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National report from Lithuania

Prepared by #
Lithuanian Rural Communities Union

Geographic Area

The Republic of Lithuania is the biggest and most populous Baltic state. Lithuania extends over an area of 65.300 square kilometres.

Lithuania borders Latvia (the length of land border 588 km, sea border 22 km), Belarus (land border 677 km), Poland (land border 104 km), Russia (Kaliningrad) (land border 255 km, Curonian Lagoon border 18 km, Baltic Sea border 22 km). Lithuanian border at the Baltic Sea coast stretches 90.66 km. Total border length of Lithuania amounts to 1732 km.

The borders between Lithuanian and Belarus and the Russian Federation form the border of the European Union. The Lithuanian economic zone borders the Swedish economic zone in the West of the Baltic Sea.

Lithuania lies at the Western edge of the East European Plain. Lithuania's terrain is fairly flat, with moderate highlands in the East and the West of the country. The highest elevation is 293.84 meters above sea level in Medininkai Highland.

Settlement pattern. The territory of Lithuania is divided into 10 counties, 60 municipalities and 546 elderships. In Lithuania there are 103 cities. According to Nomenclature of territorial units for statistics (NUTS), Lithuanian territory is ascribed to the 1st and the 2nd levels, counties are attributed to the 3rd level, municipalities to the 4th and elderships to the 5th level. City municipalities include only the territories of particular cities. Resort town municipalities (i.e. Palanga, Neringa) include several closely located resort towns. Most of Lithuanian municipalities are district municipalities that encompass small towns and villages.

Socio-economic situation in rural areas

Population. Rural areas take up 97 per cent of Lithuanian territory, or 63.3 thousand sq. Km. One-third of the total population of the country resides in those areas. The density of population in rural areas reaches only one-third of the average country indicator, i.e. 15.7 residents per sq. km.

Decrease of population. From 2008 to 2013, the rural population decreased by about 9.5 per cent. The speed of the decrease was the same as that of the urban areas; however, the rural population decrease was the highest among the youngest part of the residents, i.e. younger than 15 years of age. Besides, the share of the

residents over 65 increased. This shows that the rural part of the society has been ageing.

Rural incomes and services. Decisions to leave rural areas were influenced primarily by the difference in income in urban and rural areas. In 2011, average disposable income per a household member in urban areas was nearly 23 per cent higher than in rural areas. Rural residents lack services, and due to this reason they often have to go to towns. Residents in more remote rural areas have to go to work to a different location. Regional and local roads are of poor quality : 50.6 per cent and 64.9 per cent of those respectively are gravel roads. As the rural population decreases, the number of schools and kindergartens in rural areas decreases, too: compared to the academic year 2008–2009, in 2012–2013 the number of schools decreased by 106, and the number of pre-school education institutions decreased by 38. Although positive changes were introduced in water treatment sector in rural areas between 2007 and 2012, rural residents, especially young ones, are not satisfied with the aged dwelling in rural areas. The youth also lack locations for leisure venues.

Interest in living in the countryside. In recent years, there has been a new tendency in Lithuania to move from cities to villages, especially to the rural areas close to the biggest cities of the country. In 2012, even 84 per cent of those who moved to reside in rural areas were former residents of Lithuanian cities. The survey of the country's residents in the largest Lithuanian cities shows that even one-fourth of them are willing to reside in rural areas. The opinion of the youth on life in rural areas is even more favourable: even 36 per cent of the surveyed students and school children would like to reside in those areas.

Information technology. Since the implementation of the project RAIN–2, the broad-band connection coverage in rural areas has reached 98 per cent. Although the share of households with internet access has increased by 7.5 per cent since 2008, the share still remains smaller compared to urban areas (62.2 per cent and 40.7 per cent respectively), and there has been a small tendency of decrease since 2009. Thus, there is still a great demand for decreasing the differences between the opportunities of rural and urban residents to use high-speed internet by solving the “last mile” problem in a part of rural areas of the country. In comparison with 2010, transfer of the main public and administrative services to the electronic space in 2011 has improved and increased by 3.4%. Analysis of the agricultural sector institutions conducted in 2009 highlighted over 160 public services. The bigger part of them (37 per cent of all services) was still not transferred to e-space.

Unemployment. The unemployment problem is acute in rural areas. In 2012, the unemployment rate in rural areas was 17.8 per cent, which is 4.5 per cent higher than the average unemployment rate in the country. The unemployment rate among young people between 15 and 24 reached even 32.9 per cent, 6.5 per cent higher than the country's average. Compared to 2011, the unemployment rate decreased. However, in contrast to the cities, the decrease of unemployment rate in rural areas was mostly stimulated by the increasing number of seasonal jobs and the population migration processes : that is why the achieved changes should be assessed as short-term. Long-term redundancy (people unemployed for one year or longer) accounted for 52.3 per cent of all unemployed rural residents in 2012, compared with 46.5 per cent in urban areas.

Education levels. Inadequate professional training, lack of qualification and entrepreneurship are among the main reasons for the unemployment of rural residents. Since 2008, the number of self-employed persons in rural areas decreased by 1.9 p. p., and their share was 17.6 per cent of all employed in 2012. The fact that low education level is one of the key reasons for unemployment among Lithuanian rural area residents is manifest by the structure of the unemployed by their professional groups. In 2012, the biggest share of the unemployed people in rural areas, 44.3 per cent, was comprised of non-qualified workers.

Interest in education among the young. There is a difference in the approach of the young people in urban and rural areas towards the importance of **education**. The share of young people between 18 and 24, who have no education and do not seek education, was 11.7 per cent in Lithuanian rural areas, which is 8 per cent higher than in towns. One of the reasons for this is a growing number of families with social risk in rural areas.

Lifelong learning. A complicated situation in terms of education and skills of the residents of rural areas is reflected also by the “Life-long learning” indicator. In 2012, the share of rural residents between 25 and 64, who participated in formal and non-formal training in four weeks, represented only 2.2 per cent of the total number of residents of the same age

Income levels. Alongside the decreasing number of rural population and inadequate supply of qualified labour force, the low income of the population hampers business development in rural areas. The share of residents who live below poverty level (before social benefits, excluding pensions) in rural areas reached 40.3 per cent in 2012. The motivation for finding jobs and striving for well-being is impeded by long-term payment of unemployment benefits and relatively high level of social benefits compared to the minimum wages or average wages. In 2012, social benefits accounted for 35.0 per cent in general income of rural residents, compared with 23.0 per cent of urban residents.

Local action groups. A key resource for the solution of employment and social inclusion problems in Lithuania is the increase in volunteering, communal initiatives, and partnership, which have been extensively developed in Lithuanian rural areas. 51 local action groups (hereinafter ‘LAGs’) have been active in Lithuanian rural areas, implementing local development strategies and working with more than 1,700 rural community organisations. Compared to 2004, the number of active rural communities increased two-fold. Territory represented by LAG’s covers 99 per cent of rural areas. However, the map of LAG’s is under continuous change (few LAG establish in one territory, some consolidate into bigger units). Most of the rural communities, NGOs and LAGs actively take part in the activities of LAGs and the Lithuanian rural network. The Lithuanian rural network has more than 900 members. Apart from the above-mentioned organisations, it is comprised of municipalities, organisations of agriculture, food and forestry sectors, and science institutions.

Supported projects. The skills of rural communities and other NGOs in project-related activities have been increasing. In the process of implementation of local development strategies between 2007 and 2013, 2,700 local projects were supported, with a focus on renovation of buildings and premises in rural areas, the strengthening and/or creation of the material basis of local communities, and organisation of cultural activities. However, only 5.3% of local projects were related to the development of income-generating economic or social activities.

Business development. The situation is also complicated in terms of business development in rural areas. In 2013, there were about 10,000 small and medium-size businesses (SMEs) in rural areas : 78 per cent of these were micro companies. Rural SMEs account for only 15.2%t of the SMEs active in Lithuania. This shows that businesses are being developed mostly in the cities where the market is larger, the infrastructure is better developed, the conditions for entrepreneurship development are better, the qualification of human resources is higher, and the supply of business consulting services is larger than in rural areas. It is worth noting that in rural areas where the unfavourable conditions for agricultural development are prevalent, the tendencies for SME development are also negative. In areas of this type, for every 1000 of working age residents there were 10,1 SME's in 2013.