), auxiliary workers employed without permanent contracts, bogus self-employed people, long (often unaccounted) and unsocial working hours. There are quite many employees in this sector suffering from work-related musculoskeletal diseases; the construction sector in Lithuania accounts for the biggest portion of serious and fatal accidents at work (according to the SLI, the construction sector accounted for 27% of the total number of serious and fatal accidents at work in 2013).

The only circumstance preventing a part of construction sector employees from being unambiguously attributed to precarious employees is quite high wages in the sector (especially in good economic times). For instance, in 2007 wages in the construction sector represented 125% of the average wage. Taking into account the widespread shadow economy in the Lithuanian construction sector and the fact that a part of pay is received as “envelope wage”, we can say that wages de facto paid to construction sector employees are well above the average wage in the country.

Interviews with the social partners suggest that social security of employees in the construction sector depends on three qualities: country’s economic situation, size of enterprise and employee qualification.

In terms of the size of enterprises, it is reasonable to make a distinction between three categories of the enterprises: a) large enterprises (almost all being members of the Association of Lithuanian Constructors - LSA); b) small- and medium-sized enterprises; c) individual enterprises with one or two employees (usually conducting their business in the shadow or under a business licence). Large enterprises pay more attention to ensuring social guarantees for their employees, are under regular control of the SLI, implement various job security programmes, etc. Small and medium enterprises are extremely different within the construction sector. The differences depend on the type of business activities, economic situation, geographical location, etc. It is quite common for such enterprises to have one or few highly paid and highly skilled professionals enjoying all social guarantees, while other employees are recruited on demand subject to the scope of anticipated construction works, they receive considerably lower pay, not always enjoy a full set of social guarantees and often work in inadequate working and/or OHS conditions. Individual enterprises are mainly engaged in finishing works and individual construction works. It is a common practice in the Lithuanian construction sector that some builders work under employment contracts for larger enterprises during daytime (until 3 to 4 p.m.) and then do some private business until 8 to 10 p.m. (legally under a business license or illegally). According to the LSA, about 95% of residential housings are sold with partial finishing in Lithuania (compared to, for example, only about 15% in Estonia). This creates perfect preconditions for the spread of precarious work (including undeclared) in Lithuania, because individual work, as a rule, involves the least compliance with OHS, work during unsocial hours and without social guarantees, etc. The SLI lacks resources to inspect individual workers or small construction undertakings that very often provide services far away from their place of registration. Conditions for precarious employment in very small enterprises and in individual business activities often are very similar.

In the construction sector, social security and social guarantees of employees are strongly dependent on the level of employees’ qualification. Highly skilled construction workers have always been highly demanded, well paid and employed on a permanent basis, if they wanted to. In case of highly skilled workers, employers themselves are interested in signing open-ended contracts with them so that to increase their loyalty towards the employer. AW paid to this category of employees is usually by 2-4 times higher than AMW. On the other hand, low skilled and unskilled workers find themselves in a very unstable situation (extremely sensitive to country's economic fluctuations) in the construction sector. Their AW stands at 1.2-1.7 MMW; they are often hired on a fixed-term basis or as TAWs. In case of small undertakings or helping professionals working under a business license, low skilled and unskilled workers are often employed illegally and are not secure in terms of adequate working conditions, OHS and social guarantees. There is an increasing trend for this form of work to be undertaken by Belarusian and Ukrainian migrants.

After the crisis, since 2009, there has been an increasing use of flexible forms of employment with regard to agency workers in the construction sector. Representatives of the LSA explain that TAW culture comes to the sector with foreign investors. According to the LSA, only some 50% of sector's employees had open-ended contracts at the beginning of 2015; about 40% of sector's employees were recruited under fixed-term or seasonal contracts (to perform specific tasks or erect a particular building/structure), and the rest 10% were TAWs. In the LSA's opinion, part-time contracts are not popular in the construction sector and are rarely used (mainly) due to low wage and specific nature of sector's work (focus on results). Information provided by the LSA is contrary to official statistics pronouncing the share of fixed-term employees to be below 10% in the construction sector. These disparities are probably explained by the fact that LSA's evaluations cover all employees in the sector (including UDW and those working under business licences), while official statistics deals only with employees working under employment contracts.

According to the social partners, the insecurity of sector's employees increased after the crisis, mainly due to saving of financial resources for construction and repair works. As mentioned above, public bodies and municipal institutions represent an important part of customers of the Lithuanian construction sector. These institutions, as contracting authorities in public procurement procedures, usually apply the lowest-price criterion to tenderers. In order to be more competitive, construction companies reduce prices primarily on account of working conditions, social guarantees and wages.

To sum up the precariousness situation in the construction sector, representatives of both employers and trade unions agree that precarious work is the most prevalent in small enterprises and individual work (particularly undeclared work), as well as among lower skilled workers. However, trade unions' representatives assert that higher skilled workers also face abuse on the part of employers in the form of non-payment for and/or non-recording overtime work or idle time, failure to ensure adequate working conditions and OHS. The social partners agree that the problem of precariousness in general is closely linked to the problem of remuneration for work. As a rule, the most vulnerable employees in the sector are near-minimum wage workers. Workers who can claim higher AW (higher paying jobs) are usually ensured better working conditions in general.

Basing on valid legislation, available statistics and interviews with social partners, the following table is completed.

	Quality of working conditions dimension in construction sector						
The formal employment status dimension		Wages	Working time	Job security	Social security	Voice through TUs, protection through CB
	Open-ended contract	No collective wage bargaining at any level Average wage highly related to qualification of employees. High wage inequality	Working time is well controlled in large enterprises, whereas in small and often – in medium ones – overtime is often non-controlled and/or properly unpaid. In some cases (in small companies and individual work) – unsocial working hours are prevalent	High for high skilled workers and low for low skilled	Social security benefits (unemployment, sickness, maternity benefits, old-age pension) highly dependent on wage level; in case of wages close to MMW social security benefits are low.	Trade union density very low – less than 5%. No sectoral CA. Significant share (possibly – up to 50%) of large enterprises have collective agreements in place signed among administration and works councils
	Temporary (fixed-term) and part-time contract	Rather significant share of employees might be employed under temporary (fixed-term) contracts. Part-time employment is not common due to low wages and peculiarities of the sector	Working time is better controlled in large companies. Overtime is more incidental for small and sometimes – medium – enterprises.	High for high skilled workers and low for low skilled	Social security benefits (unemployment, sickness, maternity benefits, old-age pension) highly dependent on wage level; in case of wages close to MMW social security benefits are low. There is a share of low qualified employees who combine work in the construction sector with repetitive registration at the PES.	Fixed-term employees more rarely become trade union members.
	(Bogus) self-employ-ment	Depends of the qualification level of the (bogus) self-employed.	Often working during unsocial working hours, overtime	Depends to economic cycles, qualification of employees.	Lower comparing to ‘ordinary’ employment	Self-employed are not represented by/united in trade unions; no collective bargaining

(3) union and employers' actions, best practices, examples

Social dialogue in the construction sector in Lithuania is poorly developed (mainly due to the large number of micro and small enterprises and absence of active trade unions). One sectoral trade union and one employer organisation are operating in the sector: Trade Union "Solidarumas" of Construction Employees and Association of Lithuanian Constructors (LSA).

According to interviews with the social partners, effective social dialogue in the sector is limited by sector's specifics. As mentioned, the sector is highly heterogeneous – highly skilled workers enjoy ample social guarantees and are not interested in joining trade unions, whereas lower skilled workers, representing quite a large share of sector's employees, have neither job nor social security, are in temporary jobs, and do not have sufficient powers or potential to unite and defend their interests by means of social dialogue. For these reasons, trade union activities in the construction sector have been hardly noticeable for a number of years.

On the other hand, united by the LSA, employers are quite well organised in the construction sector. LSA member companies employ about 25% of sector's workers who perform about 65% of total works available in the Lithuanian construction market. According to the president of the LSA, approximately 60% of LSA member companies have signed collective agreements with works councils. The main purpose of the agreements is to ensure occupational safety and operational procedures, wage transparency and payment for extra/unscheduled work. Agreements of this type often contain provisions as to the consequences of the use of alcohol at work, responsibilities of workers for operational defects, etc. In general, activities carried out by the LSA seem to be quite positive in terms of working conditions of the sector – employers are interested in having and retaining skilled and loyal employees within the sector, and to achieve this, employers are ready to ensure their employees suitable working conditions and decent pay. Currently, one of the activities pursued by the LSA is the development of services for employees by including such services in labour costs. (For example, LSA seeks that companies would be able to pay for certain services necessary to employees (health care, entertainment, recreation, etc.) and account them as labour costs. This way, employees would be stronger "pegged" to their workplace, while employers would be released from the portion of wage taxes in relation to the aforementioned costs).

(4) conclusions – most relevant findings in the sector in response to questions/aims outlined above

To sum up the information above, the construction sector, although highly contrasting in terms of wages, social security and work conditions, could be nonetheless attributed to sectors with a relatively high share of precarious employment. Secure jobs and adequate working conditions are ensured, approximately, to only 50-60% sector's employees; there is prevalence of excessive overtime work and work during unsocial hours; undeclared work is widespread in the sector, which accounts for the highest incidence of accidents at work. Backward trade unions with minimum influence in the sector should be seen negatively as well.

On the other hand, increasing social initiatives have been observed on the part of sector's employers. They recruit the biggest number of unemployed persons from PES and actively cooperate with vocational education and training institutions. The sector has Public Institution Skaitmeninė Statyba (*Digital Construction*) developing its activities in Lithuania since 2013.

Established by 13 associations (Road Association, Architects Chamber, etc.), this institution seeks, inter alia, to enhance transparency within the sector and its accessibility for investors.

As mentioned above, the problem of precariousness in the construction sector is mostly relevant for unskilled workers, employees of small enterprises and persons working individually (under a business licence or illegally). In the construction sector, the problem of precariousness is mainly related to low wages and low job/social security guarantees. Saving of financial resources and efforts to carry out works at the lower cost have a negative effect on working conditions in the construction sector and reduce sector's attractiveness for youth. This leads to an increasing shortage of workers (especially skilled ones) in the construction sector.

TAW sector

(1) brief characteristics of the sectors' economic position and employment trends

The TAW sector is rather poorly developed in Lithuania. According to the STD, in 2013 the share of total employment in the TAW sector in Lithuania was approx. 0.5%, and the gross value added generated in the sector (at current prices) was approx. 0.3%. As mentioned above, one of the reasons determining such a low spread of TAW in Lithuania is that this form of employment was covered by national law quite a short time ago. The aforementioned law raised the interest in temporary agency employment services: the number of TAW employees increased from 1.5 thousand in 2011 up to 4.4 thousand in 2013. As mentioned despite the relatively low number of employees, the TAW sector is outstanding for relatively high average wages.

Number of employees and average monthly wage (EUR) in the whole economy and in the TAW sector in Lithuania in 2005-2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013
In the whole economy									
Number of employees	916,950	976,312	102,9264	103,1047	870,904	825,598	859,594	896,165	922,397
Average monthly wage, €	393.5	457.5	557.5	656.8	589.0	569.5	599.2	619.3	632.6
NACE N78.2 Temporary employment agency activities									
Number of employees	217	416	894	1101	1324	989	1532	2549	4391
Average monthly wage, €	n/a	528.2	936.5	1309.3	1224.4	1517.5	1336.9	1414.6	n/a
NACE N78.2 in relation to the whole economy									
Share of employees in the TAW sector	0.0	0.0	0.1	0.1	0.2	0.1	0.2	0.3	0.5
Wage in the TAW sector comparing to the whole economy	n/a	115	168	199	208	266	223	228	n/a

Source: Lithuanian Statistics

As the TAW sector is very small in Lithuania, it is quite difficult to measure effects of the economic recession on the sector. The only observations in this context are that the average monthly wage in the sector slightly decreased in 2009 as compared to 2008 (by some 6.5%) and the share of employees in the TAW sector shrank from 0.2% in 2009 to 0.1% in 2010.

Although employment in the TAW sector is not high, sector's employers are quite optimistic about the future. According to the Association of Lithuanian Employment Agencies (LIIA), 46% of sector's employers forecast an increase in staffing levels within the sector, 8% forecast downwards trends, and 46% of the employers believe the staffing levels will remain stable[8]. The number of TAWs slightly increased during the period of economic recovery from 2011 to 2014, but it is still far behind the ES average (approx 1.4% of total employment). Lithuanian employers become more knowledgeable about temporary agency work and increasingly opt for it in order to save their financial and human resources. The attractiveness of TAW considerably improved with the adoption of the 2011 law establishing a legal framework for temporary agency work. However, the LIIA fears that liberalisation of the LC would have negative implications for TAW development.

(2) common forms of precarious work

Findings from the interviews with employers of the sector suggest that the situation in the sector is highly controversial. On the one hand, companies which are members of the LIIA officially declare their activities, are controlled by the SLI and provide public information about their services. Such companies account for 75% of total operators in the Lithuanian TAW market. The information below refers namely to the activities of officially operating companies in Lithuania. The rest of TAW companies (approx. 25%) operate in the market unofficially, and there is actually no reliable information about them. It should be also mentioned that a part of TAW companies operating in Lithuania are working for foreign markets only (for Norway, Germany, etc.).

Temporary employment agencies are required to provide information on temporary agency workers to the State Labour Inspectorate (SLI). According to the SLI, a total of 3,450 temporary agency workers were employed in Lithuanian enterprises in the second half of 2014; secondary school graduates or persons without profession accounted for the majority of them (65.6%). Therefore, it is quite probable that some employees in the TAW sector are in low-skilled jobs, often employed under unfavourable working conditions. However, despite the mentioned trend, the TAW sector has been recently demonstrating growing employment of skilled workers. For example, there was a significant increase in the number of temporary employed accountants, medical and construction workers as well as other rather highly skilled employees and workers. The aforementioned trends have been also confirmed by the LIIA. According to the LIIA, previously temporary workers were mainly employed in the manufacturing and industry sectors. However, recently the service sector has been showing a growing trend in the number of TAW employees. Although unskilled and low skilled staff is still prevalent among TAWs (outdoor and indoor cleaning services, warehousing, packing and similar jobs), the LIIA reports the increasing shortage of workers skilled to operate equipment, machinery and machine-tools; as a rule, demand for TAWs peaks during the summer and in December.

Temporary agency workers in Lithuania in the 2nd half of 2013-2014

Year	Total number of TAW	By gender		By education				By age				
		Men	Wo-men	Higher univer-sity	Higher colled-ge	Secon-dary	Without occupa-tion	Less than 18	18-25	25-49	50-64	65+
2nd half of 2013 (21 TWA)	3,363	1,369	1,994	552	480	652	950	59	1,666	1,351	272	7

[8] LIIA member companies provide monthly reports to the Association about their activities; surveys about foreseeable development are carried out on a quarterly basis.

2nd half of 2014 (30 TWA)	3,450	1,478	1,972	629	555	1,084	1,171	20	1,543	1,536	339	11

Source: State Labour Inspectorate

According to the LIIA, 60-65% of TAWs work under fixed-term employment contracts (contract duration usually depends on the duration of a specific order); 35-40% of TAWs have non-term (open-ended) contracts (usually those employed in foreign capital companies or employees with higher qualification); 15-20% of TAWs employed under non-term contracts work on a part-time basis. However, these part-time jobs often appear bogus, i.e. employees are in fact working full time, but are paid envelope wages as part of their workpay so as to avoid tax liabilities. According to the information provided by the LIIA, such a structure of TAWs has remained stable for 4-6 years.

Findings from the interviews with sector's employees give grounds to conclude that the threat of precarious work conditions mainly stems from low skills and, accordingly, low income of workers, and high job insecurity. On the other hand, agency work offers certain advantages: Agencies usually work with larger companies which stricter follow the law, ensure social security, and have working hours, work conditions and OHS under control. Contracts between employers and Agencies normally stipulate that the employer has the right to employ the temporary agency worker on a permanent basis after paying the relevant fee to the Agency. Formally, in accordance with valid legislation in Lithuania, temporary agency workers and those doing the same job under direct employment contracts with companies should be given equal treatment, i.e. comply with the same rules and be provided with the same conditions. Naturally, remuneration for work can be regulated by different agreements.

Basing on valid legislation, available statistics and interviews with social partners, the following table is completed.

	Quality of working conditions dimension in the TAW sector					
The formal employment status dimension		Wages	Working time	Job security	Social security	Voice through TUs, protection through CB
	Open-ended contract	No collective wage bargaining at any level Average wage higher than country's average; for low skilled/unskilled – close to MMW	Working time – in accordance with the national legislation in the majority of companies. In particular cases – particular orders or seasonal work – overtime possible	Lower comparing to the county's average.	Social security benefits highly dependent on wage level; in case of wages close to MMW social security benefits are low. Higher in large companies	No trade unions and collective bargaining.
	Temporary (fixed-term) contract	60-65 % of contracts. Average wage higher than country's average; for low skilled/unskilled – close to MMW.	Working time – in accordance with the national legislation in the majority of companies. In particular cases – particular orders	Lower comparing to the county's average, especially – for low-skilled.	Social security benefits highly dependent on wage level; in case of wages close to MMW social security	No trade unions and collective bargaining.

		Wages in 'envelops' possible.	or seasonal work – overtime possible.		benefits are low. Higher in large companies	
	Part-time contracts	Higher share of part-timers comparing to the average. Wages close to country's average. Wages in 'envelops' possible.	Real working time might be higher than declared one, however in large companies – according to national legislation.	Lower comparing to the country's average.	Depending on the income level; as part of the income might be undeclared – social security possibly lower than average in the country.	No trade unions and collective bargaining.

(3) union and employers' actions, best practices, examples

There is one employer organisation – LIIA operating in the sector and there are no sectoral trade unions in the TAW sector in Lithuania. According to representatives of trade unions (e.g. Trade Union of Food Producers (LMPS)), they tried to unify TAW employees, however finally all initiatives were unsuccessful.

It should be noted that Lithuanian companies with strong trade unions in place sign collective agreements restricting recruitment of TAWs in such companies. For this reason, employers in the TAW sector are rather negative about TUs. On the other hand, TUs are increasingly considering the possibility of admitting TAWs employed by the companies to the trade union (unfortunately, we failed to find the evidence of such practices in Lithuania).

According to the interviews with sector's employers, the LIIA appears to have been sufficiently active in defending the interests of both its member companies and sector's employees. The employers of this sector take various measures to protect their employees, fight for their equal treatment in companies (by regularly upgrading Agency contracts with recruiting companies), actively cooperate with PES and SLI, develop qualification improvement services, etc.

Representatives of both the LIIA and TUs basically agree that the main threat for TAW is unfair competition and illegal activities of some TAW operators which are detrimental to workers' social guarantees, work conditions and job guarantees.

(4) conclusions – most relevant findings in the sector in response to questions/aims outlined above

To sum up, it is quite difficult to evaluate the TAW sector in Lithuania in general: the sector is very small and non-homogeneous; there is actually no statistical information about the sector; information available to the LIIA/SLI does not cover all sector's operators; there are virtually no studies or research allowing for somewhat more objective evaluation of the specifics of the sector, including in terms of employment precariousness.

According to sector's employers, in the middle of 2015 the sector had approximately 4.5 thousand employees which is equivalent to roughly 2.4 full-time employees (owing a rather big proportion of people working under fixed-term and part-time employment contracts). The sector has prospects for employment growth, but liberalisation of the LC may create conditions for a relaxed signing of fixed-term employment contracts and thus have negative implications for the development of TAW.

The main factors of social insecurity within the sector are as follow: temporary nature of work, low income (in case of low skills/qualifications) and bogus operations. The majority of sector's companies (approx. 75%) are operating officially. The specifics of staffing do not facilitate the development of trade unions within the sector. Some of Lithuanian temporary work agencies provide services to foreign market. However, they have not provided any information about their activities.

Part III Comparative evaluation and conclusions

As a general conclusion, it can be stated that the problem of precariousness, although not emphasised in Lithuania, is nonetheless relevant both at the national level and, in particular, to certain sectors. However, prior to highlighting the specific features of individual sectors, we should mention several trends that crystallised from interviews with social partners and representatives of various institutions, and were identified by interviewed experts. Firstly, wages, working conditions, and security of employment and working environment in enterprises are mainly determined by the human factor, i.e. specific employer and his attitude towards employees, employer's values and morals; even the most dangerous and precarious sectors have employers ensuring excellent employment, working and social conditions for their employees. Secondly, despite a great influence of the sector on the conditions of precariousness, there also are other factors determining working conditions in enterprises. Such factors include the size of an enterprise (according to monitoring of enterprises conducted by the SLI for many years, the most precarious enterprises in terms of employment relationships are those with up to 50 employees; the sorest problem in enterprises with 50-100 employees usually is working conditions and OHS, as well as a high degree of risk of accidents at work; enterprises with more than 100 employees are considered by the SLI as the least precarious in terms of occupational, employment and social security) and qualification/skills of employees (as a rule, highly skilled employees feel quite safe in the labour market from the economic, employment and social security points of view, irrespective of the sector or size of the enterprise they work for).

It follows from the analysed sectors that the highest degree of precariousness is seen in the retail trade sector which, almost in its entirety, falls within the definition of precarious work. In other sectors, precarious employment is inherent in certain segments of the sector.

With regard to the problem of precarious employment in different sectors, it is important to note that different sectors have different specific features or specific conditions determining precariousness or non-precariousness of employment.

Metal sector in Lithuania appears to be highly heterogeneous and thus quite difficult to characterise. The sector has both successfully and stably operating companies that create good working environment for their employees and small enterprises that focus more on short-term results and less care of their employees. In general, the problem of precariousness is relevant for a certain segment of the Lithuanian metal sector, mainly – for smaller enterprises which operate in lower technology subsectors and are often oriented towards single customer and/or one-off orders. As a rule, such companies pay near-to-minimum wages to their employees and give insufficient attention to ensuring appropriate OHS levels (paying more attention technologies and equipment rather than to employees' well-being). In addition, there is an increasingly common practice of hiring so-called "external OHS professionals" who, as a rule, pay more attention to ensuring compliance with formal OHS requirements than to improving working conditions for employees in reality.

Problem of precariousness is relevant for the **healthcare** sector due to some specific reasons: demographic structure of the sector's employees (majority of nurses working in the sector are pre-pension age women); often excessive and not based on any objective criteria workloads, leading to physical and emotional exhaustion, psychological, social and other related health problems of employees; insufficient managerial efficiency of medical institutions. Some categories of employees in the healthcare sector exposed to extremely precarious work conditions, in particular, ambulance drivers and paramedics, regional nurses, and other support staff in the healthcare sector (caretakers, cleaners).

As mentioned **retail** sector might be treated as the most precarious as regards employment and working conditions. The retail sector could be characterised as less worker-friendly than other economic sectors due to lower wages, more hours of overtime work (often unaccounted), high work speed and unsocial working hours, insufficient OHS, very low level of social dialogue. The sector is also characterised by considerably higher share of part-time workers and self-employed – the fact also increasing the level of precariousness in the sector. Bad working conditions in the sector have been determined by high monopolisation of the sector – competing with each other, large shopping centres are oriented, inter alia, towards minimisation of labour costs with a view to reducing their operating costs.

The **construction** sector, although highly contrasting in terms of wages, social security and work conditions, could be nonetheless attributed to sectors with a relatively high share of precarious employment as well. Secure jobs and adequate working conditions are ensured, approximately, to only 50-60% sector's employees; there is prevalence of excessive overtime work and work during unsocial hours; undeclared work is widespread in the sector, which accounts for the highest incidence of accidents at work. The problem of precariousness in the construction sector is mostly relevant for unskilled workers, employees of small enterprises and persons working individually (under a business licence or illegally). In the construction sector, the problem of precariousness is mainly related to low wages and low job/social security guarantees. It might be mentioned, that saving of financial resources and efforts to carry out works at the lower cost have a negative effect on working conditions in the construction sector and reduce sector's attractiveness for youth.

The **TAW** sector in Lithuania is very small and non-homogeneous; statistics available is insufficient in order to evaluate the real situation in the sector, there are virtually no studies or research allowing for somewhat more objective evaluation of employment precariousness as well. The main factors of social insecurity within the sector are as follow: temporary nature of work, low income (in case of low skills/qualifications) and bogus operations. The majority of sector's companies (approx. 75%) are operating officially. There are no trade unions in the sector.

As for IR and SD, we should say that these instruments are very poorly developed in Lithuania in general: TU density and CB coverage are low; moreover, some sectors analysed by us, particularly the construction and TAW sectors, actually have no TUs at all. On the other hand, the problem of precariousness is tackled quite efficiently by means of social dialogue in enterprises and/or sectors with active TUs in place.

Recent economic crisis had strong negative impact on industrial relation in the **metal** sector – provisions of earlier collective agreements were reviewed; negotiations were carried out about wage reductions, termination of employees under more favourable conditions, etc. Having deteriorated during the recession, the situation did not change in many industries after the crisis. Yet, in some companies social partners managed to reach agreements. Some metal sector companies even signed new CAs in the recent years. (It should be noted, however, that the CAs provide for certain additional social guarantees for employees (e.g., free days in certain family-related circumstances, additional benefits in special cases, etc.), more flexible working time and better work conditions (particularly OHS) rather than significant wage increases or tariff-based workpay).

The **healthcare** sector might be the best example of trade unions role in reduction of precariousness. TU activities have been quite efficient in the sector over the past 20 years. During this period, sectoral trade unions took an active part in processes related to sector's reforms, bargained about working conditions and remuneration for fork to employees, OHS and social guarantees for workers to be dismissed. Great attention was also paid to the aforementioned problem of excessive workload and objective distribution thereof. In cooperation in the Institute of Hygiene, trade unions initiated assessments of occupational risk and related training which are in place in the sector. Over many years of activities, TUs managed to agree that employees would participate in corporate management, distribution of financial resources and enjoy higher social guarantees in sector's institutions. Representatives of sectoral TUs actively participate in all bodies tackling issues relevant to sector's employees in one way or another. A major achievement of sectoral TUs was a Tripartite Council in the healthcare sector established at the Ministry of Health few years ago. TUs hope this Council to help signing a sectoral CA in the healthcare sector in the near future. The sectoral CA is expected to stipulate minimum monthly wages for nurses and physicians, provide for workloads and qualification improvement of nurses, and define a transparent system of remuneration for work.

The **retail** sector's employers try to avoid social dialogue and trade unions due to high turnover of the employees in the sector are relatively weak therefore despite of several social partner organisations operating in the sector collective bargaining does not take place at sectoral level and very few companies (mainly – multinational ones) have collective agreements in place. Though trade union activity in the sector is relatively weak, it should be noted that if trade unions get involved in the processes of safeguarding employee rights, they usually win labour disputes or judicial proceedings in practice. Currently trade unions try to attract youth, to raise employee awareness, to develop activities in separate regions and to engage local politicians in finding solutions to problems.

Social dialogue in the **construction** sector in Lithuania is poorly developed (mainly due to the large number of micro and small enterprises and absence of active trade unions) as well – due to specificities of the sector trade union activities in the construction sector have been hardly noticeable for a number of years. However, united by the strong and active LSA, employers are quite well organised. Even more – approximately 60% of LSA member companies have collective agreements in place (signed with works councils). In general, activities carried out by the LSA seem to be quite positive in terms of working conditions of the sector – employers are interested in having and retaining skilled and loyal employees within the sector, and to achieve this, employers are ready to ensure their employees suitable working conditions and decent pay. Sector's employers actively cooperate with vocational education and training institutions, try to enhance transparency within the sector.

More or less similar situation is in the **TAW** sector – with the absence of trade unions the main TAW employer organisation – the LIIA appears to have been sufficiently active in defending the interests of both – its member companies and sector's employees. The employers of this sector take various measures to protect their employees, fight for their equal treatment in companies (by regularly upgrading Agency contracts with recruiting companies), actively cooperate with PES and SLI, develop qualification improvement services, etc.

With regard to the factors determining working conditions and precariousness of employment in the country in general, we can state that regulatory framework valid in Lithuania (at least until now) has created sufficiently favourable conditions for ensuring decent and secure working conditions for employees. Our analysis, evaluations and interviews with experts and social partners give grounds to conclude that the key factor for dealing with and reducing precariousness is the human factor. On the one hand, this can be a progressive, socially-oriented employer who values and respects his employees, or a positive, active and innovative sectoral employers' organisation, and on the other hand, it can be an active trade union supported and trusted by its members, vigorously fighting for and defending interests of employees on local or sectoral level. Naturally, in the ideal scenario, the best results would be achieved through efficient cooperation of both parties (employers and employees), but in a country like Lithuania, where development of social dialogue is very limited due to a number of reasons, active and innovative efforts on the part of at least one party is already enough for achieving better results. All other economic factors (economic situation of an enterprise, sector or country, demand, conditions to compete, etc.) or structural factors (specific features of a sector, size of an enterprise, etc.) are important, but yet secondary in dealing with and reducing precariousness.

Comparative summary of main developments in sectors and key social partner responses

	Main developments since 2008			Responses to precarious employment		
Sector	**LM dualization trends/why?**	**Forms**	**Dimensions**	**Unions**	**Employers**	**Others/specific developments**
Cons-truc-tion	Yes/different conditions in different companies; UDW	Unsecure jobs up to 40-50% of the sector	Overtime, work during unsocial hours; low wages and social security; poor WC, incl. OHS; accidents at work	Actually – no trade unions	Creates decent working conditions	LSA member companies try to ensure their employees suitable working conditions and decent pay. Sector's employers actively cooperate with vocational education and training institutions, try to enhance transparency within the sector
Health	Yes/regional differences, demographic structure, insufficient managerial efficiency	Low wages, poor physical and psychological conditions; some employees exposed to extremely precarious work conditions	Excessive workloads, leading to physical and emotional exhaustion, psychological, social and other related health problems	Participation/initiation of sector's reforms, better working and pay conditions, improvement in OHS' better social guarantees for workers to be dismissed	Employees are allowed to participate in corporate management, distribution of financial resources; ensuring of higher social guarantees	Establishment of Tripartite Council in the healthcare sector; possibility to sign sectoral CA. CA is expected to stipulate MW for nurses and physicians, provide for workloads and qualification improvement of nurses, and define a transparent system of remuneration for work TU in cooperation in the Institute of Hygiene initiated assessments of occupational risk and related training which are in place in the sector.
Metal	Yes/smaller enterprises operating in lower technology subsectors, oriented to single customer and/or one-off orders	Low wages, poor OHS	Near-to-minimum wages; insufficient attention to ensuring appropriate OHS levels, job uncertainty, high workloads	Less wage reduction during the crisis; dismissal of employees under more favourable conditions	Successfully and stably operating companies create good working environment for their employees	In some companies, were CAs were signed, they provide for certain additional social guarantees for employees (e.g., free days in certain family-related circumstances, additional benefits in special cases, etc.), more flexible working time and better work conditions (particularly OHS) rather than significant wage increases or tariff-based workpay.
Retail	No/almost the whole sector might be attributed to precarious	Low wages, high share of part-time workers and self-employed	Low wages, more hours of overtime work (often unaccounted), high work speed and unsocial working hours, insufficient OHS, very low level of social dialogue	Low TU density; sometimes TUs participate in labour disputes or judicial proceedings in order to safeguard employees' rights	In companies with CA better working conditions are ensured	The retail sector's employers try to avoid social dialogue and trade unions due to high turnover of the employees in the sector are relatively weak therefore despite of several social partner organisations operating in the sector collective bargaining does not take place at sectoral level and very few companies (mainly – multinational ones) have collective agreements in place
TAW	Yes/low skilled	Temporary employment, low income, uncertainty	The main factors of social insecurity are: temporary nature of work, low income (in case of low skills/ qualifications) and bogus operations	No trade unions	LIIA members fight for equal treatment of TAW employees in companies	With the absence of TUs, the main TAW EO – the LIIA appears to have been sufficiently active in defending the interests of both – its member companies and sector's employees. LIIA regularly upgrades Agency contracts with recruiting companies, actively cooperate with PES and SLI, develop qualification improvement services, etc.
Natio-nal level	Limited	Low qualified low income earners	Low income, poor OHS, high uncertainty	Reduce precarious employment, ensure better WC and higher employment security	Reduce precarious employment, ensure better WC and higher employment security	Regulatory framework valid in Lithuania creates sufficiently favourable conditions for ensuring decent and secure working conditions for employees. State Labour Inspectorate plays an important role in ensuring better working conditions, conformity with legal provisions. State Tax Authority plays an important role in reducing bogus self-employment, conformity with legal provisions.

Annex. Interviews conducted in Lithuania

Interview respondent	Interview respondent position and organization	Sector related/Topic
Mr. Tomas **Bagdanskis**	President of the Association of Lithuanian Employment Agencies (LIIA)	Construction, Healthcare, Metal, Retail, TAW
Ms. Aldona **Baublyte**	President of the Lithuanian Trade Union of Health Care Employees (LSADPS)	Healthcare
Mr. Tadeuš **Davliaševič**	President of the Builders Trade Union "Solidarumas"	Construction
Mr. Dalius **Gedvilas**	President of the Lithuanian Builders Association (LSA)	Construction
Ms. Grazina **Gruzdiene**	Member of the Tripartite Council of the Republic of Lithuania (LRTT)	Precarious employment in Lithuania
Ms. Irina **Judina**	President of the Trade union of salaried employees (SAMPRO)	Retail
Ms. Dalia **Juskeviciene**	Administrator of the Lithuanian Trade Union of Health Care Employees (LSADPS)	Healthcare
Ms. Daiva **Kvedaraite**	International Secretary of the Lithuanian Trade Union "Solidarumas", member of European Economic and Social Committee	Precarious employment in Lithuania
Mr. Arunas **Lupeika**	Deputy Head of the State Labour Inspectorate (VDI)	Construction, Healthcare, Metal, Retail, TAW
Ms. Danute **Margeliene**	President of Lithuanian Nurses' Organization (LSSO)	Healthcare
Ms. Marina **Valentukeviciene**	Consultant of the Lithuanian Builders Association (LSA)	Construction
Ms. Marija **Varasimaviciene**	President of the Metalworkers trade union (LMPS)	Metal
Ms. Ausra **Volodkaite**	Vice-President of Lithuanian Nurses' Organization (LSSO)	Healthcare

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