



ASSESSMENT OF INDIVIDUAL COUNTRY RECOMMENDATIONS BY EACH MEMBER FEDERATION

Q1: For each country specific recommendation Member Federations were asked to answer whether it is 1: extremely important; 2: Important; 3: Helpful (but not a priority); 4: Irrelevant; 5: Contrary to federation's advice;

Q2: For each recommendation, Member Federations were asked to answer whether government's efforts to implement it were: 1: Excellent, 2: Satisfactory; 3: Mixed; 4: Unsatisfactory; 5: no progress observed.

N.B.: Federations in countries under financial assistance commented on recommendations made by the Troika in Economic Adjustment Programmes; Non EU countries commented on recommendations made by the OECD

SPRING 2015 REFORM BAROMETER - LITHUANIA

European Semester - Overall assessment of 2015 cycle

| | To what extent do you agree with these statements: | | Detailed comments |
|----|--|-------------------|-------------------|
| 1. | The National Reform Programme submitted by your Government (April 2015) is appropriate | To a large extent | |
| 2. | The Commission's country specific recommendations for your country are appropriate. | To a large extent | |
| 3. | The Commission assessment of reform implementation the year before is appropriate. | To a large extent | |
| 4. | The Commission assessment of excessive imbalances (in-depth review) is appropriate. | To some extent | |

Assessment of Country Specific recommendations 2015 in detail

| | | Q1 : the recommendation is | Q2 : Implementation on effort is : | Detailed comments |
|-------|--|----------------------------|------------------------------------|---|
| CSR 1 | Avoid deviating from the medium-term budgetary objective in 2015 and ensure that the deviation in 2016 is limited to the allowance linked to the systemic pension reform. Broaden the tax base and improve tax compliance. | Important | Satisfactory | So far collection of budget revenue is in line with forecast. The government is taking measures to improve tax compliance. This, together with gradual growth of economy, has helped to increase budget revenue. |
| CSR 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. | Extremely important | Mixed | Labour market regulations remain strict; no significant reforms have been implemented during the last 2 years. Extensive discussions are being held to create and implement new social model, which includes more flexible regulation of labour market. The process is being dragged by the upcoming Parliament elections in 2016 |
| CSR 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. | Important | Mixed | |

Reform Progress in your Member State in 2015

How would you assess reform progress in 2015, for the following broad areas:

| | |
|---|--------------|
| Taxation and Public Finances | Satisfactory |
| Business environment (regulation/access to markets) | Satisfactory |
| Labour market | Mixed |
| Innovation and skills | Mixed |
| Access to finance and Financial stability | Satisfactory |

Reform priorities for 2015

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? |
|------------|--|---|---|
| Priority 1 | Active labour market policies | Better target active labour market policy measures to the low-skilled and long-term unemployed. Improve coverage and adequacy of unemployment benefits and link them to activation. | yes |
| Priority 2 | Labour market mismatch and labour mobility | Address persistent skills mismatches by improving the labour-market relevance of education inter alia based on skills forecast systems and promote lifelong learning. In order to increase the employability of young people, prioritise offering quality apprenticeships, other forms of work. | yes |

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|-------------------|----------------------------|-----------------------|---|--|
| Priority 3 | Sector specific regulation | | <p>Continue the development of cross border connections to neighbouring</p> <p>Promote competition in energy networks by improving interconnectivity with other Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets.</p> | yes |
| Priority 4 | Public sector efficiency | | <p>Strengthen the budgetary strategy to ensure the required adjustment of 0.5 percent of GDP towards the medium-term objective. Complement the budgetary strategy with a further strengthened fiscal framework, in particular by ensuring binding expenditure ceilings when setting the medium-term budgetary framework. Further review the tax system and consider increasing those taxes that are least detrimental to growth</p> | yes |
| Priority 5 | Job protection | | <p>Review the appropriateness of labour legislation, in particular with regard to the framework for labour contracts and for working-time arrangements, in consultation with social partners.</p> | yes |