



2015 CSRs for Lithuania: Employment and social affairs issues

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Europe 2020 - 5 EU headline targets

	EU target	LT target	Actual (2014)
Employment (20-64 year-olds to be employed)	75%	72.8%	71.8%
R&D 3% of the EU's GDP to be invested in R&D	3%	1.9%	0.95% (2013)
Climate change and energy	-20% +20%	<15% 23% (Share of renewable energy)	-2.7% (2013) 23% (2013)
Education Reducing ESL	<10%	<9%	5.9%
Increasing tertiary education attainment	40%	48.7%	53.3%
Reducing of population at risk of poverty or social exclusion	20 million people out of poverty (based on 2008 figures)	814.000	816.000

Link between Country Specific Recommendations and ESIF programming

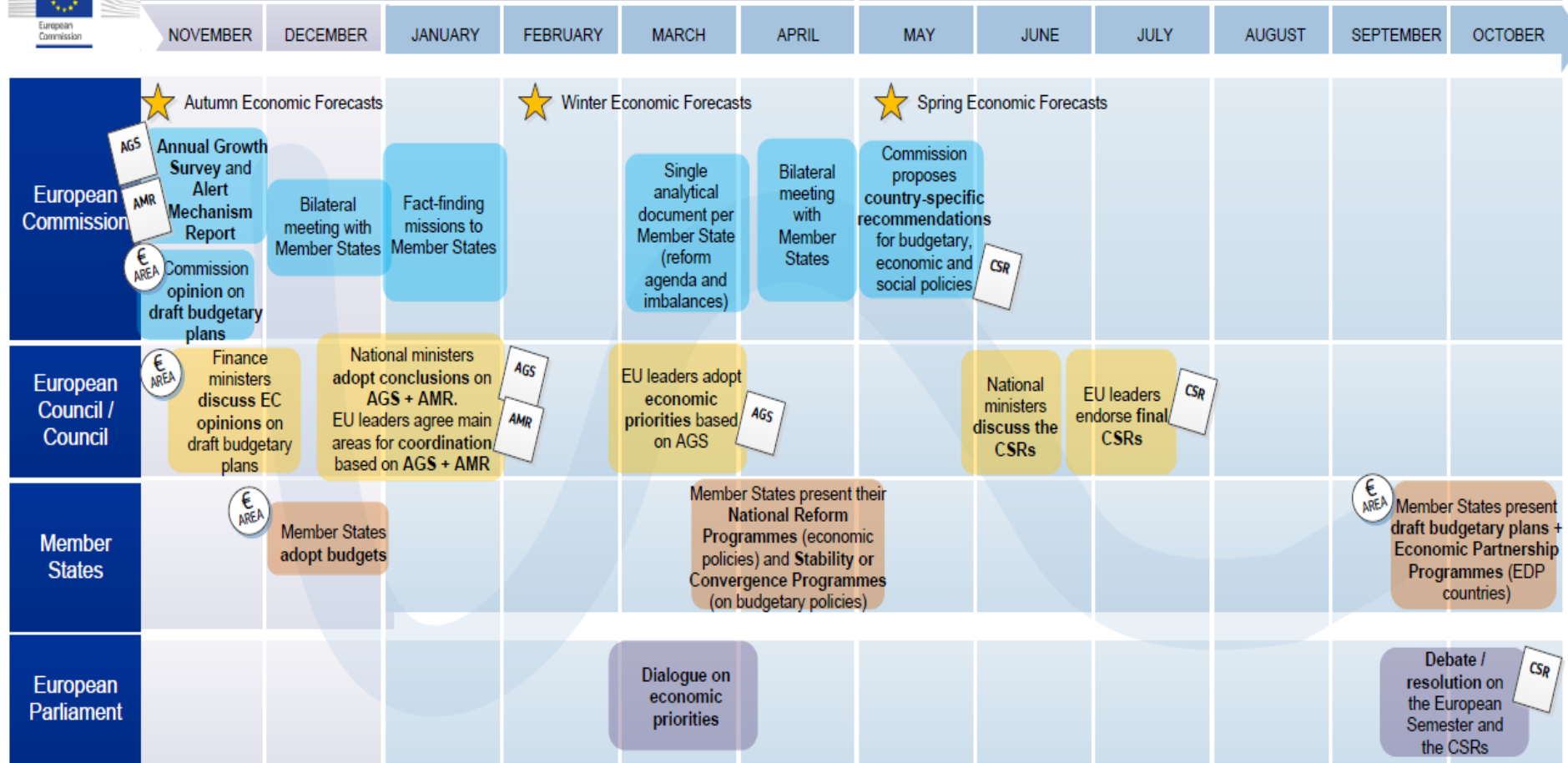
- *Europe 2020 strategy as the point of departure (National Reform Programmes, Country Specific Recommendations)*
- *Art. 23 of the CPR: between 2015-2019 the Commission may request re-programming of the Partnership Agreement and relevant OPs to support implementation of the Country Specific Recommendations.*
- *ESI Funds should continue to be concentrated on challenges identified in the new Country Specific Recommendations as well as in previously adopted Country Specific Recommendations where these have not been fully addressed*



European Commission

European semester process

European Semester: a partnership EU-Member States



Country report indicated progress, but also concerns

- *Economy grows, GDP grows, medium income increases*
- *Unemployment rate decreased (incl. youth and LTU)*
- *The overall population decrease has direct impact on working age population*
- *In 2014, the number of employed persons has not reached the pre-crisis level*

Progress but also concerns (2)

- *Pension reform necessary (adequacy, link to life expectancy after 2026)*
- *ALPM measures could be more effective and involve more unemployed*
- *Labour market relevance of education and training, transition from education to the labour market and lifelong learning is a challenge*

Progress but also concerns (3)

- *Real political (not expert) discussion on the new social model is only starting*
- *Social dialogue is weak*
- *Balance between flexibility and security*
- *Poverty and inequality are high, impact of the reform of cash social assistance on poverty is unclear*

2014 CSR implementation in Lithuania

CSR	EC Assessment
CSR 2: Pension system reform; Employability of older workers	Limited progress Some progress
CSR 3: ALMP measures Coverage and adequacy of unemployment benefits Relevance of education to the labour market Employability of young people Labour legislation	Limited progress Limited progress Some progress Some progress Limited progress
CSR 4: adequate coverage of those most in need Links between cash social assistance and activation measures	No progress No progress

The 2015 country-specific recommendations: a new approach

- **Focused** set of CSRs targeting the key challenges of macroeconomic importance in each country (plus euro area), as identified in Country Reports
- More **differentiation** between countries according to their macroeconomic situation
- **Manageable** policy actions **within next 12 to 18 months**
- **Taking into consideration progress:** need to complete and monitor implementation is recalled in recitals
- Consistency with the **Europe 2020** long-term strategy for jobs and growth
- **Strengthened dialogue** with Member States, social partners and other stakeholders (including via dedicated Country Visits) => enhanced ownership and better implementation

2015 CSRs for Lithuania approved by the Council: CSR 2/3

2. Address the **challenge of a shrinking working-age population**
by

improving the **labour-market relevance of education**,
increasing **attainment in basic skills**,
and improving the performance of the healthcare system;

reduce the high tax wedge for low-income earners by shifting the tax burden to other sources less detrimental to growth.

2015 CSRs for Lithuania approved by the Council: CSR 3/3

3. Adopt a **comprehensive reform of the pension system** that also addresses the challenge of achieving **pension adequacy**.

Improve the **coverage and adequacy of unemployment benefits and cash social assistance**

and improve the employability of those looking for work.

Next steps in 2015

- 11 November: Annual Growth Survey published;
- November – December: Joint Employment Report is prepared;
- by the end of the year: Commission's proposals for the reviewed Europe 2020 strategy.

**THANK YOU FOR YOUR
ATTENTION!
Q&A**