Chapter 18
Migrants' Access to Social Protection in Lithuania

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18.1 Overview of the National Social Security System and Main Migration Features in Lithuania

This section aims to contextualize the national welfare regime, the main migration patterns and policy developments in Lithuania. The focus is on the welfare provisions for different groups based on citizenship and residence, i.e. for resident nationals, non-national residents, and non-resident nationals.

18.1.1 Main Characteristics of the National Social Security System

Lithuania has designed its social security system in a very short period of time, after restoring its independence in 1990. Different factors influenced the formation of the new social security system: inheritance from the Soviet period, the direct or indirect influence of foreign experience, institutions and experts who advised on social security reform issues, the necessity to adapt the social security system to the market oriented economy and democratic political system. Under the influence of the above mentioned factors, a new independent social security system was formed. The Lithuanian social security model does not completely correspond to any of the well-known classifications of welfare regimes, as it counts with mixed features of different welfare models (Medaiskis 1998).

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On the one hand, it can be classified as Bismarckian as it heavily relies on social insurance principles (Aidukaite et al. 2012). Until recently, the share of social contributions was 75% of the total financing as compared to around 55% on average in the European Union (EU).[1] The main social risks are covered by insurance schemes: disability and old-age pensions, sickness, maternity, unemployment, health, work accidents and occupational disease. Only family benefits, social care services, means-tested social assistance, non-contributory social and state pensions are covered by non-contributory social protection schemes.

On another hand, researchers argued that Lithuania has developed the neoliberal model (Lazutka et al. 2018). The macro-economic performance of Lithuania was at a high level after joining the EU in 2004. Lithuania's annual disposable income per capita is now close to that of Slovenia and the Czech Republic, the most advanced countries in Central East Europe (ibid.).

However, the impressive macro-economic performance of the country has so far failed to reduce, or has even exacerbated a number of social problems that are threatening its social and demographic sustainability (Sommers and Woolfson 2014). Lithuania is often criticized by major international institutions for disproportionally high effective taxation on labour, low public revenue, insufficient measures against poverty and inequality (e.g. OECD 2018). The system is characterized by a small share of employees' compensation in the national income, low income redistribution via tax-cash benefits system, low expenditure on social protection, and very high rates of poverty and inequality in the context of the EU. The "small government" and "cheap labour" rhetoric still prevails in the political debate on maintaining the country's economic competitiveness. Not surprisingly, Lithuania was the most rapidly depopulating country in the EU within the period of 2004–2014, losing about 1% of population annually, mostly due to emigration (Lazutka et al. 2018).

Social security is administered mainly by several institutions operating at the national level, i.e. the Ministry of Social Security and Labour, the State Social Insurance Council and the State Social Insurance Fund Board with its local offices, the National Employment Service with its local offices, the State Patients Fund, etc. Municipal social assistance units are responsible for means tested social assistance, categorical family assistance benefits and social care services. Migration process is handled by the Department of Migration. The State Social Insurance Fund Board, the State Patients Fund, and municipalities also provide services for migrants in the field of social protection.

The Republic of Lithuania has international bilateral agreements on social security with neighboring countries and states that have historically been in the same political and economic space, i.e. Belarus, Ukraine, Moldova. The agreements with these countries are applicable to all social transfers, including a provision on pension payments. The terms of the latter agreement also apply to Canada. The agreement with Russia is applied only to pensions. There are diplomatic notes

[1] Eurostat (2019). ESSPROS data by scheme, own calculations. Eurostat Database: https://ec.europa.eu/eurostat/data/database

concerning the transfer of social security benefits for Lithuanian citizens who acquired rights to them in the U.S. and currently reside in Lithuania. Former bilateral agreements on social security with Latvia, Estonia, Poland, Czech Republic, and the Netherlands no longer applied after Lithuania joined the EU. Instead, the Regulation No 883/2004 on the coordination of social security systems applies.

18.1.2 Migration History and Key Policy Developments

Lithuania faced high levels of emigration in its recent history. The rapid out-migration from Lithuania to the Russian Federation started following the restoration of independence in 1990. It was influenced by changing military, political and public administration structures, when many Russian families decided to leave the country (Thaut 2009). Emigration of Lithuanians also intensified in the context of political, social, and labour market transition (Kuzmickaite 2003). The period was marked by high unemployment and low salaries, low labor protection and uncertainty about the future. Hence, Lithuania's labour emigration in the 1990s can be understood as a strategy to protect against the risks and to take advantage of the opportunities associated with the country's economic transition (Thaut 2009). The primary destinations of labour emigration in the 1990s were the United States, Germany, and Israel (OECD 2003). Other important destinations of labour emigrants included the United Kingdom, Spain, Denmark, Sweden and Ireland. According to Statistics Lithuania, the largest number of emigrants were between the ages of 20 and 29, followed by those 30 to 39 years old.[2] As Lithuania was outside of the EU, these flows were largely illegal or semi-legal and emigrants were not covered by social security schemes in the countries of destination. Data of Statistics Lithuania (ibid.) reveal a negative net migration of more than 20,000 emigrants per year over the decade of the 1990s.

Lithuania's EU accession in 2004 opened new opportunities for intra-EU mobility. Lithuanian labour emigration is taking place within a new context and at a greater level than that of the 1990s. According to the neo-classical economic theory, the relative wage and unemployment differentials between EU countries play a primary role in encouraging Lithuanian labour emigration. For example, net average earnings of a married couple with two children were 8 times higher in EU15 than in Lithuania in 2004. In 2015, this ratio reduced to 4.4, but remains high for attracting emigrants from Lithuania.[3] Social security standards are also in general higher in the countries of destination compared to Lithuania.

The network theory of international migration adds a second argument for high rates of Lithuanians' out-migration to EU15 countries. Increasing networks of

[2] Statistics Lithuania (2006). *International Migration of Lithuanian Population.* Vilnius: Statistics Lithuania.

[3] Eurostat (2019). Annual net earnings [earn_nt_net]. Eurostat Database: https://ec.europa.eu/eurostat/data/database. Last update: 05-02-2019.

emigrants facilitate others in finding jobs, obtaining housing and in decreasing the costs and risks of migration (Martin et al. 2006). The Lithuanian diaspora, particularly in the UK and Ireland, lessen concerns about leaving the familiar culture, as well as decrease feelings of dislocation upon arrival in the destination country (Thaut 2009). Diaspora networks may also serve as informal protection against social risks, while social protection rights are being coordinated within the EU.

As a result, the total Lithuanian population decreased from 3.706 million people at its peak in 1992 to 2.794 million on 1 January 2019.[4] In 27 years' time, Lithuania lost around 25% of its population. Should the current trend remain unchanged, the population in Lithuania will only be 2.4 million in 2030, which represents another 14% decline compared to 2019.[5]

Nevertheless, the migration patterns have recently started to change. In 2018, 32,200 residents of Lithuania emigrated, which is 33% less than in 2017. The number of emigrants per thousand inhabitants has fallen from 16.9 (in 2017) to 11.5 (in 2018). 28,900 people immigrated to Lithuania in 2018. The number of immigrants increased by 1.4 times compared to 2017. 57% of all immigrants are citizens of the Republic of Lithuania, who returned to Lithuania. Nearly half of foreign immigrants were Ukrainians, 26% Belarusians, and 6% Russian citizens. Compared to 2017, in 2018, the number of immigrants from Ukraine increased by 32%, Belarus by 20%, and Russian citizens by 19% (Gudavičius 2019). Decrease of unemployment rate and increase of wages were among the major factors. Brexit may have added an extra argument for return migration. Moreover, some Lithuanian employers are increasingly turning to recruit cheaper labour from Ukraine and Belarus to fill Lithuania's emigration induced labour shortages. Workers from these non-EU countries do not benefit from free movement, but they can work in Lithuania if the country's employers go through the proper procedures. Social protection of those immigrants may become an issue for the national social policy in the future.

By 2004, Lithuania had fully harmonized its legislation on migration in line with the EU acquis and is following common rules on EU social security coordination. The most recent Strategy for the Demographic, Migration, and Integration Policy for 2018–2030 was adopted in September 2018.[6] The main objective of the Strategy is to ensure a positive population change and a balanced age structure. To ensure proper management of migration flows, the Strategy provides for encouraging return migration and a balanced arrival of foreigners to satisfy national interests. The Strategy also sets out to improve the economic welfare, social security, and psychological/emotional well-being of Lithuanian emigrants, strengthen their bond with the country and living environment, and pursue an effective diaspora policy.

[4] Statistics Lithuania (2019). https://osp.stat.gov.lt/statistiniu-rodikliu-analize?hash=103cad31-9227-4990-90b0-8991b58af8e7#/

[5] Eurostat (2019). Population on first January by age, sex and type of projection [proj_15npms]. Eurostat Database: https://ec.europa.eu/eurostat/data/database. Last update: 05-02-2019.

[6] Seimas (2018). Strategy for the Demographic, Migration, and Integration Policy for 2018–2030. 20 September 2018. https://www.lrs.lt/sip/portal.show?p_r=119&p_k=2&p_t=260865

18.2 Migration and Social Protection in Lithuania

The conditions under which Lithuanian and foreign citizens can access social security in Lithuania vary depending on the type of benefit. With some exceptions, nationality and period of prior residence are not among eligibility criteria and the general procedures for accessing social security are the same for all individuals. Because of the prevailing contributory nature of social protection in Lithuania, in most cases, the right to social benefits is linked to individuals' employment status and insurance record. Nationality and length of residency are not substantial factors for the right to social protection in the country. Nevertheless, agencies administrating residence permission (the Department of Migration) and work permission (the Employment Service) are involved in the process of social protection of migrants together with the other social security agencies. On the other hand, non-resident nationals are entitled to benefits from Lithuania under the EU social security coordination framework or on the basis of bilateral social security agreements with third countries.

18.2.1 Unemployment

Unemployment protection is regulated by the Law on State Social Insurance (1991). The system is based on social insurance principles, which is financed by social insurance contributions paid to the Public Social Insurance Fund (there is no unemployment assistance scheme in Lithuania). Employees and self-employed, both nationals and foreigners, who reside and work in Lithuania are compulsory covered by the scheme. They are eligible for unemployment benefits on the same terms. Nationals residing abroad cannot claim unemployment benefits from Lithuania. Inactive people are not allowed to join the unemployment insurance scheme voluntarily.

There is no requirement for a minimum period of residence in the country to access unemployment benefits. However, there is a minimum period of insurance required, i.e. 12 months during the last 30 months. Periods of contributions in different EU countries are aggregated and this aggregation rule is also included in the bilateral agreements with Belarus, Ukraine and Moldova. Benefits are paid by the country were the claimant is insured at the moment of application.

The maximum duration for which claimants can receive unemployment benefits is 36 weeks. Beneficiaries have to be registered with the national authorities as jobseekers, regularly prove job search and be available for work. Failing to cooperate with the employment services and/or actively look for a job (e.g. not accepting suitable job offers, failure to report to the authorities, not attending the trainings) can lead to the permanent revocation of the benefit.

Nationals who decide to move abroad can export unemployment benefits in accordance to the rules of social protection coordination in the European Economic

Area (EEA) and EU - regulation No 883 (Clause 64). Equally, benefits may be exported for non-EU residents if they decide to permanently move abroad. Export of unemployment benefits to other non-EU/EEA countries are allowed on the basis of bilateral agreements. The agreements that Lithuania has signed with Moldova, Ukraine and Belarus foresee an aggregation of the entitlement periods and the payment of benefits according to the law of the country of residence. In all the above cases, benefits may be conditionally exported for up to three months, i.e. the claimant has to be registered as a jobseeker at the local employment office of the host country. After three months, unemployed are allowed to apply for an extension of the benefit payment for extra three months.

18.2.2 Health Care

The Law on Health System (1994)[7] describes the structure and main principles of the national health system organized in two levels: national and local. Institutions of health care are subordinated either to municipalities or the Ministry of Health. Private health sector is limited, particularly in the sphere of inpatient care. Since 2008, the National Health Insurance Fund (NHIF) has increasingly been contracting private providers for specialist outpatient care (Jankauskienė and Medaiskis 2014). The health system is funded by the NHIF through a national health insurance scheme based on compulsory participation (Murauskienė et al. 2013). A major source of financing are the compulsory health insurance contributions. There are other allocations from the State budget and direct payments by patients.

All national citizens who are able to work (including economically inactive) are mandatory covered by the national health insurance system and are required to pay contributions. Economically inactive because of age, poor health or education are insured by the state via subsidies from the State budget to the NHIF. EU and non-EU citizens permanently living in Lithuania are covered by the national healthcare insurance on the same conditions as national residents. Non-EU citizens who have a temporary residence permit in Lithuania and work in Lithuania or are registered as unemployed, as well as their family members, are covered too. EU and non-EU nationals without permanent residence are provided with emergency medical care only. Lithuanian citizens residing abroad are not covered by the Lithuanian healthcare system for sickness benefits in kind. They are covered according to the rules of coordination of social protection in the EEA and the EU (Regulation No 883). Lithuanians can receive non-emergency health care services in the others countries only with permission of the Ministry of Health when national medical institutions are not able to provide adequate treatment. The NHIF covers the costs of treatment

[7] The Law on Health System of the Republic of Lithuania (1994). *Valstybės žinios*, 1994-08-17, Nr. 63–1231. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.5905/JTsmtWIBhW

on such occasions. The NHIF also covers medical care for Lithuanian pensioners residing in the others EU countries.

Full costs of medical treatment are paid directly by the NHIF. However, there are patient charges and patients have to cover the costs of pharmaceutical products in case of outpatient treatment. Part of these costs for some categories of patients are covered by the health care scheme. People who do not pay compulsory contributions and are not insured by the state must cover the cost of treatment personally, except for urgent and emergency health care which is always covered by the state.

Compulsory social insurance scheme for cash sickness benefit is an earnings-related benefit that applies to all employees. Most categories of self-employed are covered by sickness insurance since January 1, 2017. Sickness benefit is granted based on the Law on Sickness and Maternity Social Insurance (2000).[8] The required contribution record to be eligible for this benefit is at least three months during the last year, or at least 6 months during the last two years. The benefit is paid starting from the third day of sickness (employer pay remuneration for the two first days) until the capacity to work has been restored, or the level of work incapacity has been defined. The benefit amount is calculated based on compensatory income (CI) with maximum and minimum thresholds. The monthly CI is an average wage, calculated based on the insured person's income earned in the three consecutive months preceding the incapacity. The sickness benefit is 80% of the CI, but must not be lower than 25% of the insured income of the current year. It cannot exceed 5 times the State insured income for the current year.

All foreign residents are eligible to claim sickness benefits on the same terms as nationals. They are compulsory insured if employed or self-employed. There is no minimum period of residence in the country that non-EU citizens have to prove to become eligible for sickness benefits. Periods of contributions in different EU countries are aggregated, this aggregation rule also being stipulated in the bilateral agreements with Belarus and Ukraine. The payment continues if the beneficiary leaves the country, but still has an employment contract with a local employer.

18.2.3 Pensions

Lithuania's old-age public pension system consists of three components: Statutory pensions (hereafter named as Social insurance pensions or as the First pillar pension scheme), Social pensions, and State pensions. Their modes of financing and relative importance in the overall pension package vary greatly.

The social insurance pension scheme is the most important in terms of coverage and provision of income in old age and incapacity. The system is financed by employers, employees and contributions of the self-employed on PAYG basis. It is

[8]The Law on Sickness and Maternity Social Insurance of the Republic of Lithuania (2000). *Valstybės žinios*, 2000-12-29, Nr. 111–3574. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.116582?jfwid=6vyuslcbg.

designed to replace part of the work income when an insured person retires (or becomes disabled or dies). The pension benefit consists of two components. The basic component is calculated based on the contributory period. The supplementary component is earnings-related. Working pensioners can combine social insurance pension with income from work without any deductions. In 2018, the retirement age was 63 years 8 months for men and 62 years 4 months for women. It is gradually prolonged to 65. The contribution period for a full pension is 30 years and is gradually prolonged to 35.

Work incapacity pensions are granted to individuals who have a minimal contribution record required for the entitlement. The requirements on the minimum and compulsory contribution periods for work incapacity pension are related to claimants' age.

State pensions are a public non-contributory scheme. They are granted mainly to two rather large population groups. The first group includes post-war anti-Soviet resistance fighters and people who have suffered from the former Soviet regime. The second group is military and police officers, judges, scientists, artists, and other smaller professional groups. As they are covered by the Social insurance pension scheme, State pensions provide supplementary income protection.

The social assistance pension is designed as a minimum income pension for those not protected by the social insurance pension scheme. Assistance pensions are paid to the elderly or disabled persons who did not acquire social insurance rights due to insufficient contribution record. Most recipients of this pension are disabled people from childhood.

There is no minimum period of residence in Lithuania after which non-EU citizens become eligible to claim a public contributory pension. On the other hand, non-resident Lithuanians are also entitled to claim a public contributory pension from Lithuania. However, a major challenge is the aggregation of contribution periods for migrant employees. For Lithuanian citizens, the contribution periods in other EU countries are aggregated to determine the entitlement to a contributory pension in Lithuania (based on Regulation No 883). Each country finances a share of the total pension according to the length of service in that country. Also, national citizens who decide to permanently move abroad can export their pensions from Lithuania. In that case, periods completed in other countries are aggregated to determine their entitlement to a contributory pension. However, the pension amount is limited. The period of employment during the Soviet regime (up to 1990) is not taken into account when calculating pension benefit.

Non-EU citizens who receive a contributory pension from Lithuania are allowed to export this pension when deciding to permanently move abroad, but only if they move to a country with which Lithuania has a bilateral agreement covering pensions. Such agreements exist with six non-EU countries: Belarus, Ukraine, Moldova, Russia, the USA and Canada. All six countries are important for pension provision because of intensive migration flows due to historical reasons. The first four countries belong to the post-Soviet space, whereas North America is among the most popular destinations for Lithuanians apart from several EU countries. In case of Belarus, Ukraine, Moldova and Canada, the agreements foresee an aggregation of contribution periods and financing shares of pension benefits by each country according to the contribution periods. Thus, provisions of bilateral agreements are similar to the EU regulations. The agreement with Russia covers pension payments in the pensioners' country of residence, taking into account contribution period in the other country. The agreement with USA covers only export of pensions.

The remaining non-contributory state and social pension schemes are not so important from the perspectives of migration. Eligibility conditions of the state pensions are related to specific occupational status (e.g. military or policy service) or historical events (e.g. victims of the anti-Soviet resistance). Social pensions are paid only for those, who don't receive any other pensions from Lithuania or abroad, and a permanent residence permit is required. This residence permit also requires a source of living, hence the social tourism of elderly is not possible.

18.2.4 Family Benefits

The policies to provide income support for children and families include contributory and non-contributory benefits. Contributory benefits are much more important, i.e. public expenditures on contributory benefits are several times higher than expenditures on non-contributory family and children benefits.

Contributory benefits mainly protect the income of families during the first 2 years after childbirth and include maternity leave benefits, paternity leave benefit, and childcare leave benefit. All three benefits are paid if applicants have sickness and maternity social insurance record for at least 12 months over the last 24 months. Resident citizens, EU nationals and non-EU citizens, as well as Lithuanians residing in other EU countries who are employed and have contributed for 12 months of insurance for this risk are eligible to claim contributory benefits. There are no specific requirements regarding prior residence in Lithuania, or regarding the country of birth or residence of the applicant's child. Periods of contributions are aggregated for people who migrate in the EU. Bilateral agreements with Belarus and Ukraine also cover aggregation of contributory periods and the benefit is paid by the country where individuals are insured when submitting the claim.

Maternity leave benefit is a cash benefit paid to a pregnant woman for the number of working days in the applicable period. The maternity benefit is equal to 100% of recipient's average monthly reimbursable income (AMRI) with a minimum amount specified. Paternity leave benefit can be claimed by fathers for the first month of childcare. The amount is 100% of the recipient's AMRI with a minimum amount specified.

Childcare leave benefit is a monthly payment aiming to support early childcare at home. It may be paid for 1 or 2 years by decision of beneficiaries. Mothers (fathers) can choose to take the benefit only during the first year (compensation rate is 100% of the beneficiary's reimbursed remuneration), or during the 2 years' period (compensation rate is 70% during the first year and 40% during the second year). It is allowed to work and receive full amount of the benefit during the second year.

Because of the high rates of contributory benefits, families eligible for maternity or paternity benefits are well protected against poverty (Lazutka et al. 2013).

Non-contributory benefits for children include the birth grant, the child benefit, the benefit to a conscript's child, the guardianship benefit, the housing grant (settlement) and the pregnancy grant.[9] The most important of them is the universal child benefit introduced since January 2018. Every child from birth to 18 years of age (or 21 for those who continue studying) receives a monthly benefit of €50. Non-contributory child benefits are paid to EU citizens working in Lithuania and non-EU citizens having permanent permission to reside in the country. EU nationals who are not employed in Lithuania have to declare residency and live in Lithuania for at least 3 months. Non-EU citizens with temporary residence permits are eligible for non-contributory family benefits if they worked for at least 6 months, or are unemployed, have permission to work and are registered at the Employment Service.

18.2.5 Guaranteed Minimum Resources

In Lithuania, the main element of the Minimum Income scheme is the Law on Cash Social Assistance for Low-Income Residents (2003),[10] which gives the legal basis for providing Social Assistance Benefits (SAB). Municipalities are responsible for SAB administration and provision. The SAB scheme is centralized in terms of eligibility criterion, conditionality rules and formula of the benefit amount. However, local authorities have the right to apply exemptions for eligibility criteria and conditionality rules in the provision of SAB.

The monthly benefit level is 100% of the difference between the State Supported Income (SSI) per person per month and an actual income of a single resident or the first family member, 80% for the second member and 70% for the third and later members. The Government sets the SSI as the basis for calculation of SAB level. It is set by a political decision and has no substantial basis. Since January 2018, SSI is equal to €122. A family (or a person) is entitled to SAB when the value of the assets does not exceed an established threshold. There is an income disregard to increase incentives to work. A share of work-related income from 15% to 35% can be disregarded depending on the number of children.

The benefit is awarded for 3 months and may be renewed if the circumstances have not changed. Claimants are required to provide themselves with all possible income that they can obtain. Family members (person) have to meet at least one of the following requirements related to employment status and ability to work:

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[9] The Law on Benefits for Children of the Republic of Lithuania (1994). Nr. I-621. *Valstybės žinios*, 1994-11-18, Nr. 89–1706. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.5981/JJrWzNnfOp

[10] The Law on Cash Social Assistance for Low-Income Families (Single Persons) of the Republic of Lithuania (2003). *Valstybės žinios, 2003-07-23, Nr. 73–3352*. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.215633?jfwid =6vyuslc26

- they are employed for at least 3 months;
- they are not employed because they are studying, are of retirement age; have disability of group I and II; are unemployed; are nursing a family member.

SAB recipients can be asked to take part in "socially useful activities" organised by municipalities and failing to do so may result in cancellation of the payment. Only resident nationals and EU citizens are eligible for social assistance. The period of prior residence is not an eligibility requirement, but the declared country of residence must be Lithuania. Those receiving the benefit can temporarily leave the country. However, there is a requirement to look for a job, to perform community work and to be ready for inspection of the living conditions. Non-EU citizens without long-term or permanent residence cannot claim this benefit. That is because there is a requirement to have a legitimate source of subsistence for residence permits or citizenship. Thus, claiming a minimum income benefit is exclusive in the process of seeking residence permits.

18.3 Conclusions

The Lithuanian social security model has mixed features of the Bismarckian and liberal models of welfare state. The main social risks are covered by means of social insurance. Social benefit levels are in general low as social protection financing as a share of the GDP is around two times lower compared to the EU average. Social security is administered mainly by the State Social Insurance Fund, the State Patients Fund, and municipal social assistance units. These institutions also provide services for migrants in the field of social protection. Migration process is handled by the Department of Migration.

Low levels of social provisions and earnings, as well as high levels of poverty and inequality are among the driving factors of intensive negative net migration from the country. In 27 years' time of regained independence, Lithuania lost around 25% of its population. Intensive emigration started following the restoration of independence in 1990, when families of Soviet army officers and administration left the country. Later, transition to market economy was marked by high unemployment, low labour income and social protection benefits, and uncertainty about the economic future. Many Lithuanians decided to emigrate for jobs to Western countries. Before joining the EU, emigration flows were largely undeclared and emigrants were not covered by the social security schemes in the host countries. They were not covered in Lithuania either, because of entitlement based mainly on the contributions into the national Social Insurance Fund.

Lithuania's EU accession in 2004 stimulated emigration, especially to the UK and Ireland. These countries did not apply a transitional period of 7 years to open their borders to workers from the new member states and decided to allow immigration immediately. The largest Lithuanian diaspora is in these countries. Brexit leaves social protection of this big community of Lithuanian emigrants uncertain.

For the date, Lithuanian emigrants and immigrants from the EU countries are protected as the country had fully harmonized its legislation on migration in line with the EU acquis and is following common rules on EU social security coordination.

Because of the prevailing contribution-based financing of social benefits, the right to social protection is generally linked to individuals' employment status and insurance record. Nationality and the length of residency are not among the factors that condition access to social protection of EU and non-EU foreigners in Lithuania. For EU-citizens, the periods of contributions in different EU countries are aggregated in order to be eligible to claim benefits. For third-country nationals, the aggregation of contribution periods, export benefits and some others specific issues depend on bilateral agreements. Lithuania has bilateral agreements with countries that historically have been in the same political and economic space, but outside of the EU, i.e. Belarus, Ukraine, Moldova, Russia (only on pensions); but also with countries in North America, e.g. traditional destination of emigration from Lithuania in the XX century.

Despite the high emigration rate during several decades, the migration pattern is starting to change. Decreasing unemployment, increasing wages and Brexit facilitate return migration of Lithuanians. Also, the number of foreign residents is increasing. Nearly a half of foreigners are Ukrainian citizens, a quarter are from Belarus. Lithuanian employers are increasingly willing to recruit cheaper labour from the neighbouring Slavic countries. Immigrant workers are covered by all social insurance schemes if they are employed legally and by categorical social protections schemes if they have permission to reside and to work in Lithuania. However, occasions of illegal immigration started to emerge in mass media (Mrazauskaitė 2017). This problem is also noticed by the State Labour Inspectorate.[11] Nevertheless, shortage of the labour force and increasing labour costs for business, rather than social protection issues, are on the agenda of public and political debates. The recent Strategy for the Demographic, Migration, and Integration Policy for 2018–2030 aims at encouraging return migration and attraction of foreign workers to satisfy demand for labour, while concern on stronger social protection for everybody – resident nationals and foreigners alike – and on the emerging problem of illegal immigration are not emphasized.

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[11] *Verslo žinios (2017). VDI įspėja: nelegalių darbuotojų iš užsienio daugės* [State Labour Inspectorate warns: the flow of illegal immigrants will increase]. 2017-12-28. https://www.vz.lt/vadyba/personalo-valdymas/2017/12/28/vdi-ispeja-nelegaliu-darbuotoju-is-uzsienio-dauges#ixzz5jSS4UJFl

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