

Activity of the Tripartite Council in the Year 2005

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I. The decade of the Tripartite Council. Meetings of the Council

The decade of the Tripartite Council was commemorated on 13 June 2005 at the House of Government and a new agreement on tripartite cooperation between the Government of the Republic of Lithuania, trade unions and employers' organisations was signed on this occasion. The first agreement on establishment of the Tripartite Council was signed on 5 May 1995, the second – on tripartite cooperation – on 11 February 1999.

Tripartite Council Meetings

The Tripartite Council held **9** routine meetings and one consultative meeting during the period of January-December 2005. **65** social-economic and partnership development issues were considered, appropriate decisions made, results reviewed:

The list of issues considered:

- Issues of the monthly minimum wage;
- Forecasts on employment of the population and the labour market situation;
- Priorities for development of human resources;
- The draft of the Tripartite Council's Plan of measures for social partnership in 2005-2006;
- The amendment of the Regulations of the Tripartite Council;
- The amendments of and supplements to Labour Code to be submitted to the Parliament of the Republic of Lithuania for approval;
- The draft of tripartite agreement between the Government of the Republic of Lithuania, trade unions and employers' organisations;
- The regulation of wages in the state sector;
- Information on the implementation of the Plan of measures for social partnership in 2003-2004 and on activity of the Tripartite Council in the year 2004;
- The draft Law on Indexation of Wages and Social-Security Benefits;
- Issues of changes proposed to the tax system;
- Drafts of Articles 145, 162 of the Labour Code;
- The draft agreement between the Government of the Republic of Lithuania, trade unions and employers' organisations;
- The draft of the application of "the Methodology for the Assessment of Jobs and Positions";
- Issues of commemorating the decade of the Tripartite Council;
- Issues of a list of minimum conditions (minimum services) during a strike by medical staff (according to the Article 80 of the Labour Code);
- The reading of amendments of the Labour Code under the proposals by "Investors Forum", an association of foreign investors;
- Issues of the setting up of the Employment Tribunals;
- The necessity and feasibility of the setting up of the Employment tribunals;

- The draft Decree of the Government of the Republic of Lithuania “*On Minimum Services during a Strike by Medical Staff*” to be submitted to the Government for approval;
- Issues of the validation of a lockout in the Labour Code;
- Information on the adjustment to the Lisbon Strategy and on objectives of the social partners;
- Information on the EU Directive 2003/88/EC concerning certain aspects of the organisation of working time;
- Information on the implementation of decrees of the Tripartite Council and on pursuance of the Plan of measures for social partnership;
- Information on the visit by Tripartite Council representatives to the National Economic and Social Council of France (NESC);
- Issues of the NESC visit to Lithuania;
- Issues of work during the public holidays – the amendment of the Article 162 of the Labour Code with a regulation that the list of jobs that may include work during the public holidays, under this regulation, should be approved by the Government;
- The amendment of the Labour Code with the Article 162¹ “Weekly rest-days coinciding with the public holidays”;
- The project of social catering;
- The evaluation of the project by trade unions on the improvement of the social dialogue system and on the training of its participants – programme on training of trade unions representatives in social dialogue;
- The evaluation of the project by trade unions on the improvement of the social dialogue system and on the training of its participants – programme on setting up and developing a non-public (trade unions’) monitoring of the pursuance of labour legislation and collective agreements;
- The confirmation of recommendation on sectoral collective bargaining;
- Issues of tariffs for postal services;
- Issues of additional vacation for employees with employment contracts – the amendment of the Article 168 of the Labour Code;
- Issues of the increase of the monthly minimum wage in 2006;
- Issues of work during the public holidays;
- Information on the implementation of decrees of the Tripartite Council: On setting up of the Employment Tribunals; On inclusion to the Tripartite Council of a representative from National Consumer Rights Protection Board under the Ministry of Justice; On minimum healthcare services during a strike by medical staff; On follow-up to amendments of the Labour Code;
- Approval of the Regulations of Standing Commissions on Labour Relations, on Wages and on Employment and Social Security;
- Information on the follow-up to the issue of increase of the minimum wage: On findings of the research about the minimum wage impact on business; On perspectives of the non-taxable minimum increase;
- Issues of wages policy in the restaurant and hotel sector;
- The application of the Law on Social Enterprises;
- The draft Law on Supporting the Employment;
- Issues of the European Economic and Social Committee’s opinion on “Social dialogue and employee participation, essential for anticipating and managing industrial change”;
- Information on implementation of Tripartite Council decisions: On fixing the tariffs for postal services (on fixing the tariffs for cash operations performed to pay for public

utilities); On work of shopping centres during the public holidays and on implementation of other decisions;

- The analysis of impact of the increase of the minimum wage on small and medium business;
- The draft of measures for encouraging the corporate social responsibility (of enterprises) in 2006-2008;
- The Measure 418 of the implementation of the Government Programme: *“To framework a legislative act, regulating the interaction with the European Economic and Social Committee, to gain potential for developing the participation of the social partners and non-governmental organisations in solving the EU related problems”*;
- The draft Regulation of the European Economic and Social Commission;
- Information on activities of Economic and Social Councils from Europe;
- The necessity and feasibility of introducing the European partnership/social dialogue practice into Lithuania.

These Tripartite Council’s decisions are worth mentioning:

Meeting of 25th Januar:

-the Decree on increase of the monthly minimum wage (MMW) from the 1st July 2005 up to 550 LT (159 EUR) was adopted by votes of members of the Tripartite Council with the abstention of the Lithuanian Confederation of Industrialists. Also it was agreed to continue discussions on further increase of MMW with regard to the shift of prices, taxes, purchasing power and other relevant social-economic problems.

-the draft Law of the Republic of Lithuania “On the Participation of Employees in Decision-Making in European Companies” was approved;

-the Plan of measures for social partnership was approved between the government of the Republic of Lithuania, trade unions and employers’ organisations in 2005-2006;

-the suggestion was accepted on accelerating the framework and submission to the Tripartite Council of the draft Law on Wages of Workers in Public Bodies and Municipalities. The draft Law was returned for revision.

Meeting of 22nd February:

-a reflection was undertaken of amendments and supplements to the Labour Code submitted by the social partners (the reflection was finished on the meeting of 22nd March). On the whole, **86** social partners’ suggestions were considered on the amendments and supplements to the **56** Articles of the Labour Code.

Meeting of 22nd March:

-the draft Law on indexation of wages and social-security benefits was debated, which, under the authors’ proposal, should be a substitute for the Law on Individual Income Security that was approved in 1990. One of proposals on the new draft is indexation of benefits if price index increases 4% per 2 years. Trade unions proposed the indexation of benefits if total inflation rate for artificial year reaches 3%. Representatives of trade unions also stated that an increase of minimum wage is still carried out in voluntaristic methods. While employers’ representatives insisted that Europe’s assumed social obligations are beyond its bearing and social consequences of indexation of benefits are undetermined in Lithuania as well. Trade unions and employers’ organisations opposed the draft Law on indexation of benefits;

-it was agreed upon the draft bilateral agreement between trade unions and employers’ organisations on the application of “The Methodology for the Assessment of Jobs and Positions” (the bilateral agreement was signed on 13 June 2005);

On 19th April, representatives of Lithuanian Business Employers' Confederation and Lithuanian Confederation of Industrialists were absent from the meeting of Tripartite Council. Consequently, the representatives of trade unions and the Government decided to arrange a consultative meeting, during which it was emphasized this to be the first time in a history of the Tripartite Council when, due to absence of one of the parties, there is no quorum and meeting is cancelled.

Meeting of 3rd May:

-the draft Decree of the Government of the Republic of Lithuania "*On Minimum Services during a Strike by Medical Staff*" was discussed. The draft was generally acknowledged at the Council and was additionally evaluated at the Labour Relations Commission. Representatives of medical staff acknowledged its regulations as well. On 28th June, the Tripartite Council acknowledged the draft of a list of minimum services, which was approved by the Government of the Republic of Lithuania on 16 September 2005 (Decree No 1025, Žin., 113-41230).

Meeting of 28th June:

-the issue of the setting up of the Employment Tribunals was considered. The Council endorsed an institution of a specialization to judge labour cases in tribunals. Secretariat referred to the Government of the Republic of Lithuania, which in turn referred to Council of Courts. With regard to the issue of Employment Tribunals the Ministry of Justice proposed establishing separate judicial panels in courts of general competence (to institute a specialization), whereas nominating a judge at larger courts of first instance (to institute a specialization). On 9 September 2005, the Council of Courts discussed the issue and obliged presidents of district courts to institute a judicial specialization to judge labour cases in all district courts.

-the possibilities to validate a lockout in the Labour Code were considered by proposal of the Lithuanian Confederation of Industrialists (LCI). During consideration, opinions diverged between LCI and Business Employers' Confederation. The Council generally approved the validation of the lockout rule of law, but still suggested for employers' organisations to framework a united and more concrete draft on the issue of a lockout;

-considering the draft of the EU Directive 2003/88/EC concerning certain aspects of the organisation of working time, the partners didn't approve the proposal on not longer than 48-hour week. Also the partners welcomed the objective to regulate labour relations by greater use of collective agreements.

Meeting of 13th September:

-the Council generally approved the proposal on restriction of work of large multiple retailers during the public holidays, which was submitted by the group of Members of Parliament. Tripartite Council Secretariat was assigned to draw up information about prevailing practice in EU countries of regulation of work during the public holidays. Secretariat collected such information according to which the shopping centres in EU's older member states during the public holidays are closed or their work is restricted. On 18th October, during further reflection on the issue at the Council the Government and employers' representatives were against, whereas trade unions' representatives were in favour of restriction of work of the multiple retailers during the public holidays;

Meeting of 18th October

-the tariffs for legal entities were discussed, to be introduced by PLC *Lietuvos paštas* in 2006, for acceptance of payments for public utilities. It was suggested to refer to public institutions for decision on introduction of tariffs, whether it should be withhold, and for the issue of the tariffs for cash operations to be additionally considered.

-the discussions on increase of the monthly minimum wage (MMW) up to 600 LT (174 EUR) were continuing during the period of September-December. Employers' organisations and trade unions suggested tackling together with MMW the issue of increasing non-taxable income minimum (up to 390 LT (113 EUR)), also avoiding dissociation from these issues: indexation of MMW income and reduction of personal income tax. Representatives of public institutions brought to Council's notice the thing that financial capacity is insufficient for implementing all projects at the same time, therefore priorities should be assigned.

Meeting of 22nd November:

-after having estimated the implementation efficiency of Law on social enterprises the Ministry of Social Security and Labour, Ministry of Finance, Ministry of Economy and Association of Local Authorities were suggested inter alia to look into a feasibility of supporting not only social enterprises but also other enterprises, which employs disabled people;

-when draft by Ministry of Social Security and Labour on interaction with the European Economic and Social Committee (EESC) was examined it was agreed that the partners should make proposals on expedience to establish a commission or council of appropriate make-up for interaction with EESC and also for consideration of corresponding issues.

Meeting of 20th December:

-during the Tripartite Council's last meeting of 2005 the social partners activity of the year was crowned with agreement on increasing MMW up to 600 LT (174 EUR) from 1 July 2006, while continuing discussions on differentiation of MMW and increase of the non-taxable minimum.

II. Commissions of the Tripartite Council and their activities

Standing Commissions on Labour Relations and Wages arranged **9** meetings, in which the following issues were considered: **127** social partners' proposals on **74** amendments and supplements to the Labour Code; draft regulation on the framework of bilateral sectoral collective agreements; European Parliament and Council's proposals for the EU Directive 2003/88/EC concerning certain aspects of the organisation of working time; problems of work during the public holidays; proposals on regulation of strikes, etc. Findings were submitted to the Tripartite Council.

Temporary bilateral working groups arranged **8 meetings** and considered the following drafts: Draft agreement between trade unions and employers' organisations on "*The application of the Methodology for the Assessment of Jobs and Positions in enterprises and organisations*"; Draft of the tripartite agreement between the Government, trade unions and employers' organisations; Draft regulation on the framework, negotiations, signing, registration and implementation of bilateral sectoral collective agreements. Later the Tripartite Council approbated these drafts. The special working group was responsible for consultations on issue of PLC *Lietuvos paštas* tariffs for acceptance of payments.

III. Publishing educational and training material. Seminars. Radio broadcasts

Some education material for the social partners was published in October 2005.

The **brochure** "Social partners in Lithuania" was revised and supplemented. This 52-page publication contains contact information of representatives for all known and registered

sectoral, regional employers and employees, briefly introduction is given on their headquarters, activities and objectives.

The **brochure** “Collective agreement model for employees working under labour contracts” was published. This 23-page publication is up for employers and employees with a view to better regulation of certain working standards, more beneficent regulation of labour relations, and information for employees about their rights and obligations in enterprises.

All published material is distributed to social partners through headquarters and sectoral and regional centres for free.

Seminars

The **seminar cycle** “*Application aspects of Works Councils Law*” was pursued further in 2005. Educational seminars for representatives of employees and employers were arranged in Vilnius, Panevėžys, Kaunas and Alytus, some methodical literature, various relevant leaflets and brochures were spread.

Radio broadcasts

Tripartite Council Secretariat continued the **radio broadcasts cycle** via Lithuanian Radio, started in 2004, with social dialogue themes. Topics of broadcasts focuses on daily topicalities: monthly minimum wage, trade unions’ activities, works councils, Labour Code, collective bargaining, sectoral tariff agreements, etc. **20** radio broadcasts were arranged during the year.

IV. Relations with economic and social councils from other countries

On invitation of the National Economic and Social Council of France a visit, on 11-14 April, was organized for a Tripartite Council delegation to Paris. Meetings were held with the President and Secretary General of National Economic and Social Council of France, delegation participated in meetings of the Council and its committees, also meetings were arranged with leaders of national associations of French trade unions and employers, the meeting was held with Secretary General of international economic and social and similar councils.

In September Secretariat organized a return visit for a National Economic and Social Council of France (NESC) delegation to Lithuania – it was the first French NESC work journey to Eastern Europe and Baltic States. Delegation met the Tripartite Council, leadership of social partners organisations, visited the Seimas (the Parliament) Committee on Social Affairs and Labour.