

# SUSTAINABILITY IN THE OFF-BALANCE SOCIETY

## Lithuanian Case

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# Lithuania: your regular member of the European Union

- ▶ Independence anniversary today, March 11: in 1990 Lithuania declared independence, thus ending Soviet occupation
- ▶ EU, NATO member since 2004
- ▶ Transformative power of EU membership changed the country irreversibly
- ▶ Fundamental progress of human rights and liberties
- ▶ EU environment legislation in place
- ▶ EU Social Charter generally respected

## 2019 EC Environmental Implementation Review generally positive

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- Landfilling rate halved since 2014
- Fastest growing innovator
- Deposit-refund for plastic and glass bottles, metal containers
- Ministry of Environment introduced complains' hot line
- Air and water quality good
- Conformity with EU environmental legislation fairly good

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- Resource and energy intensity high, exceeds EU average



European Commission

### The Environmental Implementation Review

LITHUANIA

Europe has ambitious laws and policies to protect air and water, to promote the circular economy, raise recycling rates and safeguard nature. Implementing them is key to achieving our environmental objectives. This is why the European Commission launched the Environmental Implementation Review (EIR), a tool to help countries address systemic obstacles to environmental integration by identifying the causes behind poor implementation. The EIR comprises a regular cycle of analysis, dialogue and peer-to-peer support. This factsheet summarises the results of the second EIR package published in April 2019.

#### Country profile

Lithuania covers an area of 65 300 km<sup>2</sup>. It is mostly flat, except for the undulating plains in the east and west that do not exceed 300 m above sea level. Lithuania has a dense network of rivers. The status of the environment and especially air and water quality is good. The conformity of Lithuanian legislation with EU environmental legislation is fairly good. However, resource and energy intensity remains high and exceeds the EU average.

#### Main progress EIR 2019

- ✦ Lithuania is taking further steps towards the shift to the circular economy. It has achieved good progress on waste management having halved its landfilling rate since 2014.
- ✦ Lithuania is considered the fastest growing innovator in the EU.

#### EXAMPLES OF GOOD PRACTICE FROM LITHUANIA

- ✦ The introduction of a deposit-refund system for single-use plastic and glass bottles and metal cans proved to be very successful, having achieved its 2020 objective of 90% collection rate already in 2017.
- ✦ Lithuanian LIFE programme projects on ensuring the viability of grasslands and restoring hydrology in the Amalvas and Žuvintas wetlands have been identified as success stories to showcase.
- ✦ The Ministry of Environment homepage includes a hotline specifically for complaints.

Sustainability begins in your kitchen (*Unnamed Lithuanian cook*)

2020 - a year of environmental scandals:  
massive dumping of untreated water; 9 day tire storage fire; irremovable dam



# Is environment management failing in Lithuania?

## Dark Thoughts

- ▶ Environmental agencies lacking power/will to control...
- ▶ ...or not able to withstand pressure of Big Business?
- ▶ Government suspected of siding with businesses not environment

## Silver Lining

- ▶ Tire fire fighting Mayor becomes national hero overnight
- ▶ Spontaneous environmental vigilante movements proliferating
- ▶ Efficient public boycott of polluter products
- ▶ Calls for stricter regulation and more powers to environmental agencies heeded by the Parliament
- ▶ More vigorous than usual law enforcement action against polluters



#neperkuGrites



# EC 2020: Lithuania's environmental sustainability overall low

- ▶ Low resource efficiency
- ▶ High pollution levels from fossil fuel consumption in transport
- ▶ Little progress on the circular economy
- ▶ Negative impact of low landfill tax
- ▶ Weak control of waste management companies and polluting producers
- ▶ Little progress on green procurement and green taxation

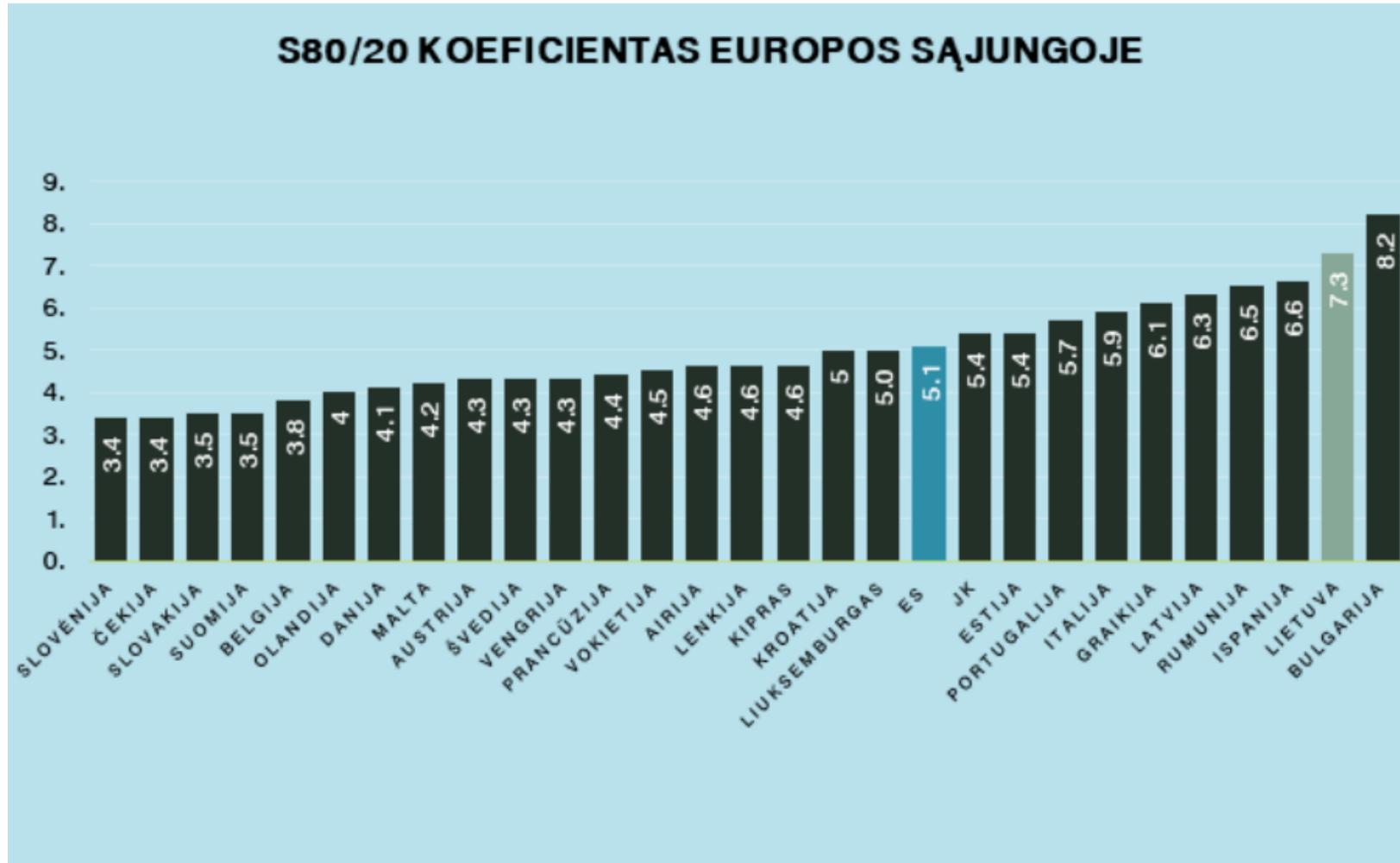
*EC European Semester 2020 Lithuania report (February 22, 2020), follow-up to 2020 European Semester: Annual Sustainable Growth Strategy.*

# Off-balance society I: polarization going too far

- ▶ 28.3 percent of the population is at risk of poverty or social exclusion, well above the EU average of 21.9 percent.
- ▶ Income of the richest 20% of the population is 7.1 times higher than the income of the poorest 20%, EU average 5.1

*EC European Semester 2020 Lithuania report (February 22, 2020), follow-up to 2020 European Semester: Annual Sustainable Growth Strategy.*

## Off-balance society II: Lithuania at the EU bottom with income inequality



Source: Lithuanian National Network for Poverty Reduction, 2018

# Off-balance society III: social fabric not helped by education and health care

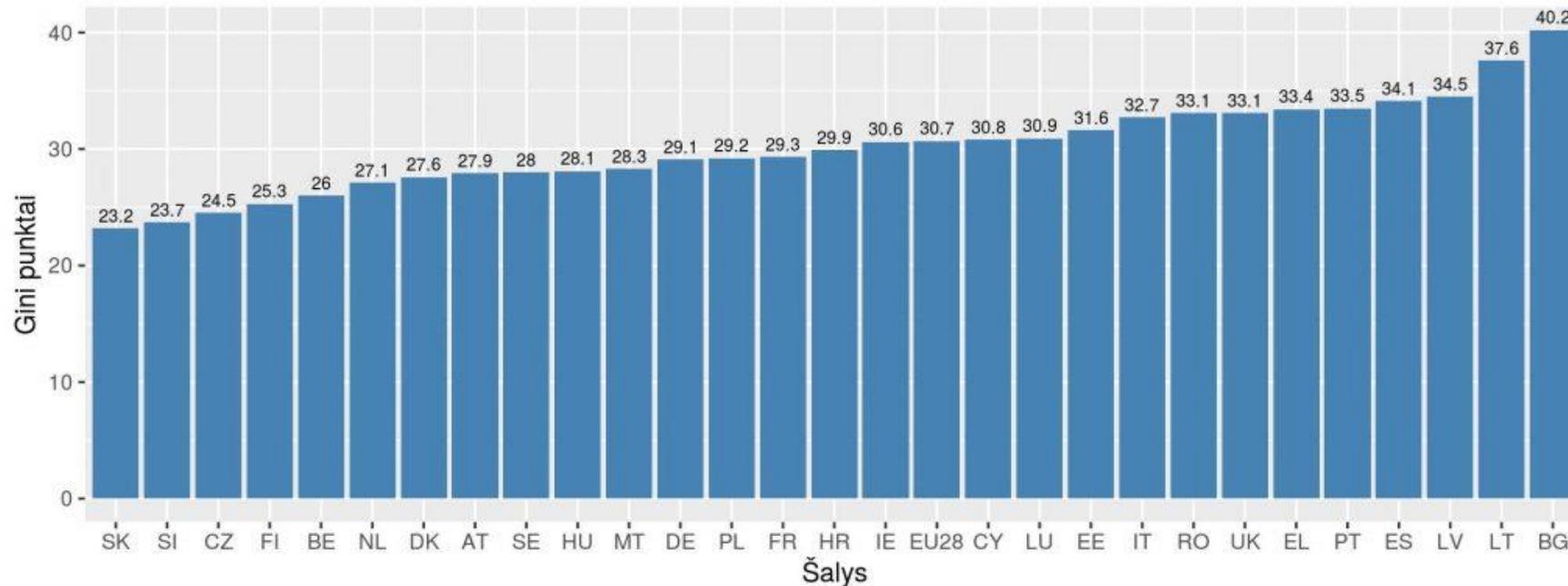
- ▶ Education reform is taking place slowly, held back by a lack of coordination and a long-term strategy to improve the efficiency of the education network.
- ▶ Public spending on healthcare in Lithuania remains low at 5.7 percent of GDP, compared to 7 percent in the EU as a whole.
- ▶ Lithuanian population remains among the worst in the EU and the country has the one of the highest treatable and preventable mortality rate in the bloc.

*EC European Semester 2020 Lithuania report (February 22, 2020), follow-up to 2020 European Semester: Annual Sustainable Growth Strategy.*

# Off-balance society IV: Lithuania's Gini index 37.6

Disponuojamų pajamų nelygybė nustatyta pagal Gini koeficientą 2017 m.

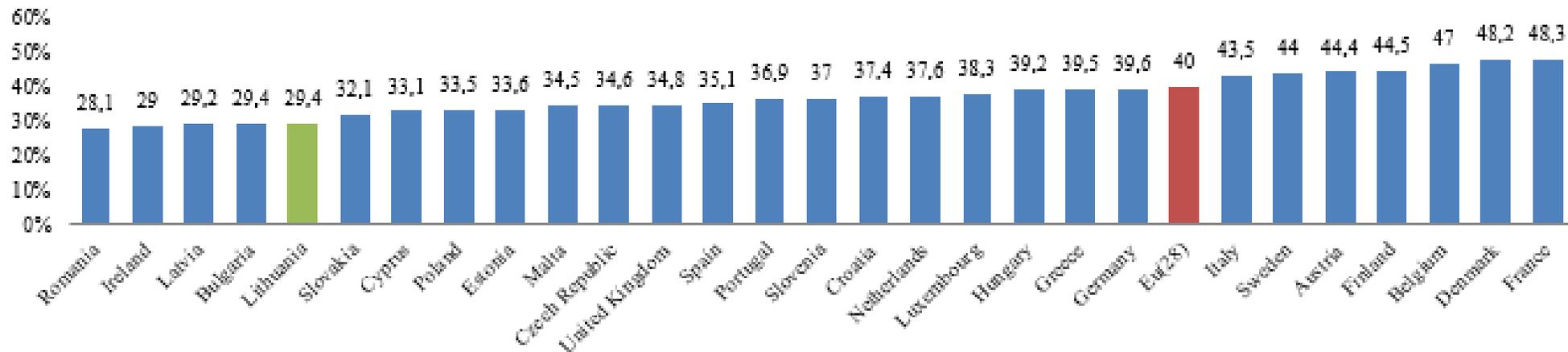
Šaltinis: Eurostat (ilc\_di12). Skaičiavimai: Lithuanian-Economy.net



Source: Eurostat, Lithuanian-Economy.Net, 2017

# Off-balance society V: Change-resistant rate of GDP redistribution

(1) Redistribution (tax revenue-to-GDP, %) in EU member states 2015



# Lithuanian society ultra-free-market: how come?

- ▶ Colapse of Soviet planned economy jump-started American style free-market philosophy
- ▶ Lithuanian Americans, President Valdas Adamkus
- ▶ Successive governments, including post-Comunist Social Democrats, taking strongly pro-bussiness attitude
- ▶ Labor movement discredited by Soviet time, weak trade unions
- ▶ Idea of equality tarnished by Soviet system
- ▶ Trust in public enterprise undermined

# Lithuanian Republic of Business: what is it about?

- ▶ Believing in businessman's "natural right" to kick the door of a politician and order anything
- ▶ Little separation of politics and business, elements of oligarchic order, including media ownership
- ▶ Open and undercover business lobbying too efficient
- ▶ Any tax increase a tabu
- ▶ Business-is-always-right mentality
- ▶ Ethics = business interest

# Parliamentary Election 2016: populists strive while mainstream political parties late to address inequality

- ▶ Ruling Lithuanian Social Democratic Party marred in corruption scandals and unpopular with new pro-business Labor Code
- ▶ Lithuanian Liberals caught in big bribery scandal exposing their services to big business
- ▶ Lithuanian Conservatives campaigning on old-style economy growth agenda as if inequality does not exist
- ▶ 2016 election swept by populist Union of Farmers and Greens with a promise of more social justice and campaigning against new Labor Code
- ▶ ...and new Government instantly back to pro-business agenda and approving new Labor Code

## Social and environment sustainability key factor in 2020 October Parliamentary election: will that amend the balance?

- ▶ Civil society reinvigorated by environmental scandals, ethical disposition against polluters and climate change getting stronger
- ▶ Labour movement on the rise with massive teachers' strike in 2019
- ▶ Government lost popularity with corruption scandals, inefficiency and pro-business agenda
- ▶ Renewed Lithuanian Social Democratic Party campaigning on being genuinely social democratic for the first time in 30 years
- ▶ Lithuanian conservatives now acknowledge inequality exists though struggling to find sensitive language that would address social issues
- ▶ Lithuanian president Gitanas Nauseda won 2019 election with a call to build a welfare state
- ▶ Calls for “EU-isation” of education and healthcare

- ▶ Questions?
- ▶ Comments?
- ▶ Advice?
- ▶ Thoughts?