



European Commission
Justice

Exchange of good practices on gender equality

New forms of work

The Netherlands, 24-25 October 2011

Comments paper - Lithuania

Flexible Working Time Arrangements in Lithuania

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Introduction

Background and general Lithuanian policy context

Situation in Lithuanian labour market concerning the flexibility is very similar to other post-communist transitional countries. The Eastern enlargement of the European Union and the requirements of the European Monetary Union call for increased flexibility of labour markets in both the current EU members and candidate countries. Lithuanian labour market experienced liberalisation of employment, but is it still quite stagnant. This could be explained by the following factors: *strong national regulations, strong requirements for the social security of employees in the labour market, lack of more flexible labour relations, and lack of diversity of more flexible forms of employment.*

The main feature of Lithuanian labour market is its extremely low flexibility. Rigidity is more characteristic to the organisation of working time in Lithuania than flexibility. Concerning the numerical flexibility (working time), Lithuanian labour market can be characterised as stable and traditional. Also, the issue of working time/duration of work has been quite little explored in Lithuania (Apart from the survey on the application of working time, as carried out by the Lithuanian Department of Statistics)¹. Numerical labour market flexibility (*Saturday, Sunday, shift, evening, night work*) in Lithuania is considerably below EU average.

After the adoption of the new Labour Code² in 2002 the significant part of labour relations regulation were transferred to the local/enterprise level (on the responsibility of social partners). With introduction of the New Labour Code, changes in employment legislation in Lithuania might be characterised as liberalising ones.

Standard working hours

The New Labour Code (chapter XIII) determines regulation of the working time in Lithuanian labour market. According to the Labour code article 144, working time, standard working hours defined as 8 hours per day and 40 hours a week. Exceptions may be established by laws, Government resolutions and collective agreements. Maximum working time, including overtime, must not exceed 48 hours per 7 working days. There are some sectors that have agreed upon collective agreements shorter working week (for example, in Educational sector for teaching staff working week is 36 hours).

¹ <http://www.stat.gov.lt/>

² Labour Code:

http://www.socmin.lt/get_file.php?file=RTpcXEluZXRwdWJcXFNtYXJ0d2ViL3NvYy9tL21fZmlsZXMvd2ZpbGVzL2ZpbGU5ODguaHRtO0xhYm91ciBjb2RlLmh0bTs7

Overtime regulations

There are quite strong restrictions on overtime work. Labour Code article 152 defines duration of maximum overtime work “*overtime works shall not exceed for each employee 4 hours in two consequent days and 120 hours per year*”. There are some limitations of overtime work (article 150). Generally overtime works are prohibited and an employer may apply overtime works only in exceptional cases. There are several groups of employees that overtime work can not be assigned: to persons under 18 years of age; to persons who are studying in secondary and vocational schools, pregnant women, women who have recently given birth, women who breastfeed, employees who are taking care of children under three years of age, are solely raising a child under fourteen years of age or a disabled child under sixteen years of age, as well as disabled persons may be assigned to do overtime work only with their consent. Overtime is mostly allowed in some exceptional cases: preventing accidents and dangers, disasters, seeking to finish the work which could not have been finished during the working time and etc.

Part time work

The prevalence of *full-time working day* and standard time norm of a *working week* is highly predominant in Lithuania. The share of employees working 5 days per week in Lithuania is higher than the EU27 average. The share of employees working 39-41 hours per week is almost by 20 % higher than the EU27 average.

The Government does not encourage part-time working – neither *passively* nor *actively*: there are no special workings of social security or taxation rules or particular incentives for part-time employees in Lithuania.

There are quite strict regulations of part-time work. Part daily working time or part weekly working time shall be set: 1) by agreement between the employee and the employer; 2) by request of the worker due to his/her health status in accordance with conclusions of medical institution; 3) on request of a pregnant woman, a woman who has recently given birth, a woman who breast-feeds, an employee raising a child until it reaches three years of age, as well as an employee who solely raises a child until it reaches fourteen years of age or a child with limited functional capacity until it reaches sixteen years of age; 4) on request of an employee under eighteen years of age; 5) on request of a person with limited functional capacity according to the conclusions of a health care institution; 6) on request of an employee nursing a sick member of his family, according to the conclusions of a health care institution.

Labour contract

There are several types of labour contracts in Lithuania: *permanent working contract*, *temporary working contract* and etc. *Employment contracts in Lithuania must be in a written form and in accordance with the model form established by the law.*

- *Temporary (fixed term) working contract.* The present provision of the Labour Code restricts the possibility to conclude fixed-term employment contracts in the case of permanent employment nature. To the employers' opinion, the nature of work often depends on the contract that enterprise has, but not on the character of work.
- *Working hours.* The Labour Code does not provide for a concrete procedure for accounting of working hours. Currently, enterprises more and more encounter disputes regarding accounting of working hours, particularly, when persons work extra-hours, shortened working time, etc.

- *Conditions in the employment contract and dismissal.* The Labour Code provides for advance notification of employees regarding their dismissal or change of remuneration conditions. The minimum notice period for individual terminations in Lithuania is 2 months (for some categories of employees – pre-retirement age employees, persons under 18 years of age, disabled persons and employees raising children under 14 years of age – this period is 4 months). In the case of termination of an employment contract without any fault on the part of an employee, the latter is entitled to compensation. The amount of the compensation depends on the continuous working period of the employee in the company person is dismissed from (fluctuates from one average monthly wage when the working period is up to 12 months up to six average wages when the working period is more than 20 years).

Long hours and overtime/extra time

In terms of daily, weekly and annual working time Lithuania is among middle –ranking European countries. The average weekly working time among full time employees is above the EU-27 average. The maximum working hours a week should not exceed 48 hours a week. The proportion of men working more than 35 hours a week is higher for men than for women in 2005. The proportion of men working 35 a week or more in 2005 was over 90%. In Lithuania, as well in other post-communist countries, the proportion of women working full time – 35 or more hours a week is above 80%.

Average working time in Lithuania exceeds by law foreseen 40 hours working week. According to the survey carried out by „TNS Gallup“³ company, an average working time of employee in Lithuania is 42,3 hours a week. An average working time of self employed persons is 41,2 hours. Persons working less than 40 hours a week constitute only 9%.

There have been no special surveys to assess the distribution of shift working in more details; it is possible to presume that shift-working predominantly is carried out in specific sectors in manufacture, trading, etc. As employment has been severely dropping down in some traditional manufacture branches in Lithuania over the last several years (such as textile, construction and etc.), it is quite probable that the prevalence of shift working have been decreasing in Lithuania, too.

Policy Content

Generally, in Lithuania there is a lack of public debate concerning application of flexible working arrangements in Lithuania. As already noted earlier, labour relations in Lithuania are under strong regulations. Broader application of flexible working time arrangements in Lithuania could benefit gender equality, create better possibilities for reconciliation of family and work roles.

For example, part-time working is underused in Lithuania (particularly as regards female employment). The social partners at national or sector level are not discussing this problem at the point. At enterprise level, as it was mentioned before, employers are often not interested in employing part-time workers (this form of employment is often unattractive for employees, too).

The Government of Lithuania (2003) made new resolutions, which elaborate and specify the appropriate Labour Code provisions, namely procedure for estimation of

³ <http://www.tns-gallup.lt/lt/>

working period, peculiarities of specific employment contracts, procedure and conditions for annual additional and extended annual leaves, shortening of the working time as well as payment, the procedure for placement of foreigners who were sent to temporarily work in the territory of the Republic of Lithuania in the enterprises operating in Lithuania, the procedure for the qualification requirements and examination, the list of offices subject to the tender procedure.

The current debate about application of more flexible working time arrangements arise in the context of global economic crisis. Lithuania are among the countries that in particularly hit by unemployment. Application of more flexible working time arrangements could benefit for creation of new working places.

Employees also express a growing need for more flexibility in the time allocation over the life course in order to respond to changing needs and/or responsibilities with regard to care, learning and leisure. At a more empirical level these trends are visible in the growth of part-time working hours, career break systems, the “annualisation“ of working hours and – in general - more diversified working time arrangements.

Transferability Issues

Application of more flexible working time arrangements is restricted in Lithuania by the shortage of organisational and administrative capacities necessary in order to organise this type of employment. In the paper of Pascale Peters “Flexible Working Time Arrangements“ presented initiatives and good practices would benefit to have positive consequences for employers, employees and society at large.

“Customised Working”

First of all in Lithuania, there is a lack of public discussion about the *flexible working arrangements*, possibility of application in the Lithuanian labour market. In this context “*Customised Working*” initiative aiming to bring about a cultural change among public and private employers in the integration of flexible working in human resource practice. This initiative aims to stimulate employers to both adopt and foster a culture supporting flexible working and a healthy work-life balance as an integral part of organisational objectives.

- **(Voluntary) part-time work** broader application of part time work could benefit for better reconciliation of family and work life.
- **Flexi-time** refers to increased control over their working hours, allowing workers to vary the beginning and ending of their working days; there is no data in Lithuania about workers that have control on their working hours. Survey results carried out in 2006, “*Attractive Workplace for All*”, flexible working time in most cases is applied for top-level professionals and managers when the very nature of their work requires flexible working time. Ordinary workers and experts are normally required to adhere strictly to the working time order. Therefore, “*in Lithuanian reality flexible working time is often understood rather as a certain privilege than a legitimate procedure*”.
- **Individual scheduling** there is no data about application of application individual scheduling in Lithuania. This system could benefit optimise work life balance, reconciliation of family and work roles. It is very important initiative because

employees are not only given more control over the timing of their working hours but also regarding the work-scheduling process itself.

Application of “*Customised Working*” initiatives into Lithuanian labor market could benefit for creation of better possibilities to reconcile private and working life, promote social dialogue, promote gender equality in the Lithuanian labor market by creating better possibilities for women and men raising children or taking care on other family members to work.

At different levels could be some specific measures applied. There is a need in Lithuania for further discussion among social partners in Lithuania how to create more working places and how to improve situation in Lithuanian labor market in terms of flexibility. On the Government level there is a need of more appropriate legislation. On the employees level there is a lack of information how to implement more flexible patterns of employment.

There are disparities between public and private sector in terms of application of flexible working time arrangements. Higher-skilled employees, such as officers and managers in the public sector are in a worse situation in terms of flexible working time, in comparison to private sector employees, because they can less influence their working time arrangements.

In order to prevent side effects for the some groups of workers, there are could be specific schemes for different type of employees (younger and older workers, women and men and etc.).

References

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