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BALTICS

By Dr. Gunda Reire and Dr. Aija Lelle

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Annual Review 2017

of Labour Relations and Social Dialogue

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- In 2017 Lithuania made significant progress towards its membership in the Organisation for Economic Co-operation and Development (OECD). In July, Lithuania became the 42nd Party to the OECD Anti-Bribery Convention. Latvia has been a member of OECD since 2016 and Estonia since 2010.

- At the macro level, all three Baltic States demonstrated sound economic growth: Estonia's economy is expected to grow by 4.3 per cent in 2017 and 3.3 per cent in 2018, Latvia's by 3.7 per cent in 2017 and 3.4 per cent in 2018, and Lithuania's by 3.6 per cent in 2017 and 2.9 per cent in 2018.

- As of July 2017, Estonia began holding its first presidency of the Council of the European Union. The aim of Estonian Presidency was to be knowledgeable, efficient, open and transparent, giving a special focus to digital solutions, an innovative economy, security, and preserving a clean environment.

- There have not been significant changes regarding trade union and employers' organizations. However, several positive steps were taken in terms of social dialogue and trade union collaboration. A national agreement on reforms necessary for Lithuania's economic progress was signed on 16 October 2017 between the Prime Minister, trade unions and employers' representatives. In Latvia the Union of Latvian Interior Employees (LIDA) joined the Free Trade Union Confederation of Latvia (LBAS), which now has 21 member organisations. This gives LBAS an increase of 2,600 individual members, importantly also – public sector workers as members include police officers, firefighters, border guards and prison officers. However, as a general trend, trade union density, in particular, remains rather low in all three Baltic States. There are also signs that practices of collective negotiations and bargaining, as well as of social dialogue, albeit exercised by trade unions, other organizations and general public, often do not have the desired impact and effect on the policymaking process as they can be easily disregarded by policymakers and legislators.

- For the period 2014-2021, a total contribution of €2.8 billion has been agreed in the framework of the EEA and Norway Grants to reduce economic and social disparities and strengthen cooperation with 15 EU countries in Central and Southern Europe and the Baltics. Total allocation for the respective period in Latvia is €102.1 million, in Lithuania €117.6 million and in Estonia €68 million.

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The latest quarterly GDP data were stronger than expected, with growth accelerating to over 5 per cent (year over year) in the 2nd quarter of 2017. The economic growth in Estonia in 2017 is estimated at 4.3 per cent. This was largely driven by surging investment and positive external demand. The jump in GDP is partly explained by base effects, as growth was suppressed in the first half of 2016 due to a drop off in investment linked to the EU's investment funding cycle and energy sector downsizing linked to low global energy prices. Those factors have turned around abruptly in 2017 (European Commission, 2017c).

Foreign direct investment was €12.3 million in the first quarter of 2017 and €370.1 million in the second quarter of 2017 (Trading Economics, 2017g). The rapid growth in investment was largely driven by public investment, both EU and locally funded. After several years of contraction, corporate investment also picked up substantially, although the pace of investment growth was distorted by a sizeable one-off purchase of ferries (European Commission, 2017c).

In September 2017, a trade deficit of €99.52 million was recorded (Trading Economics, 2017h). The national public debt in the second quarter of 2017 was €1,960 million (Expansión / CountryEconomy.com, 2017b). Estonia recorded a government budget surplus equal to 0.30 per cent of the country's Gross Domestic Product in 2016. The government budget in Estonia averaged 0.33 per cent of GDP from 1995 until 2016 (Trading Economics, 2017i). Consumer price inflation rose in 2017 and it was 3.78 per cent in October – a significant increase in comparison to 0.62 per cent in October 2016 (Global-rates.com., 2017). The jump in inflation is explained by the rise in global prices for food and energy (which have a relatively high share in Estonia's consumption basket) (European Commission, 2017c). HICP inflation is set to reach 3.4 per cent in 201 in Estonia (data of the Ministry of Finance of the Republic of Latvia).

Average wages in Estonia increased to €1242.17/month in the second quarter of 2017. Wages in Estonia averaged €541.78/month from 1991 until 2017, reaching an all-time high of €1242.17/month in the second quarter of 2017 and a record low of €7.35/month in the fourth quarter of 1991 (Trading Economics, 2017j). Wages are projected to continue growing relatively rapidly at over 6 per cent in 2017 and over 5 per cent in 2018-2019 (European Commission, 2017c).

The employment rate is currently at its historical peak and is projected to increase further over the forecast horizon (European Commission, 2017c). Estonia's unemployment rate fell to 5.2 per cent in the third quarter of 2017 from 7.5 per cent in the same quarter in 2016. It was the lowest reading since the third quarter 2015, as the number of unemployed went down to 36,500 (from 52,900 a year ago) while the number of employed increased to 666,600 (from 653,300 a year ago). The participation rate increased to 72 per cent (from 71.9 per cent in the second quarter 2016), reaching its highest level in 20 years. The unemployment rate in Estonia averaged 8.39 per cent from 1989 until 2017, reaching an all-time high of 19.50 per cent in the first quarter of 2010 and a record low of 0.50 per cent in the second quarter of 1989 (Trading Economics, 2017k).

Remarkably, even though the working age population is shrinking due to ageing, employment continued to rise in 2017. Labour market participation is boosted by the favourable economic environment, the rising effective pension age and the positive effects from a multi-year work-ability reform, which gradually brings partially disabled people back to the labour market. However, the latter reform is also likely to add to unemployment, with the rate projected to increase from below 7 per cent in 2017 to 7.7 per cent in 2018 and 8.5 per cent in 2019 (European Commission, 2017c).

In 2015 the at-risk-of-poverty rate after social transfers in the age group 16-64 was 18.1 per cent (19.1 per cent for males, 17.1 per cent for females). The most at risk were unemployed persons (54.8 per cent) and retired persons (42.0 per cent) while employees and employed persons were facing a much lower level of risk (7.8 per cent and 10.3 per cent accordingly) (Eurostat, 2017). At the same time in the age group 65 years or older the at-risk-of-poverty rate was significantly higher than in the age group 16-64 – 35.8 per cent (Eurostat, 2017). In 2015 the Gini-coefficient of equalized disposable income was 34.8 (Eurostat, 2017).

Tax accrual has been uneven in 2017. It expanded rapidly in VAT and labour taxes (in line with their respective tax bases) but yields from corporate income tax and especially excise duties have underperformed due to growing cross-border purchases of excise goods. Public investment surged by about one quarter in 2017, reflecting the upturn in the EU funding cycle (European Commission, 2017c).

Latvia

It is estimated that economic growth will reach 3.7 per cent in 2017. In the first three quarters of 2017 it was registered at 4.0 per cent, 4.0 per cent and 5.8 per cent (data of the Ministry of Finance of the Republic of Latvia).

Foreign Direct Investment (FDI) in Latvia increased by €42 million in August of 2017; it averaged €50.12 Million from 2000 until 2017 (Trading Economics, 2017b). In September of 2017 a trade deficit of €212 million was recorded (Trading Economics, 2017c). Latvia recorded a government budget deficit equal to 0 per cent of the country's Gross Domestic Product in 2016. The government deficit is expected to be 0.9 per cent of GDP in 2017.
The government revenue forecast has been revised up by some 0.4 percentage points compared to the spring forecast, but the government's decision to pre-pay support for electricity production carries previously unplanned costs of 0.5 per cent of GDP (European Commission, 2017b). The government budget in Latvia averaged -2.05 per cent of GDP from 1995 until 2016 (Trading Economics, 2017d). The national public debt reached USD 10,300 million in June 2017 (Expansión / CountryEconomy.com, 2017a).

The dramatic decline in investment in 2016 looks set to be fully compensated by double digit growth in 2017, while an improving external outlook has benefited exports. All demand components saw an improvement compared to 2016 (European Commission, 2017b).

Strong wage growth drove household consumption and to some extent inflation. The rebound in energy prices proved to be mild and short-lived but a surprise spike in food prices pushed HICP inflation to almost 3 per cent in the first half of 2017 (European Commission, 2017b). HICP inflation is set to reach 2.8 per cent in 2017 (data of the Ministry of Finance of the Republic of Latvia).

Consumer prices in Latvia increased 2.8 per cent year-on-year in October of 2017, easing from a 2.9 per cent rise in the previous month. Prices advanced less for: food & non-alcoholic beverages (5.3 per cent compared to 5.5 per cent in September); transport (2.2 per cent compared to 3.2 per cent); health (3.3 per cent compared to 3.5 per cent); alcoholic beverages & tobacco (1.3 per cent compared to 1.7 per cent); restaurants & hotels (1.8 per cent compared to 2.1 per cent). In addition, costs remained unchanged for housing & utilities (1.9 per cent) and fell for clothing and footwear (-1.6 per cent compared to -1.1 per cent) and furnishings (-1.3 per cent compared to -1.7 per cent). On the other hand, prices rose faster for recreation & culture (2.2 per cent compared to 1.8 per cent); miscellaneous goods & services (7.6 per cent compared to 5.5 per cent) and communication (3.8 per cent compared to 3.5 per cent). On a monthly basis, consumer prices went up 0.7 per cent, after a 0.3 per cent rise in September. The inflation rate in Latvia averaged 3.71 per cent from 1998 until 2017(Trading Economics, 2017e).

Wage growth is expected to jump to around 10 per cent in 2017 due in part to a reduction in undeclared wages (European Commission, 2017b). In the 3rd quarter of 2017 the average gross wages and salaries for full-time work comprised €925 in Latvia. Compared to the 3rd quarter of 2016, the average earnings have increased by €65 or 7.5 per cent (Central Statistical Bureau of Latvia, 2017b).

While the impact of energy prices is expected to wane by the end of the year, high wage growth is expected to ensure that inflation stays close to 3 per cent in both 2018 and 2019 (European Commission, 2017b).

The Latvian employment rate has increased by 1.8 percentage points over the year. In the 3rd quarter of 2017, the Latvian employment rate was the highest one recorded during the two past decades – 63.6 per cent. An employment rate exceeding 63 per cent (at 63.1 percent) was recorded only in the 2nd quarter of 2008 (Central Statistical Bureau of Latvia, 2017a). However, the shrinking labour force will continue to drive down unemployment and stoke wage pressures (European Commission, 2017a).

Compared to the previous quarter of 2017, in the 3rd quarter the most significant increase in the number of employed persons was recorded within the age groups 45–54 and 55–64 (5,800 and 2,800, respectively). In the 3rd quarter of 2017, the employment rate among young people (aged 15–24) was at 35.0 per cent, which is 2.5 percentage points higher than in the corresponding period a year before (Central Statistical Bureau of Latvia, 2017a). The unemployment rate in September 2017 was 8.5 per cent, there were 61,461 unemployed persons and the youth unemployment rate was 10.3 per cent (Trading Economics, 2017c).

In 2015 the at-risk-of-poverty rate after social transfers in the age group 16-64 was 18.6 per cent (18.2 per cent for males, 18.9 per cent for females). The most at risk were unemployed persons (54.9 per cent) and retired persons (32.9 per cent) while employees and employed persons were facing a much lower level of risk (8.0 per cent and 9.4 per cent respectively) (Eurostat, 2017). At the same time in the age group 65 years or over the at-risk-of-poverty rate was significantly higher than in the age group 16-64 – 34.7 per cent (Eurostat, 2017). In 2015 the Gini-coefficient of equalized disposable income was 35.4 (Eurostat, 2017).

Lithuania

GDP growth reached 4.1 per cent (year-on-year) in the first half of 2017 on the back of robust growth in private consumption and a jump in exports and private investment (European Commission, 2017d). The economic growth in Lithuania in 2017 is estimated at 3.6 per cent; in the first three quarters it was 4.1 per cent, 4.1 per cent and 3.1 per cent. The GDP growth rate in Lithuania averaged 1.05 per cent from 1995 until 2017 (Trading Economics, 2017l).

HICP inflation is set to reach 3.5 per cent in 2017 before decreasing in 2018 and 2019 (data of the Ministry of Finance of the Republic of Latvia). Inflation in Lithuania is currently driven by a substantial but short-lived surge in energy prices combined with a pronounced hike in excise duties at the start of 2017 as well as by a strong boost in service prices partially fed by an increase in the minimum monthly wage (European Commission, 2017d).

Foreign Direct Investment (FDI) in Lithuania was €191.51 Million in the first quarter of 2017 and €137.49 million in the second quarter of 2017 (Trading Economics, 2017m). Lithuania's trade deficit widened to €111.9 million in September of 2017 from a €91.5 million shortfall in the corresponding month of the previous year (Trading Economics, 2017n). The national public debt in the second quarter of 2017 was €15,433 million – increasing by €1,332 million in comparison to the first quarter of 2017 (Expansión / CountryEconomy.com, 2017c).

Lithuania recorded a government budget surplus of €36.80 million in the third quarter of 2017. The buoyant labour market continues to support a strong collection of payroll taxes, while the government contains an overall expenditure increase to smoothen economic growth. The general government surplus is set to contract slightly to 0.1 per cent of GDP in 2017. This decrease is mostly explained by the costs of structural reforms (0.5 per cent of GDP), as well as an increase in public wages, pensions and in the non-taxable income threshold. These additional costs and revenue losses are to be offset by a boost in revenues from accelerating tax-rich economic growth helped by a set of tax increases and efforts to improve tax compliance. The general government debt is set to increase from 40.1 per cent of GDP in 2016 to 41.5 per cent in 2017 due to the end-of-year pre-financing of forthcoming bond redemptions in 2018. The debt-to-GDP ratio is forecast to gradually decline to 38.9 per cent by 2019 (European Commission, 2017d). The government budget value in Lithuania averaged €-216.82 million from 1995 until 2017, reaching an all-time high of 338.70 € Million in the second quarter of 2014 and a record low of €-1540.70 million in the fourth quarter of 2015 (Trading Economics, 2017o). Lithuania´s consumer prices increased 4.4 per cent year-on-year in October of 2017, easing from a 4.8 per cent rise in the previous month (Trading Economics, 2017p).

Strong wage increases continued to support private consumption but rising inflation and contracting employment due to negative demographic trends and emigration started to limit its growth. Private investment grew strongly at the start of 2017 but EU funds-driven public investment failed to gather pace at the start of the year. During the first half of 2017, export growth surpassed expectations as a result of favourable trends in international trade. Meanwhile, import growth also picked up notably due to the high import content of exports and investment. Inflation accelerated significantly on the back of rising energy, food and service prices (European Commission, 2017d).

Wages in Lithuania increased to €838.70/month in the second quarter of 2017 from €817.60/month in the first quarter of 2017. Wages in Lithuania averaged €539.01/month from 2000 until 2017, reaching an all-time high of €838.70/month in the second quarter of 2017 and a record low of €297.90/month in the first quarter of 2000 (Trading Economics, 2017r).

In 2017, after six years of employment growth, the number of employed persons started to shrink. Despite a significant increase in the participation rate among older workers, negative demographic trends and emigration are expected to see employers lose around 0.3 per cent of their staff annually between 2017 and 2019. Shrinking supply and high demand for labour should drive the unemployment rate down to 7.3 per cent by the end of 2017, which is low by historical standards (European Commission, 2017d).

In 2015 the at-risk-of-poverty rate after social transfers in the age group 16-64 was 20 per cent (20.6 per cent for males, 19.4 per cent for females). The most at risk were unemployed persons (62.3 per cent) and retired persons (35.6 per cent), while employees and employed persons were facing a much lower level of risk (8.8 per cent and 10.2 per cent respectively) (Eurostat, 2017). At the same time in the age group 65 years or over the at-risk-of-poverty rate was higher than in the age group 16-64 – 25 per cent (Eurostat, 2016). In 2015 the Gini-coefficient of equalized disposable income was 37.9 (Eurostat, 2017).

State policies

In general, the labour market situation in the Baltic Countries continues to improve and the initiatives implemented in 2017 apply for both improving the current policies and the development of new reforms in order to solve issues more successfully.

On 23rd October the labour ministers of European Union member states reached a compromise on the rights and responsibilities of posted workers (BNS 2017a). However, there was no unity among the ministers as Poland, Hungary, Latvia and Lithuania were against it, with the UK, Ireland and Croatia abstaining over concerns that the new rules would hurt their transport industries (EUObserver, 2017). According to the agreement a worker temporarily posted to another country should receive the same payment for their job as the corresponding local worker. The most disputes emerged concerning the question of how long a posting should be that would require the posted worker to be treated equally to local workers. The time limit was reduced from two years to one year with a possible six-month extension, in specific cases and when notified to authorities. The Estonian Trade Union Confederation evaluated the European Union's agreement on the rights of posted workers as positive as it, in Confederation's opinion, increases equal treatment and helps maintain the European single market (BNS 2017a).

Estonia

An evaluation is focused within the EU about the current situation in this country and suggestions for each country's further actions are being annually made by the European Commission. The suggestions addressed for Estonia for 2017 – 2018 in the employment and social dialog areas are as follows: to enhance the adequacy of the social security network, providing sufficient amount of guarantees and the financial sustainability of the social system, at the same time maintaining an individual's motivation to be economically active; to provide actions for more equal salaries regarding gender inequality, especially improving the salary overview and reviewing the parental leave system (European Commission, 2017f).

Estonia is carrying out the work-ability reform, which began in 2016, to help people with lower-level work ability and to help them find and keep a job. People with reduced work ability are paid a work ability allowance. The income begins to decline after 90-times the daily rate, which in 2017 is €1063.80 per month. From this amount, the allowance will gradually decline and it will no longer be paid if the person's income reaches €1,468.05. In case of deficient work ability, the allowance lapses when the person earns €1773.0 per month.

The employer is given compensation for workplace adjustment costs. As a result of the work ability reform, the disabilities do not incur additional costs for the employer and people with disabilities are equal employees. The support provided by the state creates favourable conditions for hiring a disabled person. Since January 2017, work ability is being assessed and allowances paid by the Unemployment Insurance Fund, which advises employers, provides support in the period of acclimatisation and helps them to find solutions to emerging issues. By 2020, it is estimated that the public sector will have employed at least 1,000 people with decreased work ability. (Ministry of Social Affairs of Estonia, 2017).

In Estonia, decisions have been made regarding income tax reform (raising the untaxed minimum to €176) and raising the minimum wage (€500 by year 2018). Also by 2018, more financing will be steered towards healthcare accessibility and improvement – €34 million; in the next 4 years a total of €200 million. These resources are generally meant for improving the quality of health care and decreasing the patient queues (data of the Ministry of Social Affairs of Estonia, 2017).

In January 2017, the Estonian government agreed on changes to make the pension system more flexible and stable. These include: 1) greater flexibility on when to retire, with the option to delay taking a pension, leading to higher benefits in subsequent years, and the option to retire earlier but with a reduced old-age pension (both alternatives would leave the total pension wealth unchanged); 2) the opportunity to receive a partial pension, in addition to being able to choose the year of retirement; 3) tying the retirement age to life expectancy in 2027 (following the increase of the retirement age to 65 in 2026); 4) linking the first pillar new entitlements to the number of years worked as of 2037, with a transition period from 2020 to 2036 – 50 per cent from the insurance component (calculated on the basis of income) and 50 per cent from the service component (on the basis of years worked) will be taken into account during the transition; 5) making the indexation of pensions fully dependent on social tax revenue and on the number of pensioners as of 2023; 6) the opportunity for cohorts born in 1970 to 1982 to join the second pillar (about a quarter of eligible people have not joined). Although the government has agreed on the proposals, the next step is to prepare the draft legislation, which should be finalised in the first quarter of 2018 (Eurofound, 2017f).

For many years, both the Estonian Trade Unions Confederation (EAKL) and Estonian Employers' Confederation (ETKL) have promoted the importance of developing measures for retraining and lifelong learning to help employees keep their jobs, adjust to the changing labour market and stay competitive. EAKL has stated that the key to Estonian economic development is lifelong learning that must become commonly available for everyone while ETKL also points out that it is important to concentrate on developing those skills that are actually needed in the labour market. As a result, measures were included in the new Employment Programme 2017–2020 approved by the government in March 2017. The programme allows the Estonian Unemployment Insurance Fund (EUIF) to provide additional labour market services, and provide them under more flexible conditions than provided for in the Labour Market Services and Benefits Act. The programme was introduced in May 2017. The programme's target group includes approximately 129,000 employees, about 22% of all employed people. It is expected that around 13,000 people will use the measures by the end of 2020, at an expected cost of €58 million, according to the explanatory note in the draft legislation. The approval of these measures is very important to the social partners, who have had a major role in developing them and who have long promoted the need for training and lifelong learning (Eurofound, 2017e).

The agenda also includes a significant reform regarding parental leave in order to improve the current complex system as well as to enhance flexibility and to motivate fathers to participate more in child care. It is acknowledged that the current system is very complex and consists of several various leave and benefit options to which various conditions apply, and it is regulated by several legal acts. This system is also not very flexible regarding the possibilities to work while on parental leave; thus is not appropriate for family, employer and senior needs. The current system has been historically shaped in a long period of time, beginning with Estonia's transition from the Soviet Union to becoming independent and further upon joining the EU. The changes affect a significant number of legal acts, they will be updated and consolidated, and consequently, the system will become transparent, flexible and comprehensible. The possibility to combine a part time job with parental leave and an enhanced limit for the income from employment while receiving child care benefits could make shorter employment discontinuities (shorter parental leaves) (data of the Ministry of Social Affairs of Estonia, 2017).

The out-of-court dispute resolution mechanism is regulated by the Individual Labour Dispute Resolution Act in Estonia. This has been in force since 1996 and in the past 20 years has experienced only some technical changes. However, the regulation has become outdated as it does not take into account the current socioeconomic situation and has proved to have several shortcomings in the way it is implemented. The need for more modern regulation was apparent. At the end of 2016, the draft act for amending the current regulation was finalised and was approved by the Estonian Parliament on 14 June 2017. The changes will take effect from the start of 2018 (Eurofound, 2017d).

Latvia

An evaluation is underway within the EU about the current situation in Latvia and suggestions for each country's further actions are being annually made by the European Commission. The suggestions addressed for Latvia for 2017 – 2018 in the employment and social dialogue areas are as follows: to enhance the adequacy of the social security network and to enhance labour force competencies by speeding up the education program reform; to enhance the cost-effectiveness and accessibility for health care, including decreasing direct payments and the long waiting periods; social security guarantee amounts and social support should be in line with the activation of the ones receiving support. For example, it could be a duty for a working-able person receiving social support to register in job agencies for seeking employment (European Commission, 2017g).

In collaboration with the social partners, decisions have been made in area of tax reform to solve the inequality of poverty and income for working people. It should result in the decrease of unregistered employment and increased tax collection, from which new initiatives could be financed. Another decision has been made by the social partners to increase the minimum wage (from €380 to €430 by 2018) (data of the Ministry of Welfare of Latvia, 2017).

In August 16, 2017 changes in the labour law came into force; they modify the current regulations on several issues (usage of additional vacations, computation of hourly wage rate, overtime payments, etc.). The overtime payment changes were a complex issue so the changes were not included in these amendments; however, the discussions will continue on a national tripartite collaboration level (data of the Ministry of Welfare of Latvia, 2017). Calculation of the hourly wage rate is adjusted to the number of working hours in a particular month. Mariners are now included in the collective redundancy regulation and special norms are introduced for this group regarding transfer of an undertaking. Section 18 of the law, about parties to a collective agreement, was rewritten (Eurofound, 2017g).

The employment area continues to implement active labour market policies – support for the unemployed and those looking for employment, including the priority groups such as disabled people, young people, and unemployed people shortly before retirement age. At the same time, the support for disabled people is significantly increased (motivation programmes, social mentoring services) (data of the Ministry of Welfare of Latvia, 2017).

Health care reform is also in process and a significant increase of funds is foreseen by 2018. An additional €235 million is meant for decreasing the patient queues for healthcare services, increasing the quality of the services, increasing the salary for healthcare employees, cancelation of the prolonged working hours (payment for overtime) and preventive measures – vaccinations, patient examinations, and preventive examinations. The health care budget in Latvia, in total, would exceed €1 billion. The increase is planned as medium-term and with the aim to reach 4 per cent of GDP by 2020. The increase in financing is needed to implement the healthcare reform, connecting the delivery of healthcare services with social payments (data of the Ministry of Welfare of Latvia).

On 14 December the Saeima passed the Healthcare Financing Law in the final reading, paving the way for the launch of a state mandatory health insurance system. The government-funded healthcare minimum, which will be provided to all residents of Latvia regardless of the size of their social tax payments, includes emergency medical assistance, obstetrician's services, family physician's services, as well as government-funded medications and medical equipment. The government-funded healthcare minimum will also include treatment of patients whose illnesses pose a threat to public health, such as mental disorders and tuberculosis. To receive the full basket of government-funded healthcare services, patients must have mandatory health insurance policies.

According to the Healthcare Financing Law, the full basket of healthcare services will be provided to those persons who have been socially insured in line with the Law on State Social Insurance, as well as persons under state protection who have been making health insurance contributions. The state will provide health insurance to certain groups of people, like children, orphans, officially unemployed persons, organ donors, persons whose health has suffered as a result of participation in the rescue works following the Chernobyl nuclear disaster, pensioners, victims of Soviet-time political reprisals and members of the national resistance, among others.

The amount of social contributions will be 1 percent of the minimum monthly wage next year, which will further increase to 3 percent in 2019 and 5 percent in 2020. Since the minimum monthly wage will increase to €430 next year, the monthly health insurance contribution will be €4.30. In two years' time it will rise to €21.50 a month unless the minimum wage is raised again (LETA, 2017d).

In order to improve senior livelihood, the agenda in Latvia also includes the pension sufficiency issue. Decisions have been made to speed up the increase of pensions by 2018 (indexations and additional payments). In order to improve the situation for seniors with a longer employment record, it is planned to increase the wage ratio payments for several senior groups. Law amendments foresee that persons with at least 40 or more years of employment will receive 70 per cent instead of the current 50 per cent from the increased salary insurance payments. It is foreseen to increase this amount up until 60 per cent for persons with 30 – 39 years of recorded employment. Independent from the accumulated recorded employment, the 60 per cent limit will be considered as the basis, as well as indexing pensions for seniors who have worked under hazardous, harmful, or very hazardous and harmful conditions. Now, in 2017, pensions are reviewed considering the growth of inflation, as well as limiting 50 per cent from the actual salary growth social payments. The law also foresees increasing the additional payment for pensions for those who retired before December 31, 1995. The payment for this senior group is to be raised from €1 to €1.50 for every year of service length. Therefore, for every year of service length, accumulated before December 31, 1995, the additional payment will increase by €0.50. This act will come into force in July, 2018, requiring an additional €3.2 million, and for increasing the payments an additional €13.9 million are needed in the country's base budget (data of the Ministry of Welfare of Latvia).

Hearing a complaint lodged by several legal entities – companies employing high-level professionals – the Constitutional Court again ruled only one provision of the Solidarity Tax Law inconsistent with the Constitution and decided to invalidate it as of January 1, 2019. The Constitutional Court, however, rejected the part of the complaint contesting the constitutionality of Sections 3 and 5 of the Solidarity Tax Law. The verdict of the Constitutional Court, which is final and cannot be further appealed, came into effect immediately.

Section 6 of the Solidarity Tax Law stipulates that the solidarity tax rate conforms to the rate of mandatory contributions laid down in accordance with Section 18 of the Law on State Social Insurance. Section 18 of the Law on State Social Insurance describes mandatory and voluntary contribution rates. Specifically, if an employee has been insured for all types of social insurance, the mandatory contribution rate is 34.09 percent from which an employer pays 23.59 per cent and an employee 10.50 per cent. It also stipulates that the Cabinet determines the mandatory contribution rate for persons subject to mandatory social insurance and the distribution thereof according to the types of social insurance. The voluntary contribution rate is the rate stipulated by the Cabinet for pension insurance, disability insurance, maternity and sickness insurance, and parents' insurance.

In their applications, the legal entities said they employed highly-qualified professionals and accordingly paid them high salaries. The requirement to pay the solidarity tax on these high salaries reduced the entities' possibilities to hire high-level professionals. The solidarity tax, they argued left them in a disadvantage in comparison with employers who do not have employees of this high level (LETA, 2017a).

On an individual level and on employer-employee relations, the tax reform means that an employer will pay a slightly higher income tax – from 23.59 per cent in 2017 to 24.09 per cent in 2018. In addition, authorship (lump sum) agreements will be taxed by a 5 per cent employer tax as well beginning in 2018. Employees' social tax has been increased from 10.5 per cent to 11.0 per cent in 2018.

Progressive income tax will be applied as of 2018. For those earning less than €1666.67 per month or €20,000 per year, personal income tax will be 20 per cent (was 23 per cent in 2017) and the 23 per cent tax rate will be applied to salaries ranging from €20,000 to €50,000 per year as of 2018 (Manas Finanses 2017).

Lithuania

An evaluation is focused within the EU about the current situation in this country and suggestions for each country's further actions are being annually made by the European Commission. The suggestions addressed for Lithuania for 2017 – 2018 in employment and social dialog areas are as follows: raise questions in order to solve medium-term fiscal sustainability issues regarding pensions; solve the lack of skills by carrying out effective active labour policy actions and adult education, as well as to improve the education results by stimulating the quality within the study process and the area in general; to improve healthcare performance, strengthening out-patient care, prevention of illnesses, and accessibility in terms of costs; to enhance the adequacy of the social security network, providing sufficient amount of guarantees and a long-term financial system while at the same time maintaining an individual's motivation to be economically active (European Commission, 2017h).

The minimum wage in Lithuania will be increased (to €400 by 2018) and discussions were still ongoing in 2017 for changes in the taxation area – regarding the value added tax, social insurance payments and income tax (data of the Ministry of Welfare of Latvia, 2017).

On July 1, 2017 a new Labour Code came into force in Lithuania, which aims for improved flexibility in employer – employee relations as well as employee protection. Amendments to the Labour Code were prepared in the Tripartite Council, with representatives from the government and the social partners. The representatives concluded discussions on the most contested issues but without reaching a consensus on the staging of strikes and lockouts, fixed-term contracts, working time issues and collective bargaining. However, they did reach agreement on part-time work, agency work and working-time accounting. The amendments also provide that a Works Council will not be formed when a trade union that includes over one third of the total number of employees functions in a firm; the trade union will acquire all the rights of a Works Council. Other changes include the right for trade unions or Works Councils to receive information on pay and working conditions, to consultation rights related to working time and to an appeal if information and consultation procedures are not respected (European Trade Union Institute, 2017a). In total, the Seimas amended 45 articles in the new Labour Code, including specification of the provisions on forming the Tripartite Council. It will be formed for a period of four years and will consist of 21 members. The trade unions operating at the national level, the employers, and the government each will delegate seven representatives. The composition of the Tripartite Council will be formalised by a government resolution (Lietuvos Respublikos Seimas, 2017; Lithuanian Trade Union Confederation, 2017).

The new Labour Code has been welcomed by supporters that say more flexibility is necessary to create jobs and attract investors. Critics still warn, however, that the new code will make it easier for employers to dismiss employees (European Trade Union Institute, 2017a).
A draft legislative package approved by the Lithuanian Parliament on 21 September 2017 is also partly related to the introduction of the new Labour Code. If adopted, the proposed amendments are expected to strengthen trade unions' bargaining power. The amendments cover the law on trade unions, the law on the state labour inspectorate and regulation of administrative court procedure.

It is proposed to amend the trade union law by inserting a provision that employers will be obliged to allow union officials to take at least 120 hours off work per year to perform their duties (instead of the current 60 hours). Another proposal is that employers will be required to notify and consult their company's trade union prior to deciding on group redundancies and to seek mutually acceptable solutions.

Proposed amendments to the law on the state labour inspectorate are aimed at obliging the inspectorate to give advice to employees who wish to establish a trade union. So far, this duty has not been clearly defined in the law and employees often face problems and uncertainties when trying to establish a union. Amendments to the regulation of administrative court procedures are intended to promote alternative (out-of-court) resolutions of labour disputes. The reading of the legislative bill is scheduled for 23 November, after committee approval (Eurofound, 2017).

A national agreement on reforms necessary for the country's economic progress was signed on 16 October 2017, after almost a year of discussions. It was signed by the Prime Minister and representatives of the following business and union organisations: Lithuanian Trade Union Confederation (LPSK); Lithuanian Confederation of Industrialists (LPK); Association of Lithuanian Chambers of Commerce, Industry and Crafts (LPPARA); Lithuanian Business Employers' Confederation (LVDK); Lithuanian Trade Union 'Solidarumas' (LPS 'Solidarumas'); Investors' Forum; and Confederation of Lithuanian Employers (LDK).

The agreement identifies the following long-term objectives:

1) improving efficiency in the public sector and the quality of public services;
2) strengthening social dialogue and the powers of the social partners;
3) ensuring the quality and efficiency of education and training;
4) ensuring lifelong learning;
5) ensuring the compatibility and stability of tax systems; and
6) developing the competitiveness of the country.

According to the parties that signed the agreement, it is a well-balanced and important step towards strengthening social dialogue. Although the agreement represents the interests of different groups – the government, businesses and employees – it is aimed at identifying solutions acceptable to all three. They believe the agreement will encourage businesses to join employer associations and employees to join trade unions. The agreement introduces several measures to strengthen social dialogue and improve the powers of the social partners. It promotes collective agreements, especially at sectoral and territorial levels and it is expected that collective agreements in sectors and/or territories represented by employer and union organisations will be negotiated by the end of 2018, with negotiations for a national collective agreement starting in 2019.

Wage distribution across economic sectors will be analysed, ensuring a permanent debate between the signatories to the national agreement, and the production and implementation of guidelines for evaluating jobs and posts. Social dialogue and cooperation will be strengthened at Lithuania's Tripartite Council (TCRL) and other fora.

In addition, remuneration for work will be increased in line with economic growth and an agreement at the TCRL is expected on objective criteria for setting a minimum monthly wage. The bargaining powers of employees are also to be developed and they will be encouraged to join trade unions with tax breaks for membership fees.

Finally, bills will be drafted and tabled to ensure that companies taking part in public procurement are checked for social responsibility and that they pay, at least, average wages. It also sets out commitments in three key areas: education; taxation; and economic competitiveness. The agreement is expected to be implemented in a spirit of good faith, mutual trust and constructive dialogue (Eurofound, 2017h).

Industrial Relations

In the area of social dialog, the Baltic States have a common challenge – a corresponding representation issue, which is a topicality for both labour unions as well as employer organizations. One can especially notice a tendency that the number of labour unions is fading because young people and representatives of new work forms do not unite in labour unions. Therefore, increasing of members of social partner organizations and growth of unions is a challenge for all three Baltic States.

Estonia

The Estonian Employers' Confederation and the Estonian Trade Union Confederation (EAKL) on 26 October 2017 signed a minimum wage agreement according to which the minimum pay in Estonia is to be raised to €500 per month and the minimum hourly wage will be raised to €2.97 beginning in 2018 (BNS, 2017a).

The minimum wage agreement is an expanded collective pay agreement on the highest level, which means that it must be fulfilled by all Estonian employers; thus from 2018 a full-time employee must not be paid a lower monthly wage than €500. The minimum rate for wages in 2017 is € 470 per month, of which a minimum wage earner receives € 398.46 net salary. From 2018 both the basic exemption of low and middle income workers and the minimum wage rate will be raised to €500, which means that the net income of minimum wage earners will increase by 21.1 per cent or €84 to €482 per month (The Baltic Course, 2017a). The Estonian Employers Confederation maintains that a longer-term solution taking into account businesses' real possibilities needs to be found for determining the level of the minimum wage and has suggested that the minimum wage could move together with economic indicators
(The Baltic Course, 2017c).

In May 2017, the European services workers union UNI hit out against Luminor, the joint bank being established by a merger of the Baltic operations of Nordea and DNB, calling for its members to support Baltic trade unions complaining about the lack of cooperation between the banks' Baltic managements and the unions. UNI wants the Estonian managements of DNB and Nordea to accept social dialogue and the rights of employees in the merger in a way appropriate for a Nordic employer. Employees of the planned Luminor bank have since 2016 held negotiations with bank management regarding layoff benefits. No agreement has yet been reached (Err.ee, 2017a). Baltic trade unions are prepared to cooperate in order to solve
the problems of employees related to the creation Luminor (The Baltic Course, 2017b).

The Estonian financial sector union EFTL on 6 November started collective agreement negotiations with Luminor Bank. EFTL considers the launch of negotiations a positive signal and hopes that signing a collective agreement will solve the concerns of many employees regarding the creation of the joint bank and the unavoidably incidental increase in efficiency. EFTL holds a view that signing the collective agreement will bring an additional sense of security for the employees and enable them to focus on their everyday work and the growth of Luminor (Err.ee, 2017b).

On 20 January 2017 the Estonian government unveiled the broad outline of a pension reform that is designed to do away with special schemes and encourage workers to work for a longer time. In order to guarantee the future of the pension system in light of the ageing of the population (over the past 20 years Estonia has had more than two workers per pensioner but that coefficient will fall below 1.3 by 2060), the government plans to put an end to certain special pension schemes and encourage Estonians to work longer. The special schemes in question cover members of the armed forces, public prosecutors, police officers and border guards. Anyone recruited after 1 January 2020 will be subject to the general scheme. Pensions under the general scheme will be calculated primarily on the basis of the number of years of contributions, which in comparison to the current system will put those with short careers and low incomes at a disadvantage. This reform will be introduced gradually between 2020 and 2037. In addition, the size of pensions will depend on life expectancy from 2027. The Ministers for Social Affairs and for Finance will present a draft law for adoption in 2018 after holding the necessary consultations (European Trade Union Institute, 2017b).

According to the government's good practice guidelines on engagement, all interest groups should be informed and consulted during the preparation of the draft legislation, thus giving the social partners formal opportunities for consultation. However, the trade unions keep reminding the government that they are interested in more comprehensive, ideally tripartite, consultations. Although the government has not responded to their proposals yet and there are no signs that they will do so soon, the unions are not planning any industrial action (Eurofound, 2017f).

Latvia

Healthcare and education were at the centre of industrial relations in the third quarter of 2017. The longest strike since the 1990s took place in Latvia (Karnitis 2017). Demanding improvements for healthcare workers, approximately 800 medics in Latvia refused to work extended working hours from 1 July 2017 as a warning campaign (The Baltic Course, 2017d). During the warning campaign, general practitioners stopped providing publically-paid services and only treated acute patients (LSM.lv, 2017). Starting from 18 July, the Latvian Association of Family Physicians decided that the family physicians would continue their strike in a pared down form, providing healthcare services to no more than 20 patients a day and not providing any preventive services to adult patients (Lsm.lv, 2017a).

The strike, in a limited form, lasted five months – till 1 December. The doctors demanded a number of payment boosts to practitioners for services provided, as well as increasing salaries for nurses and assistant nurses. One of their demands suggests general practitioners want to start using the so-called e-health system only after its efficiency and safety has been proven (LSM.lv, 2017).

General practitioners stated their demands in five main points: 1) an increase in the capitation payment by 30 per cent for the next three years – from the current monthly value of €1.25 per patient to €1.63 in 2018, €2.11 in 2019 and €2.75 in 2020; 2) an increase in tariffs on procedures carried out by family doctors so that the total payment in 2018 will be 45 per cent more than in 2017; 3) an increase in pay for nurses and doctors' assistants by 30 per cent for the next three years; 4) support for the development of independent medical practices using existing general practitioners rather than the planned establishment of centralised medical institutions of primary care (so-called ‚policlinics'; and 5) to facilitate the secure introduction of the government's e-health system around personal data protection. The government rejected these demands. However, it was preparing a number of reforms due to the healthcare sector being an issue in the Country-specific Recommendations (CSR) for 2016 from the European Commission under the European Semester (Eurofond, 2017a). On 1 December the Latvian Association of Family Physicians decided to end the strike and has made new demands to the Health Ministry, warning that they may resume the strike in 2018 if the demands are not met. Most of the demands concern the use of the new e-health system that the family physicians consider slow and cumbersome. The association will put together a list of technical flaws in the e-health system and send it to the Health Ministry and the National Health Service (LETA, 2017e).

Healthcare has been defined as the 2018 budget's top priority and for the first time Latvia's health budget is expected to exceed €1 billion; in 2017 it was €820 million (LETA, 2017c).

Latvian Trade Union of Education and Science Employees (LIZDA) announced in November that it had analysed the Education and Science Ministry's reform, which stipulates that children will start school at the age of six, and insists that the proposal must be discussed in detail. The union's council has decided to ask the Education and Science Ministry to set up a task force or hold a meeting with the union's representatives to discuss all aspects of the reform and jointly decide on further implementation of the reform.

LIZDA believes representatives from the Education and Science Ministry, Finance Ministry, Environmental Protection and Regional Development Ministry, Health Ministry, Latvian Association of Local and Regional Governments, Latvian Employers' Confederation, Latvian Chamber of Commerce and Industry, the Union of Education and Science Employees, parents' organizations, Latvian Professional Psychologists' Association and Latvian Pediatric Association should be involved in the discussion.

LIZDA wants the discussion to focus on the experience of past reforms and the experience of other countries where children start school at the age of six. Changes to school curricula, methodologies and teacher training programs will also have to be discussed. Likewise, the discussion will have to focus on teaching aids necessary for the reform, environment and infrastructure, children's emotional preparedness for school, and other problems LETA (2017b).

LIZDA has been involved in the dialogue about the teachers' salaries rise for years. The reform of teachers' remuneration has been implemented, but its success will depend to a large extent on the optimisation of the school network. A new model for calculating teachers' salaries was introduced in September 2016, and an additional 9 million € was allocated to teachers' salaries in the 2016 budget, projected to increase to 27 million € annually in subsequent years.

The schedule for increasing teachers' salaries was submitted to the Cabinet of Ministers for approval in April 2017 (European Commission, 2017a). By 2022, teachers' minimum monthly salary is to be increased to €900. The plan foresees the minimum salary for teachers will be increased gradually, starting 1 September 2018 when teachers' minimum salary for a standard workweek, which currently stands at €680, will be raised to €710. On September 1, 2019 teachers‘ minimum salary will be further increased to €750, then another €40 in 2020 and 2021 each. The minimum salary will then be increased by €70 to €900 on 1 September 2022. The total cost of increasing teachers‘ minimum salary to €900 will amount to approximately €112.7 million. Part of the cost will be covered by optimization of Latvia‘s school network. The draft schedule for increasing teachers‘ salaries has been prepared by a special task force that has included representatives from the Education and Science Ministry, Finance Ministry, Culture Ministry, Welfare Ministry, Latvian Trade Union of Education and Science Employees, Association of Educational Institutions‘ Principals, Latvian Association of Local and Regional Governments, Latvian National Center for Culture, and the Inter-Ministerial Coordination Center. (Lsm.lv. 2017b).

At the same time the decreasing number of students makes it difficult to maintain investment and a high quality of teaching. In many schools, resources such as finance for teachers‘ salaries (allocated per number of students according to the new model) are scarce (European Commission, 2017a).

On 27 September 2017, the Union of Latvian Interior Employees (LIDA) joined the Free Trade Union Confederation of Latvia (LBAS), which now has 21 member organisations. This gives LBAS an increase of 2,600 individual members, which includes police officers, firefighters, border guards and prison officers (Eurofound, 2017c).

Lithuania

On 21 January a theatricalized civil action „Bye, Aunty CETA“ was held in Vilnius, near the European House, which was intended to inform the Lithuanian public about the threats of the Comprehensive Economic and Trade Agreement (CETA). The campaign was organized by Lithuanian representatives of the European movement „Stop TTIP and CETA” in cooperation with the Lithuanian Trade Union Confederation, Lithuanian Industry Trade Unions‘ Federation, education, health and other branch trade unions. Lithuanian trade unions reached out to the authorities with a call not to ratify the CETA agreement as threats to workers, the public sector, small businesses, food and social security protection were perceived in it. Over 26 trade unions have signed the appeal which was addressed and sent to President Dalia Grybauskaite, the Lithuanian Government and Parliament and also to the Lithuanian MEPs (Lithuanian Industry Trade Union’s Confederation, 2017b).

On 28 April, the Lithuanian trade unions’ action was held in Vilnius with participation of representatives of the Lithuanian Trade Unions Confederation, Trade Union “Solidarumas” and the Union “Sandrauga”. Also smaller picketing took place near the headquarters of the employers‘ organizations. The main slogan of the action was „We demand a pay rise, healthy and safe jobs!” With this action the Lithuanian trade unions expressed solidarity with the European campaign Europe needs a pay rise – it‘s time for our recovery. Also the World Day for Safety and Health at Work was commemorated. Employees who perished at work were honoured by a minute of silence. Safety helmets and black balloons symbolised the deaths. Red balloons were used as a symbol for seriously injured employees. (Lithuanian Industry Trade Union’s Confederation, 2017a).

A protest action organized by the Trade Union of Lithuanian Education Workers was held outside the Education and Science Ministry in Vilnius on 2 October against the government‘s plans to extend the duration of an academic year. Hundreds of school students and dozens of teachers gathered outside the ministry‘s building in the old town to state their disapproval of the longer academic year. The critics of the idea of a longer academic year said the duration should not be a priority task in the efforts of improving the quality of education. The Education and Science Ministry has listed the longer duration of the academic year among the measures of improving the achievements of students. The plan aims to extend the academic year by 10-15 days for now. The proposal to extend the academic year is part of the government‘s plan of actions (BNS/TBT, 2017).

Lithuania’s government, business representative and trade unions on 16 October signed an agreement, declaring pledges to raise wages, cut taxes on labour and encourage collective contracts. According to the document, it will be implemented in accordance to “principles of good will, honesty, confidence and constructive dialogue,” with another separate agreement to be signed on higher wages. “We agree (…) in light of economic development, to raise salaries for employees (…), reduce taxes on labour and shift the tax burden to taxes with less harm on economic development. We will not raise the overall tax burden on businesses,” reads the agreement. The document envisages boosting “a positive image of business” and ensuring balanced participation of the labour force from third countries in Lithuania’s labour market, optimized terms and procedures of handling of immigration formalities (Lithuanian Trade Union Confederation, 2017).

Tripartite social dialogue

Estonia

Minimum wage debates, retraining and pensions were at the core of tripartite negotiations in 2017. On 7 June 2017, negotiations started between the Estonian Trade Union Confederation (EAKL) and the Estonian Employers Confederation (ETKL) over the national minimum wage agreement (Kadarik and Osila 2017). Training schemes to prevent unemployment and support employment were made available as of May 2017, with hopes by the social partners that these support schemes will help to address the issues of an ageing labour force and skills mismatch. The Estonian government has proposed several changes to its pension system, including tying the retirement age to life expectancy and making the state pension less dependent on income. Social partners were actively involved in these discussions.

Latvia

The Tripartite Council usually meets once in two months in Latvia. The main issues during 2017 were related to schedules for teachers' salary increases and school reforms. Pay levels and pay inequalities, working time and workload, recruitment procedures and staffing at schools have been the main focus of social dialogue and collective action (Karnitis 2017).

Similarly, tax reforms also occupied a prominent place in social dialogue in Latvia (NTSP Protocols 2017). The social partners reacted differently to the government's plans to increase the rate of the special tax for microenterprises – the unions concerned over the lower social protection afforded the workers and employers worried about losing competitiveness due to increased labour costs. In the end, the government moved to revert to the original tax rate (Eurofund 2017).

Lithuania

An agreement on reforms was signed on 16 October by Prime Minister Saulius Skvernelis and representatives of the social partners that identifies long-term objectives such as improving efficiency in the public sector, competitiveness and the quality of public services (Blaziene2017). The following business and union organisations were involved:

- Lithuanian Trade Union Confederation (LPSK);
- Lithuanian Confederation of Industrialists (LPK);
- Association of Lithuanian Chambers of Commerce, Industry and Crafts (LPPARA);
- Lithuanian Business Employers' Confederation (LVDK);
- Lithuanian Trade Union 'Solidarumas' (LPS 'Solidarumas');
- Investors' Forum;
- Confederation of Lithuanian Employers (LDK).

The previous agreement was signed eight years ago.
The newly-signed agreement identifies the following long-term objectives:

- improving efficiency in the public sector and the quality of public services;
- strengthening social dialogue and the powers of the social partners;
- ensuring the quality and efficiency of education and training;
- ensuring lifelong learning;
- ensuring the compatibility and stability of tax systems;
- developing the competitiveness of the country.

According to the parties that signed the agreement, it is a well-balanced and important step towards strengthening social dialogue. The parties to it believe the agreement will: encourage businesses to join employer associations and employees to join trade unions by promoting collective agreements; increase social responsibility in public procurement by requiring bidders to pay at least average wages in a sector; increase remuneration for work in line with economic growth; and set a minimum monthly wage. The bargaining powers of employees are also to be developed and they will be encouraged to join trade unions with tax breaks for membership fees (Blaziene 2017).

Forecasts

Estonia

Estonia's real GDP is forecast to grow by 4.4 per cent in 2017 and growth is expected to remain solid, moderating over the forecast horizon to 3.2 per cent in 2018 and 2.8 per cent in 2019 (European Commission, 2017c). The OECD forecasts that in Estonia GDP growth will be at 4.4 per cent this year and 3.3 per cent in 2018. Estonian consumer prices are expected to climb 3.7 per cent this year and 3.3 per cent next year (The Baltic Course, 2017e).

Foreign Direct Investment is forecast to decrease slightly in the fourth quarter of 2017 (€225 million) as well as in 2018 (€196, €104, and €284 million in the first three quarters of 2018). Foreign Direct Investment is projected to trend around €186 million in 2020 (Trading Economics, 2017s). Inflation is forecast to reach 3.7 per cent in 2017 (European Commission, 2017c) and to slow to 3 per cent in 2018 and 2.6 per cent in 2019 (Focus Economics, 2017a).

Labour market participation is boosted by the favourable economic environment, the rising effective pension age and the positive effects from a multi-year work-ability reform, which gradually is bringing partially disabled people back to the labour market. However, the latter reform is also likely to add to unemployment, with the rate projected to increase from below 7 per cent in 2017 to 7.7 per cent in 2018 and 8.5 per cent in 2019. Wages are projected to continue growing relatively rapidly at over 6 per cent in 2017 and over 5 per cent in 2018-2019. (European Commission, 2017c).

With a positive outlook for Estonia's main trading partners, exporters are expected to do well during the whole forecast period and it is estimated that export growth will reach 3.8 per cent in 2018 and 4 per cent in 2019 (Trading Economics, 2017h).

In 2018, several new tax measures are due to take effect, most notably a significant lowering of personal income taxes, offset by multi-year excise hikes (alcohol, tobacco and fuels) and corporate income tax reform. The excise revenue accrual is impacted by stocking effects ahead of scheduled excise rises, which can be expected to lead to a contraction of excise tax revenues in 2018. On the expenditure side, an investment programme of 0.4 per cent of GDP over 2018-2020 will kick off, as well as several new expenditure programmes in healthcare, education, social funding and in financing municipalities. Overall, the headline fiscal deficit is projected to increase to 0.4 per cent of GDP in 2018, sliding further to 0.5 per cent of GDP in 2019. In structural terms, the fiscal deficit is estimated higher at 1 per cent of GDP in 2017 and 1.5 per cent in 2018 and 2019, given the positive output gap. Public debt is expected to remain stable at around 9 per cent of GDP. The main negative risks to this fiscal projection pertain to the yield estimates of the various new tax measures (European Commission, 2017c).

Latvia

The confluence of thriving consumption, greater foreign demand and a strong rebound in investment is set to push Latvia's GDP growth above 4 per cent in 2017 (European Commission, 2017a). The Central Bank forecasts 3.8 percent growth in 2018. The economy is expected to grow 3.4 per cent in 2019 (FocusEconomics, 2017b). The OECD expects the Latvian economy to grow by 5.2 per cent this year and 4.2 per cent next year (The Baltic Course, 2017e).

Despite virtually no employment growth, the unemployment rate is set to be at 7.3 per cent by 2019. The shrinking labour force exerts strong pressure on wage growth, which will be further boosted by a substantial increase in the minimum wage. Over the forecast horizon, wage growth is set to slow to more sustainable levels. (European Commission, 2017b). In the long-term, the Latvia unemployment rate is projected to trend around 8.2 per cent in 2020 (Trading Economics, 2017t).

Foreign direct investment in Latvia is expected to be €51.07 million by the end of the fourth quarter of 2017. Looking forward, it is estimated that foreign direct investment in Latvia will stand at €50.19 million in 12 months' time. In the long-term, the Latvia foreign direct investment – net inflows – is projected to trend around €49.85 million in 2020 (Trading Economics, 2017b). Latvia's harmonized consumer price index is expected to rise 2.8 per cent this year and 2.9 per cent next year (The Baltic Course, 2017e).

Inflation is likely to average around 3 per cent in 2017 (European Commission, 2017b) and to average 2.4 per cent in 2018 and 2.5 per cent in 2019 (FocusEconomics, 2017b). Looking forward, the Latvia inflation rate is projected to trend around 2.2 per cent in 2020 (Trading Economics, 2017e).

In 2018, the government deficit is projected at 1.0 per cent of GDP, compared to a forecast of 1.8 per cent in spring 2017. The bulk of the improvement is explained by revised tax reform plans. The overall effect of the tax reform measures is still revenue reducing -0.2 per cent of GDP in 2018. The reduction of the standard rate of personal income tax from 23 per cent to 20 per cent costs 0.7 per cent of GDP and the changes in corporate income tax reduce revenues by 0.3 per cent of GDP. These are partly compensated by the increases in excise duties (+0.2 per cent of GDP), tightening administration of VAT (+0.3 per cent) and aligning taxes on wage as well as capital income at a 20 per cent rate (+0.1 per cent). Moreover, the social contributions rate is due to be increased by 1 percentage point yielding 0.3 per cent of GDP, which is earmarked for financing a 0.7 per cent of GDP increase in healthcare spending. Other spending increases amount to 0.5 per cent of GDP, including for social benefits and road infrastructure. The spending measures are financed from revised revenue projections and through the expenditure review process (0.3 per cent of GDP) (European Commission, 2017b).

The impact of the government's 2018-2022 tax reform, which aims to support medium-term economic growth and government revenue receipts, will have a temporary net negative impact on the fiscal deficit (The Baltic Course, 2017f). In 2019, the government deficit is projected at 1.1 per cent of GDP under a no-policy-change assumption. While the costs of the tax reform are expected to weigh on tax revenues (-0.8 per cent of GDP), economic growth dynamics should support revenue growth. Expenditure growth is projected to be based on a further increase in social spending, while the increase in the public sector wage bill should be contained by reforms that reduce the number of public sector employees. Moreover, investment expenditure is set to stabilise after a surge in new EU financed projects in 2017 and 2018. The government debt is expected to fall to 39 per cent of GDP in 2017 and should decline further to about 36 per cent of GDP in 2018 and 2019 (European Commission, 2017b).

Generally, the OECD projects Latvia's economic growth to remain strong and broad-based. Exports are strengthening as prospects in EU countries and Russia are improving. Stronger exports and EU structural fund transfers are boosting investment (The Baltic Course, 2017e).

Lithuania

GDP is forecast to grow by 3.8 per cent in 2017 and to slow down to 2.9 per cent in 2018 as exports, investment, and private consumption growth is set to moderate (European Commission, 2017d). The OECD forecasts that Lithuania's GDP will grow 3.6 per cent this year and 3 per cent next year. Lithuania's inflation rate is expected to reach 3.8 per cent in 2017 and 2.9 per cent in 2018 (The Baltic Course, 2017e).

Inflation is currently driven by a substantial but short-lived surge in energy prices combined with a pronounced hike in excise duties at the start of 2017 as well as by a strong boost in service prices partially fed by an increase in the minimum monthly wage. The impact of these factors is set to moderate over time, thus leading to a moderation of inflation in 2018 and 2019. (European Commission, 2017d).

Foreign direct investment in Lithuania is expected to be €179.71 million by the end of the fourth quarter. Looking forward, it is estimated that foreign direct investment in Lithuania will stand at €170.41 million in 12 months' time. In the long-term, the Lithuania foreign direct investment is projected to trend around €169.66 million in 2020 (Trading Economics, 2017m).

Unemployment is expected to decline to 7.2 per cent this year and 6.6 per cent next year (The Baltic Course, 2017e). Despite a significant increase in the participation rate among older workers, negative demographic trends and emigration are expected to see employers lose around 0.3 per cent of their staff annually between 2017 and 2019 (European Commission, 2017d).

A sluggish uptake of EU investment funds is dragging down public investment growth but it is expected to pick up in 2018. Strong growth in mortgage credit is set to improve investment performance as well, although an increasing stock of newly-built residences may moderate such support. Exports are set to benefit over the forecast horizon from the positive economic outlook in both the EU and Russia, though the pace of growth is expected to moderate due to rising real unit labour costs. Import growth in 2018 and 2019 is expected to slow down in step with exports. Although exports continue to grow, the contribution of net trade to growth is expected to be close to neutral in 2017 and slightly negative in the next two years. Risks to the forecast are balanced as potential downsides from geopolitical developments are countered by cautious optimism about a strengthening recovery in Lithuania's main export markets (European Commission, 2017d).

Faster economic growth in Lithuania should continue in the next few years, driven by a recovering European economy and a developing US economy, as well as momentum of the use of EU funds and ever increasing wages due to lack of employees and improving financial situations of companies (The Baltic Course, 2017g).

Annex - Information About:

- Collective Bargaining System

Estonia

Collective bargaining in Estonia is decentralised and the dominant level of collective bargaining for setting pay, working time or any other issues in Estonia is the enterprise level. After signing, the collective agreement becomes legally binding and is valid for one year. The only public source of official information on enterprise-level collective agreements is the collective agreements register organised by the Ministry of Social Affairs. However, the register does not include comprehensive data on all concluded collective agreements and not all collective agreements have been registered. The reason for this is that no surveillance system has been implemented and no penalties for violations are issued. Thus, exact information on the number of enterprise-level agreements is not collected (Eurofound, 2016i). However, according to the database of collective agreements maintained by the Ministry of Social Affairs, 48 new collective agreements were concluded in 2013. The conclusion of collective agreements slowed down as the economic recession set in and after then around 50-60 collective agreements have been concluded every year (Republic of Estonia Ministry of Social Affairs, 2013a: 33).

There are only two sectoral-level collective agreements currently concluded in Estonia: one in the transport sector and the other in healthcare. The sectoral collective agreement between the Estonian Transport and Road Workers' Trade Union (ETTA) and the Union of Estonian Automobile Enterprises (AL) regulating passenger transport (covers 14,000 employees) was valid from 1.02.2012 till 31.12.2012 and freight transport (covers 3,500 employees) was valid from 01.01.2013 till 31.12.2013. The collective agreement in health care is valid till 31.12.2016 covering 25,000 employees. Although the collective agreement between ETTA and AL has expired, employers and employees are required by law to comply with the conditions of the open-ended collective agreement until they have reached a new agreement or until it is cancelled by one of the parties. According to available information, none of the parties have unilaterally terminated the agreement.

At the national level, only minimum wages are negotiated. Since 1992, the national minimum wage has been agreed between social partners – bipartite meetings between the Estonian Trade Union Confederation (EAKL) and the Estonian Employers' Confederation (ETTK) – and thereafter determined by government decree. Usually social partners bargain annually (Eurofound, 2016i).

Latvia

The confluence of thriving consumption, greater foreign demand and a strong rebound in investment is set to push Latvia's GDP growth above 4 per cent in 2017 (European Commission, 2017a). The Central Bank forecasts 3.8 percent growth in 2018. The economy is expected to grow 3.4 per cent in 2019 (Focus Economics, 2017b). The OECD expects the Latvian economy to grow by 5.2 per cent this year and 4.2 per cent next year (The Baltic Course, 2017e).

Despite virtually no employment growth, the unemployment rate is set to be at 7.3 per cent by 2019. The shrinking labour force exerts strong pressure on wage growth, which will be further boosted by a substantial increase in the minimum wage. Over the forecast horizon, wage growth is set to slow to more sustainable levels. (European Commission, 2017b). In the long-term, the Latvia unemployment rate is projected to trend around 8.2 per cent in 2020 (Trading Economics, 2017t). Foreign direct investment in Latvia is expected to be €51.07 million by the end of the fourth quarter of 2017. Looking forward, it is estimated that foreign direct investment in Latvia will stand at €50.19 million in 12 months' time. In the long-term, the Latvia foreign direct investment – net inflows – is projected to trend around €49.85 million in 2020 (Trading Economics, 2017b). Latvia's harmonized consumer price index is expected to rise 2.8 per cent this year and 2.9 per cent next year (The Baltic Course, 2017e).

Inflation is likely to average around 3 per cent in 2017 (European Commission, 2017b) and to average 2.4 per cent in 2018 and 2.5 per cent in 2019 (FocusEconomics, 2017b). Looking forward, the Latvia inflation rate is projected to trend around 2.2 per cent in 2020 (Trading Economics, 2017e).

Lithuania

Collective bargaining takes place mostly at the enterprise level. Despite the efforts of the social partners to increase the importance of sectoral-level collective bargaining, the practice still does not have wide acceptance. Wage bargaining takes place at the company level only.

According to the European Company Surveys (ECS) almost 20 per cent of employees are covered by collective bargaining in Lithuania (in private sector companies with establishments of more than 10 employees). There are no national data/surveys on collective wage bargaining coverage in Lithuania. According to expert evaluations, the overall collective bargaining coverage in Lithuania might be less than 15-20 per cent.

Working time in Lithuania is set in the national legislation (particularly in the Labour Code), however at a company level some working time flexibility arrangements might be agreed on. Wages in the private sector are mainly set at a company (or even individual) level, but in the public sector wages are set mainly by legislation (Eurofound, 2016j).

• System of tripartite social dialogue

Estonia

The system of tripartite decision-making is not well institutionalised in Estonia but social partners do take part in the consultative phase of drafting legislation. In addition, the social partners are members of the supervisory boards of the Estonian Health Insurance Fund (EHIF) (national level body), the Estonian Unemployment Insurance Fund (EUIF) (national level body), and the Estonian Qualification Authority (EQA) (sectoral and national level body), which is responsible for developing the professional qualifications system in Estonia.

While the aim of tripartite discussion is to come to an agreement that satisfies all parties, in recent years social partners have quite often expressed their dissatisfaction as they are not included in the final political decision-making process as often as they would like, or they are included only in later stages of the process. There have also been cases where a tripartite agreement was reached but later changed unilaterally by the state, regardless of the social partners' opinions (Eurofound, 2017).

Latvia

The main tripartite body is the National Tripartite Cooperation Council (NTSP). Its operation is regulated by the Statutes of NTSP (adopted on 30 October 1998, valid from 1 January 1999), where it is stated that NTSP is formed on the principles of parity from representatives of the Cabinet of Ministers, Employers' Confederation of Latvia (LDDK) and the Free Trade Union Confederation of Latvia (LBAS). NTSP examines policy-planning documents and drafts on normative acts and sets out proposals for their improvement in the following areas: social security; guidelines of the state budget; strategy of economic and regional development; health; development of general and vocational education; employment and classification of occupations; implementation of international commitments.

The NTSP is a two-stage discussion platform: at the first stage discussions are carried out in the commissions, and second stage discussions are in the NTSP main body.

The legal status of the Council is directly responsible to the President of Ministers. The secretary of the Council is subordinated to the State Chancellery in institutional matters and to the President of Ministers in functional matters. Meetings of the Council are organised on request but at least once every two months. Institutional regulation and work organisation of the NTSP has not changed within the last three years.

There are some bodies, such as consultative councils and working groups, where social partners must be invited, but these are not created specifically for social dialogue purposes. An example of such an organisation is the Council of Economy and its committees, where LDDK and LBAS are represented in the main council and in committees. National-level social partners LBAS and LDDK have concluded one tripartite cooperation agreement in 2004 and three mutual cooperation agreements – in 1994, 2007 and 2013 (valid until 2020), aimed at the creation of a favourable economic environment and social peace (Eurofound, 2017).

Lithuania

There are several tripartite councils and commissions in Lithuania. Most are specialised and operate at the national level, while some are also active at the regional level. The main tripartite organisation, the Tripartite Council of the Republic of Lithuania (LRTT), was established in 1995 following the agreement on trilateral partnership between the Lithuanian Government, the trade unions and the employer organisations in accordance with the provisions of the International Labour Organization (ILO) in its Tripartite Consultation (International Labour Standards) Convention (Convention No. 144) of 1976. The LRTT consists of 21 members, including seven representatives each from the trade unions, employer organisations and the government of the Republic of Lithuania. Several councils and commissions dealing with particular areas of social and working life function under the LRTT.

According to the law, legislative drafts that are submitted to the government on relevant labour, social and economic issues should be agreed in advance with the LRTT. During 2012-2014 the main issues discussed at the LRTT were related to liberalisation of labour relations, the minimum monthly wage, and legislation regulating industrial relations as well as contemporary social and economic issues.

There are also other tripartite councils and commissions operating in some state institutions. They deal with particular areas (for instance, education, labour market policy) or issues (for instance, the European Social Fund, migration) that the institutions are responsible for. Such bodies are, for example, the Tripartite Council of the Lithuanian Labour Exchange, the Tripartite Council of the State Social Insurance Fund Board, and the Occupational Health and Safety Commission under the LRTT.

Similar types of tripartite committees/commissions also function at the regional level – there are tripartite councils of the regions and various local level public institutions have tripartite committees/commissions. Such bodies are, for example, Tripartite Councils of the Local Labour Exchanges (Eurofound, 2017).

• Social security systems

Sickness benefit paid, thousands €

Country; year	2013	2014	2015	2016
EE	n/d	n/d	n/d	n/d
LV	n/d	70.1	96.2	113.0
LT	131.0	141.0	198.5	234.2

Sources: Statistics Estonia* together, Central Statistical Bureau of Latvia, Statistics Lithuania

Persons receiving old-age pensions, thousands

Country; year	2013	2014	2015	2016
EE	297.4	300.0	300.2	300.9
LV	476.6	472.1	466.7	461.6
LT	590.4	588.6	584.6	581.8

Sources: Statistics Estonia, Central Statistical Bureau of Latvia, Statistics Lithuania

Persons receiving unemployment benefit, thousands

Country; year	2013	2014	2015	2016
EE	26.9	24.5	25.2	
LV	32.5	35.8	38.1	
LT	n/d	n/d	n/d	

Sources: Statistics Estonia, Central Statistical Bureau of Latvia, Lithuanian Labour Exchange

Education and vocational training

Estonia

Although older and smaller, Estonia's labour force is becoming more highly qualified. This is explained by older, less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Estonia's labour force with high-level qualifications is forecast to rise to 47 per cent compared to 40 per cent in 2013 and 34 per cent in 2005. People with medium-level qualifications in 2025 will account for 39.7 per cent of the labour force, compared to 48.9 per cent in 2013. The share of the labour force with low-level or no qualifications is forecast to be 13.3 per cent in 2025, above the 10.9 per cent in 2013. According to CEDEFOP's forecasts, by 2020 in Estonia, around 63 per cent of 30 to 34 year olds will have high- level qualifications, above the EU's educational attainment benchmark of 40 per cent by 2020. On current trends around 73 per cent of 30 to 34 year olds in Estonia will have high-level qualifications by 2025. In 2013 in Estonia, 9.7 per cent of young people left the education and training system with low-level qualifications, close to the national target of reducing this to 9.5 per tcent by 2020. In the EU, the average in 2013 was 11.9 per cent, still higher than its benchmark of less than 10 per cent of young people leaving the education and training system with low-level qualifications by 2020 (CEDEFOP, 2015a: 5-6).

Latvia

Latvia's labour force is becoming more highly qualified. This is explained by older, less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Latvia's labour force with high-level qualifications should rise to 46.3 per cent compared to 34.6 per cent in 2013 and 25.6 per cent in 2005. People with medium-level qualifications in 2025 will account for 40.9 per cent of the labour force compared to 54.3 per cent in 2013. Contrary to the general EU trend, in Latvia the share of the labour force with low-level or no qualifications is forecast to increase from 11.1 per cent in 2013 to 12.8 per cent in 2025. According to CEDEFOP's forecasts by 2020 in Latvia around 62 per cent of 30 to 34 year olds will have high-level qualifications. This is significantly above the EU's educational attainment benchmark of 40 per cent by 2020. On current trends around 73 per cent of 30 to 34 year olds in Latvia will have high-level qualifications by 2025. In 2013, in Latvia, 9.8 per cent of young people left the education and training system with a low-level qualification, meeting the national target of reducing this to less than 13.4 per cent by 2020. In the EU, the average in 2013 was 11.9 per cent, still higher than its benchmark of less than 10 per cent of young people leaving the education and training system with low-level qualifications by 2020 (CEDEFOP, 2015b: 6-7).

Lithuania

Although older and smaller, Lithuania's labour force is becoming more highly qualified. This is explained by older, less-qualified people leaving and younger, more highly-educated people entering the labour market. By 2025, the share of Lithuania's labour force with high-level qualifications should rise to 53.9 per cent compared to 42.4 per cent in 2013 and 30.6 per cent in 2005. People with medium-level qualifications in 2025 will account for 40.3 per cent of the labour force compared to 51.5 per cent in 2013. The share with low-level or no qualifications is forecast to fall from 6.1 per cent to 5.8 per cent in 2025. According to CEDEFOP's forecasts, by 2020 in Lithuania around 68 per cent of 30 to 34 year olds will have high-level qualifications. This is significantly above the EU's educational attainment benchmark of 40 per cent by 2020. On current trends around three quarters of 30 to 34 year olds in Lithuania will have high-level qualifications by 2025. In 2013 in Lithuania, 6.3 per cent of young people left the education and training system with a low-level qualification, meeting the national target of reducing this to less than 9 per cent by 2020. In the EU, the average, in 2013, was 11.9 per cent, still higher than its benchmark of less than 10 per cent of young people leaving the education and training system with low-level qualifications by 2020 (CEDEFOP, 2015c: 6-7).

Employment rate

Employment rate in age group 20-64 by gender, %

Country, year	2012			2013			2014			2015			2016		
	T*	M	F	T	M	F	T	M	F	T	M	F	T	M	F
EE	72.2	75.1	69.4	73.3	76.7	70.1	74.3	78.3	70.6	76.5	80.5	72.6	77.5	81.9	73.2
LV	68.1	70.0	66.4	69.7	71.9	67.7	70.7	73.1	68.5	72.5	74.6	70.5	76.3	78.8	74.0
LT	68.5	69.1	67.9	69.9	71.2	68.6	71.8	73.1	70.6	73.3	74.6	72.2	75.5	77.1	73.9

*T=Total, M=Males, F=Females
Source: Eurostat Database (Eurostat chosen for comparative reasons in three states)

Unemployment rate

Unemployment rate by gender, %

Country, year	2012			2013			2014			2015			2016		
	T*	M	F	T	M	F	T	M	F	T	M	F	T	M	F
EE	10.0	10.9	9.1	8.6	9.1	8.2	7.4	7.9	6.8	6.2	6.2	6.1	6.8	7.4	6.1
LV	15.0	16.2	14.0	11.9	12.6	11.1	10.8	11.8	9.8	9.9	11.1	8.6	9.6	10.9	8.4
LT	13.4	15.2	11.6	11.8	13.1	10.5	10.7	12.2	9.2	9.1	10.1	8.2	7.9	9.1	6.7

*T=Total, M=Males, F=Females; Source: Eurostat Database

Average monthly salaries

Monthly net earnings (in €)*

Country, year	2015	2016	2017
EE	1039	1105	1182
LV	n/d	626	642
LT	714	757	823

Sources: Statistics Estonia, Central Statistical Bureau of Latvia, Lithuanian Labour Exchange

Gender pay gap

Estonia

Within the economy as a whole, the highest gender pay gap among all European Union (EU) member states was recorded in Estonia (26.9 per cent). The highest gender pay gaps were found in wholesale and retail trade, and repair of motor vehicles and motorcycles (Eurostat Gender Pay gap 2017).

Latvia

In 2015 the gender pay gap stood at 19.4 per cent in the public sector and 14.2 per cent in the private sector (Eurostat Gender Pay gap 2017).

Lithuania

In 2015 the gender pay gap stood at 14.4 percent in the public sector and 17.5 per cent in the private sector (Eurostat Gender Pay gap 2017).

Monthly minimum wage

Gross minimum wages €/month

Country, year	2013	2014	2015	2016	2017
EE	320.00	355.00	390.00	430.00	470.00
LV	286.66	320.00	360.00	370.00	380.00
LT	289.62	289.62	300.00	380.00	380.00

Actual weekly working hours

Estonia

The statutory working time regulation, including the maximum working day and working week, are stipulated in the Employment Contracts Act. The statutory weekly working time in Estonia is 40 hours a week. Overtime work is regulated by the Employment Contracts Act (Article 44). The regulation stipulates that an employer and employee may agree that the employee undertakes to do work over the agreed working time (overtime work). In general, overtime work shall be agreed between the parties in line with the principle of good faith. An employer may demand that an employee work overtime due to unforeseen circumstances pertaining to the enterprise or activity of the employer, in particular for prevention of damage. However, the legislation excludes overtime work where it might be harmful for employee health. An employer shall compensate for overtime work by time off equal to the overtime, unless it has been agreed that overtime is compensated for in money, in which case the employer should pay 1.5 times the normal hourly wage for each hour of overtime. The Employment Contracts Act (Article 43) specifies that an employer and employee can also agree on a shorter working time or part-time work, which is determined by an individual or collective agreement (Eurofound, 2016i).

Latvia

Working time is regulated by the Labour Law (Section D). Regular daily working time of an employee may not exceed eight hours, and regular weekly working time may not exceed 40 hours. Regular working time of employees associated with a special risk may not exceed seven hours a day and 35 hours a week if they are engaged in such work for not less than 50 per cent of the regular daily or weekly working time. Collective agreements may include regulations that are better than those set by law. Existing company level collective agreements include some specific regulations regarding working time, for instance, providing more holidays.

Section 136 of the Labour Law defines overtime as work performed by an employee in addition to regular working time. Overtime work is permitted if the employee and the employer have so agreed in writing. An employer may employ an employee on overtime without written consent in exceptional cases: if this is required by the most urgent public need; to prevent the consequences caused by force majeure, an unexpected event or other exceptional circumstances; or for the completion of urgent, unexpected work within a specified period of time. If overtime work in the circumstances referred to above continues for more than six consecutive days, the employer needs a permit from the State Labour Inspectorate for further overtime work. From 2015, overtime work cannot exceed eight hours on average within a seven-day period, calculated in a reference period that does not exceed four months. Overtime work should be compensated by not less than 100 per cent of the hourly or daily wage rate or not less than 100 per cent of the piecework rate for the amount of work done. Collective agreements and individual contracts may only improve conditions set by law regarding overtime work.

Part-time work is regulated by Section 134 of the Labour Law. An employer must, at the request of an employee, transfer the employee from regular working time to part-time work, or vice versa, if such working time arrangements are possible in the company. An employer has to give part-time work if requested by the following categories of employees: a pregnant woman; a mother up to a year after childbirth; for the whole period of breastfeeding up to a child's second birthday; and a parent who has a child less than 14 years of age or a disabled child under age 18.

The Labour Law introduces several deviations from the normal working time in specific circumstances (see Section 131 (2), Section 134, Section 136, Section 138, Section 139, Section 140) (Eurofound, 2016j).

Lithuania

Basic provisions regulating working time in Lithuania are established in the Labour Code (Chapter XIII). Working time may not exceed 40 hours per week and a daily work period must not exceed eight working hours. Exceptions may be established by laws, government resolutions and collective agreements. For employees employed in more than one undertaking or in one undertaking but with two or more employment contracts, the working day may not be longer than 12 hours. Maximum working time, including overtime, must not exceed 48 hours in each seven-day period. The duration of working time of specific categories of employees may be up to 24 hours per day. The average duration of working time of such employees must not exceed 48 hours per seven-day period, and the rest period between working days must not be shorter than 24 hours. The list of such jobs is approved by the government.

Overtime is permitted only in exceptional cases specified in the Labour Code (Article 151). In other cases overtime work may be organised only subject to the written consent or written request of an employee. The employee's overtime work must not exceed four hours in two consecutive days, and must not be more than 120 hours per year. A different annual duration of overtime work may be established in the collective agreement, however, not exceeding 180 hours per year. There are certain categories of employees and certain circumstances established by law and the collective agreement where overtime work cannot be assigned. Overtime and night work shall be paid for at the rate of at least time and a half of the employee's usual wage (including basic salary and all additional payments directly paid by the employer for the work performed).

Part-time work is regulated by the Labour Code (Article 146). Part-time work may be established: by agreement between the employee and the employer; at the request of the employee due to his health status according to a conclusion of a health care institution; at the request of a pregnant woman, a woman who has recently given birth; at the request of an employee under eighteen years of age; at the request of a disabled person according to a conclusion issued by the Disability and Working Capacity Assessment Office; at the request of an employee taking care of a sick family member attested by a note from a health care institution. Flexible work scheduling is a matter to be agreed between the employee and the employer (Eurofound, 2016h).

- Normal work /atypical work

Full-time employment in age group 20-64, thousands

Country, year	2012	2013	2014	2015
EE	9.0	8.7	8.2	9.2
LV	8.8	7.4	6.7	7.1
LT	8.8	8.2	8.5	7.6

Source: Eurostat Database

Persons employed part-time in Estonia (% of total employment)

Estonia	2011	2012	2013	2014	2015	2016
Total	9.1	9.0	8.7	8.2	9.2	9.5
Women	13.5	13.1	12.2	10.9	12.9	12.8
Men	4.9	4.9	5.3	5.6	5.7	6.4

Source: Eurofund 2017 cf Eurostat Labour Force Survey [lfsi_pt_a] – Persons employed part-time (20 to 64 years of age) – total and by sex.

Persons employed part-time in Latvia (% of total employment)

Latvia	2011	2012	2013	2014	2015
Total	8.6	8.8	7.4	6.7	7.1
Women	10.2	10.9	9.3	8.8	9.8
Men	7.0	6.6	5.4	4.5	4.3

Source: Eurofund 2017 cf Eurostat Labour Force Survey [lfsi_pt_a] – Persons employed part-time (20 to 64 years of age) – total and by sex.

Persons employed part-time in Lithuania (% of total employment)

Lithuania	2011	2012	2013	2014	2015	2016
Total	8.3	8.8	8.2	8.5	7.6	7.1
Women	9.8	10.6	10.1	10.6	9.7	8.7
Men	6.6	6.9	6.2	6.3	5.4	5.3

Source: Eurofund 2017 cf Eurostat Labour Force Survey [lfsi_pt_a] – Persons employed part-time (20 to 64 years of age) – total and by sex.

Migration

Emigrants, thousands

Country, year	2012			2013			2014			2015			2016		
	T*	M	F	T	M	F	T	M	F	T	M	F	T		
EE	6.3	3.0	3.3	6.7	3.1	3.6	4.6	2.2	2.5	13.0	7.4	5.6	13.8		
LV	25.2	12.5	12.6	22.6	11.4	11.2	19.0	9.8	9.3	20.1	10.6	9.5	20.6		
LT	41.1	20.4	20.7	38,8	19.3	19.5	36.6	18.5	18.1	44.5	24.3	20.2	50.3		

*T=Total, M=Males, F=Females
Note: only in Estonia in 2016, net migration was positive for the second year in a row – immigration exceeded emigration.
Sources: Statistics Estonia, Central Statistical Bureau of Latvia, Statistics Lithuania

Immigrants, thousands

Country, year	2012			2013			2014			2015			2016		
	T*	M	F	T	M	F	T	M	F	T	M	F	T		
EE	2.6	1.4	1.2	4.1	2.2	1.9	3.9	2.2	1.7	15.4	9.4	6.0	14.8		
LV	13.3	7.8	5.5	8.3	4.9	3.4	10.4	6.4	4.0	9.5	5.6	3.9	8.3		
LT	19,8	10,9	8,9	22,0	12.0	10,0	24,3	13,3	11.0	22.1	12.0	10.2	20.2		

Sources: Statistics Estonia, Central Statistical Bureau of Latvia, Statistics Lithuania

Human Development Index (HDI)

Human Development Index (HDI) and HDI rank***

Country, year	2012		2013		2014		2016	
	Rank	Index	Rank	Index	Rank	Index	Rank	Index
EE	33	0.846	33	0.840	30	0.861	30	0.865
LV	44	0.814	48	0.810	46	0.819	44	0.830
LT	41	0.818	35	0.834	37	0.839	37	0.848

*Index is measured from 0 to 1, where 0 means underdevelopment and 1 is the highest development achieved.
**The ranking between 1 and 49 received by the Baltic States from 2011 to 2014 denotes very high human development.
Source: UNDP (2011, 2013, 2014, 2015)

Gini coefficient on Assets and Income

Gini-coefficient

Country, year	2013	2014	2015	2016
EE	32.9	35.6	34.8	32.7
LV	35.2	35.5	35.4	34.5
LT	34.6	35.0	37.9	37.0

Source: Eurostat Database (based on EU Statistics on Income and Living Conditions)

Collective agreement coverage

Employees covered by wage bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, %

Country, year	2010	2011	2012	2013
EE	n/d	23.0	23.0	23.0
LV	18.4	16.0	15.5	15.0
LT	11.1	10.6	9.9	9.7

Source: bargaining coverage based on ICTWSS database (AdjCov) (%)

Ongoing important collective bargaining agreements

Estonia

In Estonia, sectoral-level agreements are concluded only in the transport and healthcare sectors. The negotiations in the transport sector started in the spring and resulted in a collective agreement in September, when the Union of Estonian Automobile Enterprises (Autoettevõtete Liit) and the Estonian Transport and Road Workers Trade Union (ETTA) concluded a three-year agreement setting new minimum wage levels for all bus drivers. By 2019, the current minimum monthly wage of €800 and the minimum hourly wage of €3.20 will have increased year-on-year to €945 and €4.00 respectively. Negotiations in the healthcare sector started in January but, after a one-hour warning strike in September, are being mediated by the National Conciliator (Eurofound, 2016c).

Latvia

See chapter state policies and Industrial relations.

Lithuania

See chapter state policies and Industrial relations.

Trade union density

Estonia

Union density in Estonia remains at around 10 per cent. There are between 40,000 and 50,000 trade union members in Estonia. Estonia has two trade union confederations: Estonian Trade Union Confederation (EAKL), which was founded in 1990 as the country was breaking away from the Soviet Union (it became independent in 1991) and Estonian Employees‘ Unions‘ Confederation (TALO), made up of unions which left EAKL in 1992. EAKL is primarily a manual workers' confederation, while TALO is primarily a confederation of non-manual workers but this division is not absolute, particularly in the case of EAKL which includes several non-manual unions. EAKL is the bigger of the two. In 2012 it had more than 30,000 members, while TALO had only around 3,000 members. The 2009 Statistics Estonia data shows that unions are present in only 6 per cent of all organisations employing five or more people, and 48 per cent of those employing 250 employees or more. This means that significant parts of the economy, including construction and most small companies remain effectively union free (Fulton, 2015a).

Latvia

There is one trade union confederation in Latvia, the Free Trade Union Confederation of Latvia (LBAS) and almost all significant unions belong to it. There are 21 individual unions affiliated to LBAS and they are normally based on a specific industry or occupation. On 27 September 2017, the Union of Latvian Interior Employees (LIDA) joined LBAS, becoming the 21st member organisation. Accordingly, LBAS has an increase of 2,600 individual members: police officers, firefighters, border guards and prison officers (Karnitis 2017). Internally, unions are made up of local organisations at individual workplaces. Union density remains relatively low, at about 13 per cent, and is much higher in the public than in the private sector.

Lithuania

Trade union membership in Lithuania is low, no more than approximately 9 per cent of the employed workforce (Moore Stephens Europe, 2016a: 3). Most trade unions in Lithuania are affiliated to the Lithuanian Trade Union Confederation (in 2015 50,200 members from 26 sectoral trade unions). In 2015 the Lithuanian Labour Federation had 5,100 members from 7 sectoral and 5 regional trade unions and the Lithuanian Trade Union 'Solidarumas' had 10,500 members from 19 sectoral and 20 regional trade unions. In recent years, there have been no fundamental changes in the background and general setting in which the trade unions operate (Eurofound, 2016h).

Employer’s organizations density

Estonia

In recent years, there have not been any significant changes or developments on the employers’ side and employers’ organisations density has remained stable. The only employer organisation recognised as a national-level social partner is the Estonian Employers’ Confederation, which overall represents around 25 per cent of all employers in Estonia. Its members are associations as well as enterprises. The biggest employer association in Estonia is the Estonian Chamber of Commerce and Industry, but it does not take part in collective bargaining and concentrates on developing entrepreneurship (Eurofound, 2016i).

Latvia

Despite good design of the representation system, it is rare for employers’ organisations to be involved in collective bargaining, even if they are members of the national level employers’ organisation, the Employers’ Confederation of Latvia (LDDK). LDDK is the biggest organisation representing the interests of employers. In 2017 LDDK involved 64 branch and regional associations and federations as well as 112 enterprises that employ over 50 people. Members of LDDK employ 44 percent of employees in Latvia (LDDK 2017). Latvijas Tirdzniecības un rūpniecības kamera (LTRK, Latvia’s Chamber of Commerce and Industry) is also a vocal player supporting employers’ interests. LTRK represents employers at the national level and participates in social dialogue but is not an employers’ organisation as stipulated by law.

Lithuania

Information on employers’ organisations density has been collected by Statistics Lithuania since 2006. Organisations’ density during 2006-2014 was rather stable. Around 20 per cent of companies operating in Lithuania are members of such organisations. There are two peak national employers’ organisations in Lithuania – the Lithuanian Confederation of Industrialists (LPK) and the Lithuanian Business Employers’ Confederation (LDK). They participate regularly in national-level negotiations at the LRTT and also in sectoral level bargaining (Eurofound, 2016h).

Workplace representation

Estonia

Since 2007 Estonia has had a dual channel of employee representation – employees can be represented by a trade union and/or employee trustees. Employee representation is regulated with the Trade Unions Act and the Employees' Trustee Act. Trade union representatives are elected from among the trade union members and employee trustees are elected by the employees at a general meeting in the company. Both may be present in a given company at the same time; however, the trade union has the prior right to take part in collective bargaining and collective dispute resolution. If no trade union exists in the company, the trustee has the right to conclude agreements or represent employees in collective dispute resolution. Employee trustees mainly operate in the area of information and consultation procedures. Trade union representatives are also allowed to participate in this process, regardless of the presence of a general representative.

The European Company Survey (ECS) provides data on employee representation at the establishment level in establishments with more than 10 employees. According to these data in 2013 trade unions covered 19 per cent of employees and 5 per cent of establishments, while employee representatives covered 40 per cent of employees and 35 per cent of establishments (Eurofound, 2016i).

Latvia

Section 10 of the Labour Law states that employee representatives are either trade union members or officials of the association of the trade union, or authorised employee representatives who have been elected in accordance with the Labour Law. Trade unions may be established in compliance with the Trade Union Law. The law does not define thresholds for membership. It is defined in statutes of existing trade unions that not less than three persons may establish a trade union organisation. Authorised employee representatives may be elected if an undertaking employs five or more employees. The law allows one or several employee trade unions and an indefinite number of trade unions and authorised employee representatives in one enterprise, but requires that all existing employee representatives are authorised for joint negotiations with an employer in proportion to the number of people they represent, but not less than one representative each. There are no data available on employee representation at the establishment level (Eurofound, 2016j).

Lithuania

According to the Labour Code, the rights and interests of employees may be represented and protected by trade unions. Where a company, agency or organisation has no functioning trade union and the staff meeting has not transferred the function of employee representation and protection of employees to the trade union of the appropriate sector of economic activity, the workers shall be represented by a works council elected by secret ballot at a general staff meeting. The regulation of these bodies is codified by the Labour Code, Law on Trade Unions and the Law on Works Councils.

The European Company Survey (ECS) shows data on employee representation at the establishment level in establishments with more than 10 employees. According to these data in 2013 trade unions covered 21 per cent of employees and 7 per cent of establishments, while employee representatives covered 47 per cent of employees and 54 per cent of establishments, and work councils covered 20 per cent of employees and 15 per cent of establishments. (Eurofound, 2016h).

• Trade union mapping

Estonia

The most important trade union confederation:

	In National Language	In English	
Name of TU Federation/ Confederation/Trade Union	Eesti Ametiühingute Keskliit	Estonian Trade Union Confederation (EAKL)	
Founding Year	1990 (on the basis of Confederation of Estonian Trade Unions founded in 1927)		
Sector/Branch	Primarily a manual workers' confederation but also includes several non-manual unions.		
Cycle of Congresses/ Last Congress	Once every four years; last congress on 27 November 2015.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Peep Peterson	President	(+372) 6412 800 peep.peterson@eakl.ee www.eakl.ee
	Inge Mirov	Office and training manager	(+372) 6412 810 inge.mirov@eakl.ee www.eakl.ee
	Jaan-Hendrik Toomel	Head of Communication	(+372) 6412 808 hendrik.toomel@eakl.ee www.eakl.ee
	Aija Maasikas	Foreign Secretary	aija.maasikas@eakl.ee www.eakl.ee
Number of Members	18 branch unions in 2016, around 30,000 members.		
Finance	Membership fees; no other data available		
Political orientation (Right/Left/Centre/Christian etc.)	Politically independent but has links with the Estonian social democratic party which resulted from a merger including a left-of-centre political grouping.		
Cooperation in national committees	n/a		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	The European Trade Union Confederation (ETUC)	International Trade Union Confederation (ITUC)	

Other important trade union confederations, federations, and trade unions:

Estonian Employees' Unions' Confederation (TALO)
Teenistujate Ametiliitude Keskorganisatsioon (TALO)
Accountant Krista Pärn
raamat39@hot.ee
http://www.talo.ee/

Estonian Transport and Road Workers' Trade Union (ETTA)
Eesti Transpordi- ja Teetöötajate Ametiühing (ETTA)
President Jaan-Hendrik Toomel
hendrik.toomel@etta.ee
http://www.etta.ee

Estonian Union of Journalists (EAL)
Eesti Ajakirjanike Liit (EAL)
President Meelis Fathom
Meelis@eal.ee
Vice-chairwoman Helle Tiikmaa
Helle@eal.ee
http://eal.ee

Education Workers' Trade Union
Haritlaste Ametiühing
President Kalle Kalda
kallekas@hot.ee

Railway Employees' Trade Union
Eesti Raudteelaste Ametiühing
President Oleg Tšubarov
evray@evray.ee
www.evray.ee

Estonian Union of Healthcare Professionals
Tervishoiutöötajate Kutseliit
President Iivi Luik
iivi.luik@kutseliit.eu
www.kutseliit.eu

Estonian Nurses' Union
President Anneli Kannus
anneli.kannus@ena.ee
www.ena.ee

Latvia

The most important trade union confederation:

	In National Language	In English	
Name of TU Federation/ Confederation/Trade Union	Latvijas Brīvo Arodbiedrību Savienība (LBAS)	Free Trade Union Confederation of Latvia (LBAS)	
Founding Year	1990 (replaced the former union structure in Latvia, which existed when the country was part of the Soviet Union)		
Sector/Branch	A variety of sectors as well as inter-sectoral level.		
Cycle of Congresses/ Last Congress	Five-year cycle; last congress on 2 December 2016.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Egils Baldzēns	President	+371 67035901 egils.baldzens@lbas.lv
	Ariadna Ābeltiņa	Coordinator of Foreign Affairs	+371 6 7035911 international@lbas.lv
	Linda Romele	Expert on education and employment	+371 67035907 linda.romele@lbas.lv
Number of Members	21 individual unions affiliated to the LBAS, around 100,000 members		
Finance	Membership fees, usually 1 per cent of monthly wage; donations; gifts; profit form economic and entrepreneurial activities; European Social Fund		
Political orientation (Right/Left/Centre/Christian etc.)	Formally politically neutral.		
Cooperation in national committee	National Tripartite Cooperation Council and its Sub-councils; Latvian Employers Confederation; National Youth Council of Latvia.		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	The European Trade Union Confederation (ETUC); Baltic Sea Labour Network; BUSINESS€OPE; European Association of Craft, Small and Medium-sized Enterprises (UEAPME); European Centre of Employers and Enterprises providing Public Services (CEEP)	International Trade Union Confederation (ITUC)	

Other important trade union confederations, federations, and trade unions:

Trade Union of Railway Transport of Latvia (LDzSA)
Latvijas Dzelzceļnieku un satiksmes nozares arodbiedrība (LDzSA)
Chairman Savelijs Semjonovs
Secretary Inese Dubrovska
arodbiedriba@ldzsa.lv
Head of International Department Violeta Lepiksone
violeta.lepiksone@ldzsa.lv
http://www.ldzsa.lv

Health and Social Care Workers Trade Union (LVSADA)
Latvijas Veselības un sociālās aprūpes darbinieku arodbiedrība (LVSADA)
lvsada@lvsada.lv
http://www.lvsada.lv

Education and Science Workers Trade Union (LIZDA)
Latvijas Izglītības un zinātnes darbinieku arodbiedrība (LIZDA)
Chairwoman Inga Vanaga
inga.vanaga@lizda.lv
Public Relations specialist Juris Aksels Cīrulis
aksels@lizda.lv
http://www.lizda.lv

Trade Union of Public Service Employees (LAKRS)
Latvijas Sabiedrisko pakalpojumu un Transporta darbinieku arodbiedrība (LAKRS)
Chairman Juris Kalniņš
juris.kalnins@lakrs.lv
Secretary-clerk Jolanta Vilciņa
arodbiedriba@lakrs.lv
http://lakrs.lv

Trade Union Federation for People Engaged in Cultural Activities (LKDAF)
Latvijas Kultūras darbinieku arodbiedrību federācija (LKDAF)
Chairman Aldis Misēvičs
lkdaf@apollo.lv
www.lkdaf.lv

Trade Union "Energija"
LAB "Enerģija"
Chairman Aivars Āboliņš
abolins@energija.lv
http://www.energija.lv

Lithuania

The most important trade union confederation:

	In National Language	In English	
Name of TU Federation/ Confederation/Trade Union	Lietuvos profesinių sąjungų konfederacija (LPSK)	Lithuanian Trade Union Confederation (LPSK)	
Founding Year	2002 (emerged from a merger of two existing trade union confederations which both developed from the trade union organisations which existed at the time when Lithuania was part of the Soviet Union)		
Sector/Branch	A variety of sectors as well as inter-sectoral level.		
Cycle of Congresses/ Last Congress	n/a		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Artūras Černiauskas	President	+370 5 2496436 arturas.cerniauskas@lpsk.lt
	Tomas Jakutavičius	President of LPSK Youth Centre	+370 63843967 youth@lpsk.lt
	Vaiva Sapetkaitė	International secretary	+370 6 2413623 lpsk@lpsk.lt
Number of Members	26 industry federations are affiliated with LPSK, around 56,700 members in 2012.		
Finance	n/a		
Political orientation (Right/Left/Centre/ Christian etc.)	Politically LPSK is closer to the social democratic party.		
Cooperation in national committee	Tripartite Council of the Republic of Lithuania		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	European Trade Union Confederation (ETUC)	International Trade Union Confederation (ITUC); cooperates with International Labour Organization (ILO)	

Other important trade union confederations, federations, and trade unions:

Lithuanian Trade Union „Solidarumas“
Lietuvos frofesiné sajunga „Solidarumas“
Chairwoman Kristina Krupavičienė
info@lps.lt; kristinalpss@hotmail.com
Spokesman Vytautas Kašėta
kaseta.vytautas@gmail.com
http://www.lps.lt

Lithuanian Labour Federation (LDF)
Lietuvos darbo federacija (LDF)
Chairman Svajūnas Andriulis
s.andriulis@ldf.lt
Secretary General Janina Švedienė
j.svediene@ldf.lt
Chairwoman of LDF Youth Organization Rasita Martišė
r.martisiene@ldf.lt
http://www.ldf.lt

Lithuanian Federation of Railway Workers Trade Unions
Lietuvos geležinkelininkų profsąjungų federacija
President Vilius Ligeika
E-mail: lgpf@litrail.lt; v.ligeika@litrail.lt
www.lgpf.lt

Lithuanian Trade Union of Food Producers
Lietuvos maistininkų profesinė sąjunga
President Gražina Gruzdienė
lpms@takas.lt
www.maistprofsajunga.lt

Lithuanian Teachers' Union
Lietuvos mokytojų profesinė sąjunga
President Jūratė Voloskevičienė
E-mail: lmps@takas.lt ; jvketti@gmail.com
www.lmps.lt

Lithuanian Federation of Industrial Trade Unions
Lietuvos pramonės profesinių sąjungų federacija
President Juozas Neverauskas
info@pramprof.lt
www.pramprof.lt

Lithuanian Nurses` Organization
Lietuvos slaugos specialistų organizacija
President Danutė Mergelienė
E-mail: lssobiuras@gmail.com
www.lsso.lt

Lithuanian Trade Union of Health Care Employees
Lietuvos sveikatos apsaugos darbuotojų profesinė sąjunga
President Aldona Baublytė
E-mail: lsadps@vdnet.lt
www.lsadps.lt

Federation of Lithuanian Education and Science Trade Unions
Lietuvos švietimo ir mokslo profesinių sąjungų federacija
President Laima Juknienė
info@lsips.lt, lajukma@gmail.com
www.lsmpsf.lt, www.svietimoprofsajunga.lt, www.lampss.lt,
www.lsips.lt; www.lmps.lt

Lithuanian Trade Union of State Employees
Lietuvos valstybės tarnautojų, biudžetinių ir viešųjų įstaigų
darbuotojųprofesinė sąjunga
President Irena Petraitienė
lvdps@takas.lt
http://www.vtarnautojai.lt/index.php/component/
content/?view=featured

Lithuanian Federation of Agricultural Workers Trade Unions
Lietuvos žemės ūkio darbuotojų profesinių sąjungų federacija
Chairman Alfonsas Gedgaudas
E-mail: alfonsasg@hotmail.com
www.lzud.lt

- Employer association mapping

Estonia

The most important employer association:

	In National Language	In English	
Name of Employer's Association	Eesti Tööandjate Keskliit (ETTK)	Estonian Employers' Confederation (ETTK)	
Founding Year	1992 (on historical basis of industrialist association founded in 1917)		
Sector/Branch	A variety of sectors.		
Cycle of Congresses/ Last Congress	n/a		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Tiit Kuuli	President	employers@employers.ee http://www.tooandjad.ee
	Toomas Tamsar	Chairman	employers@employers.ee http://www.tooandjad.ee
Number of Members	95 (altogether directly and indirectly it represents around 1,500 companies), around 25 per cent of all employees in Estonia in 2015.		
Finance	n/a		
Political orientation (Right/Left/Centre/ Christian etc.)	n/a		
Cooperation in national committee	National Tripartite Council		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	BUSSINESSEUROPE	International Organisation of Employers (IOE); Business and Industry Advisory Committee to the OECD (BIAC)	

Other important employer associations:

Estonian Chamber of Commerce and Industry
Eesti Kaubandus-Tööstuskoda
Director General Mait Palts
Mait.Palts@koda.ee
Communication Manager Epp Joala
Epp.Joala@koda.ee
http://www.koda.ee/en

Latvia

The most important employer association:

	In National Language	In English	
Name of Employer's Association	Latvijas Darba devēju konfederācija (LDDK)	Employers' Confederation of Latvia (LDDK)	
Founding Year	1993		
Sector/Branch	A variety of sectors.		
Cycle of Congresses/ Last Congress	n/a		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Vitālijs Gavrilovs	President	+371 67225162 president@lddk.lv
	Sana Sture	Communication manager	+ 371 67225162 sana.sture@lddk.lv
	Liga Megelsone	Director General	+371 67225162 lddk@lddk.lv
Number of Members	Its members employ 42 per cent of the total number of employed in Latvia. 110 sector leaders – companies with more than 50 employees, 66 sector and regional associations and federations covering more than 5,000 enterprises in total, of which 3,036 are micro and small enterprises.		
Finance	Funding from European Social Fund, etc.		
Political orientation (Right/Left/Centre/ Christian etc.)	n/a		
Cooperation in national committee	National Tripartite Cooperation Council (NTCC)		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	BUSSINESSEUROPE	The Business and Industry Advisory Committee; International Labour Organization (ILO); International Organisation of Employers (IOE); UN Global Compact; International Congress of Industrialists and Entrepren€s (ICIE); International Coordinating Council of Employers' Unions (ICCEU)	

Other important employer associations:

Latvian Chamber of Commerce and Industry (LTRK)
Latvijas Tirdzniecības un rūpniecības kamera (LTRK)
Chairman of the Board Aigars Rostovskis
info@chamber.lv
+371 67225595
http://www.chamber.lv

Lithuania

The most important employer association:

	In National Language	In English	
Name of Employer's Association	Lietuvos pramonininkų konfederacija (LPK)	Lithuanian Confederation of Industrialists (LPK)	
Founding Year	1989 (successor of the Union of the Lithuanian Entrepren€s, Industrialists and Businessmen established in 1930)		
Sector/Branch	Unites and represents mainly large enterprises from a variety of sectors.		
Cycle of Congresses/ Last Congress	Five-year cycle; last congress was on 21 June 2012.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Robertas Dargis	President	+370 5 243 10 66 robertas.dargis@lpk.lt
	Dalius Gedvilas	Vice President	info@statybininkai.lt
	Jonas Guzavičius	Vice President	info@kaunoliftai.lt
Number of Members	47 sectoral, 9 regional associations and 28 direct member companies; 2,346 member companies in total in 2015, as well as 22,637 employees.		
Finance	From administering governmental projects that are directed to educate employees and provide a sustainable growth in the job market, membership fees, income from various services to its members (such as consultations, seminars, etc.) and different funds. Yearly budget is around €4.85 million.		
Political orientation (Right/Left/Centre/ Christian etc.)	n/a		
Cooperation in national committee	National Tripartite Cooperation Council		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	BUSINESSEUROPE; European Economic and Social Committee (EESC); OECD advisory committee for industry – Business and Industry Advisory Committee (BIAC)	International Organisation of Employers (IOE); UN Global Compact; International Congress of Industrialists and Entrepreneurs (ICIE); International Labour Organization (ILO); Union of Industrial and Employers Confederations of Europe (UNICE); European Business Congress (ECB)	

	In National Language	In English	
Name of Employer's Association	Lietuvos darbdavių konfederacija (LDK)	Lithuanian Business Employers' Confederation (LDK)	
Founding Year	1999 (as a result of a merge of the National Confederation of Businessmen (Nacionalinė verslininkų konfederacija) and the Lithuanian Enterpreneurs' Employers Confederation (Lietuvos verslininkų darbdavių konfederacija)).		
Sector/Branch	Unites and represents mainly small and medium-sized enterprises from a variety of sectors.		
Cycle of Congresses/ Last Congress	Congress meetings are held every other year; last meeting was on 20 March 2015.		
Important Functionaries (Chairman, President, International Secretary, Youth Leader, etc.)	**Name**	**Function**	**Contact (Addr., Tel., Mail, Homepage)**
	Benediktas Juodka	President	Igirdo g. 31, Vilnius, LT-03219 Tel.: (5) 2 496 448 Email: info@darbdaviai.org http://www.darbdaviai.org/lt
	Danas Arlauskas	Director General	8-5-2496448 http://www.darbdaviai.org/lt
Number of Members	1.800 member companies in 2015		
Finance	The main source of funds for the GDL is membership fees (entrance and annual). Confederation membership fee is not large - depending on the company's number of employees.		
Political orientation (Right/Left/Centre/ Christian etc.)	n/a		
Cooperation in national committee	National Tripartite Cooperation Council		
Memberships	**Regional Umbrella Associations**	**Global Umbrella Associations**	
	European Association of Craft, Small and Medium-sized Enterprises (UEAPME);	n/a	

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