



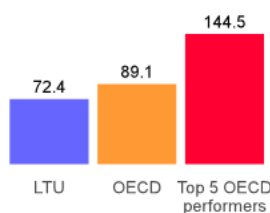
## Performance gaps

## Recommendations

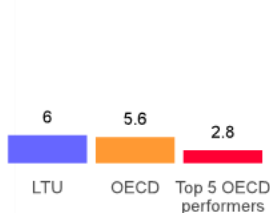
### Product and labour markets functioning

- Redeployment of resources and reallocation of capital and skills are promoted through lean, business-friendly regulation and new insolvency procedures that promote restructuring over exit. However, overly complex licensing mechanisms remain an issue.
- Twice as high a share of SMEs than the EU average reports difficulties in accessing finance. This problem is particularly acute for young innovative SMEs with high growth potential.
- The flexible labour market has helped productivity-enhancing labour re-allocation. However, many workers are under- or over-qualified for their jobs even as high-skilled job offers remain vacant while low-qualified workers look for jobs.
- Simplify licensing procedures in all sectors to stimulate entry of new firms.
- Engage with privately-owned venture funds rather than participating directly in the provision of venture capital.
- Create a framework for attracting, developing, upgrading and retaining skills and bringing them closer to labour market needs by: strengthening firm-based learning; better balancing the attractiveness of firm- and school-based learning; and benefitting from international firms' experiences with apprenticeship systems.

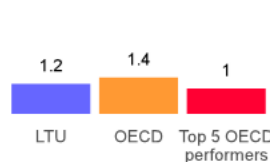
**Labour productivity**  
GDP per employee, USD  
2022



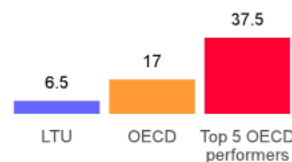
**Unemployment rate**  
%, 2022



**Product Market Regulation**  
**Economy-wide**  
From least to most restrictive  
Index of 0-6, 2018



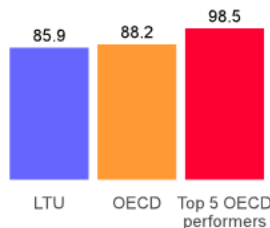
**Active labour market policies**  
**expenditure per unemployed**  
% of GDP per capita  
2020 or latest available



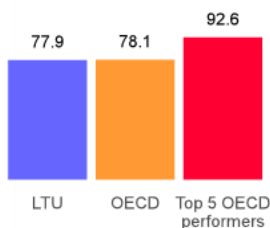
### Digital transition

- Digital technologies have advanced, but uptake and use still lag behind, particularly among smaller and younger firms. Investments in digital infrastructure have not sufficed to overcome the urban-rural digital divide. Moreover, the scope for digitalising the public sector remains large.
- Implement the National Broadband Plan to ensure universal access to high-speed broadband by 2027.
- Support the development of venture capital by prioritizing public support through privately-owned funds rather than direct engagement.

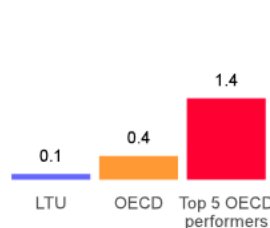
**Households with broadband**  
**Internet access at home**  
%, 2021 or latest available



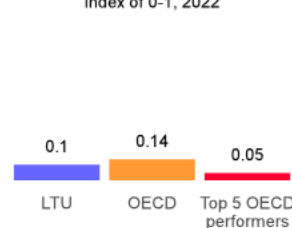
**Businesses with a website**  
**or home page**  
%, 2021 or latest available



**Business R&D expenditure**  
**in information industries**  
% of GDP, 2019 or latest available

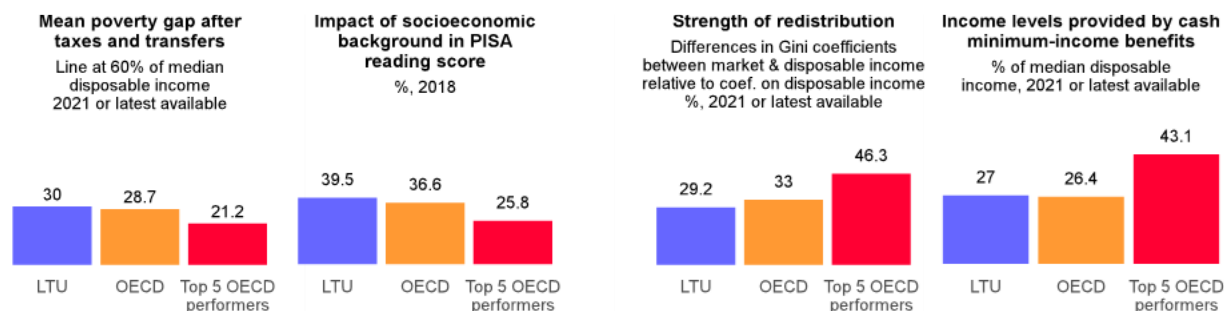


**OECD Digital Services Trade**  
**Restrictiveness Index**  
From least to most restrictive  
Index of 0-1, 2022



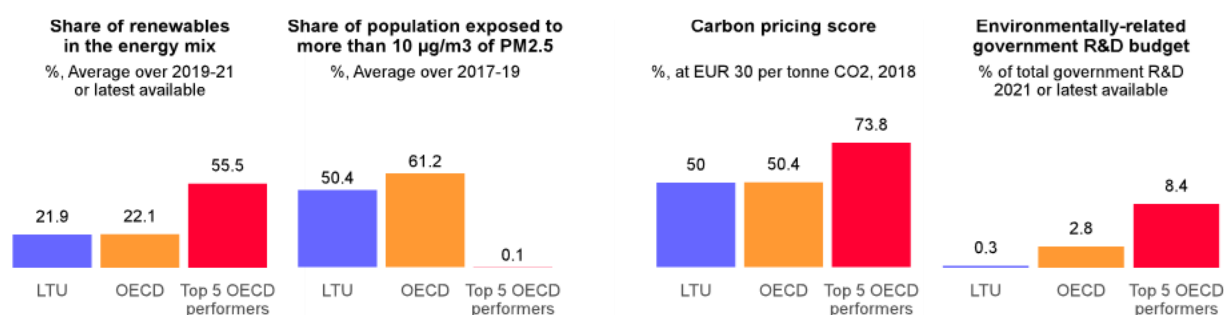
### Inclusiveness, social protection, and ageing

- Poverty has increased until recently, when the pandemic led the government to raise social spending, notably on pensioners and targeted social benefits, and lift the non-taxable income threshold for low-income earners. Nonetheless, the share of the population at-risk-of poverty remains the second highest in Europe.
- Further link social support to needs, especially for the elderly.
- Address the underlying reasons for persistent poverty, such as high unemployment or low skills, through greater activation and better education.

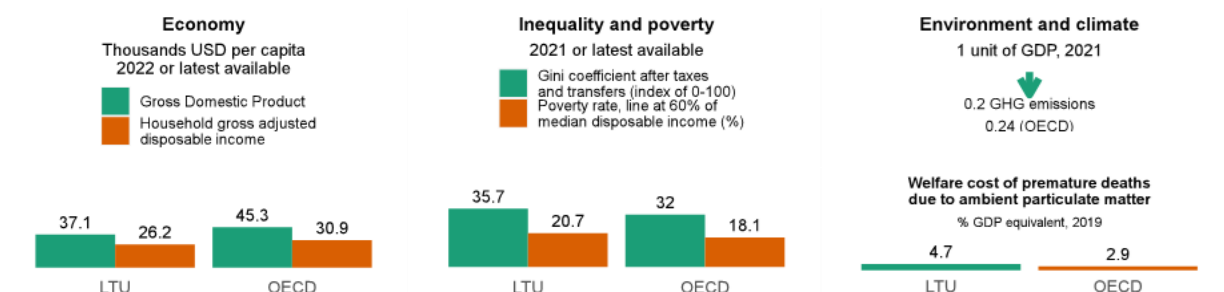


### Climate transition

- The emissions reduction objectives of 30% by 2030 is ambitious, particularly as per-capita carbon emissions are rising amidst persistent fuel subsidies.
- Extend carbon pricing to all areas, including large emission sectors such as transport and agriculture.
- Increase public investment in targeted research and development and green infrastructure.
- Compensate vulnerable households for potential cost increases.



## Overall performance





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