POLICY REFORMS TARGETING CARE FOR OLDER ADULTS IN LITHUANIA

by

Gabriele Ciciurkaite

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Director of Thesis: Arunas Juska, PhD

Major Department: Sociology

This thesis project investigates policy reforms surrounding the care of older people in post-socialist Lithuania. It is argued that institutional arrangements inherited from the socialist era were shaped by indigenous practices of pre-industrialized Lithuania, as well as polices of the Communist regime. The moral economy of aging-in-place in pre-WWII Lithuania centered on multi-generational rural homesteads where care of the aged was assumed to be the responsibility of children and the closest kin. With rapid urbanization and industrialization of Lithuania during Soviet times, the rural population began to rapidly decline. When children living in the cities were becoming caretakers of aging parents, new patterns of rural-urban migration of older adults were established, which, reproduced multi-generational households--but this time in urban areas. Well-established patterns of urban-rural migration of older adults characterized a post-independence period in Lithuania due to long-term demographic factors as well as radical socio-economic reform and cultural changes. The severe economic recession of the early 1990s significantly reduced the state's expenditures on social services, while large-scale emigration to European Union countries destabilized informal family networks of support. Thus, a growing number of older people – especially in rural areas – found themselves pauperized, which occurred simultaneously with a decline in social services. By the mid 1990s, growing elder-care needs had generated three societal responses, which will be analyzed in detail in this thesis: (a) reforms and expansion of state care provisions for older adults; (b) rise of religious charities devoted to the

care of older adults; and (c) initiatives to develop community- based social services. This thesis will discuss the implications of the evolving plural social care model for addressing growing elder care needs in Lithuania.

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Gabriele Ciciurkaite

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APPROVED BY:

The student has successfully passed his/her Thesis Proposal Defense with a grade of: (HP) P LP

ARUNAS BUBLYS Thesis Chair (Print Name)	Sign Here	4/21/2011 Date
Jim Mitchell Sociology Faculty Member (Print Name)	Sign Here	4/21/2011 Date
Don E. Bradley Sociology Faculty Member (Print Name)	Sign Here	4/21/2011 Date
Richard Pozzuto University Faculty Member (Print Name)	Sign Here	4/24/2011 Date
Leon C. Wilson Chair of the Department of Sociology (Print Name)	Sign Here	5/10/11 Date
Dean of the Graduate School (Print Name)	Sign Here	Date

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CHAPTER 1: INTRODUCTION

During the Soviet times, institutional care and social services for older adults in Lithuania remained at a rudimentary stage of development. By the late Soviet period, with a population of 3.7 million, the republic had only 11 nursing homes with 2,224 residents living in them (Social Report 2001). All the long-term care facilities were state-financed and monitored by the Ministry of Social Security and Labor. Laws did not emphasize care for older adults by both religious and secular charitable organizations. Such policies were adopted by Moscow despite the fact that pre-WWII Lithuania – which gained political independence from Soviet Russia following the end of World War I – had a strong tradition of Catholic monasteries and charities providing old age care.

There were ideological as well as political reasons for the prohibition of interest from charitable organizations. Under Communist ideology, the socialist state played the role of the ultimate and all-powerful protector and supporter of the Soviet people. Thus, the state did not need help from concerned individuals. In this respect, paternalistic care provided by the state was and remains (especially for the older generations of former Soviet citizens) one of the major sources of legitimacy of the ex-Soviet regime. At the same time, the Communist regime treated any non-governmental group activities unsanctioned and unsupervised by the state as a potential threat to its monopoly of political power. Even the relatively few voluntary groups for older adults and pensioners that did exist in Soviet Union – and which were engaged mostly in cultural and other recreational activities (amateur folk singing and dancing, amateur theater, and crafts) – were directly financed and controlled by the state. For instance, the state decided on the repertoire of songs older people were permitted to sing.

Absence of voluntary groups and charities and underdeveloped institutional care provisions for the aged not only reflected the ideological and political preferences of the regime, but was also a manifestation of the relatively low needs in this area. It is because elder care was widely perceived to be almost exclusively the responsibility of children and close relatives. Only the childless and those without close relatives were eligible for care in nursing homes. In addition, residence in nursing homes was stigmatized; for older adults themselves and the broader public, residing in a nursing home indicated a life ending in isolation and failure.

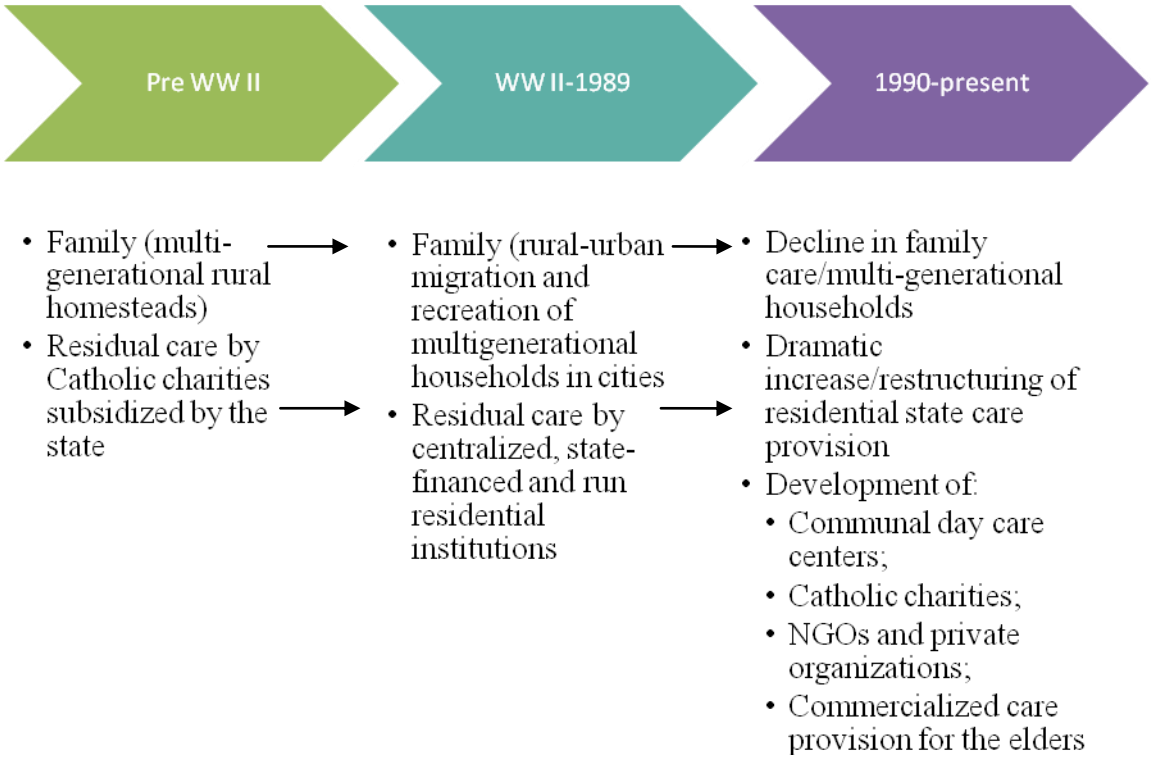
Such views of care for older people far predated the Soviet era and were embedded in widely shared cultural beliefs and traditional kinship structures that were typical of -pre-WWII rural and agricultural Lithuania, where three family generations lived in homesteads together. The moral economy of informal care-giving was based on Catholic values and church teachings. In such rural households, reciprocal helping patterns were seen as most appropriate in need situations. Abandonment of older parents by their children was exceptionally rare; if abandonment occurred it was very strongly informally sanctioned, resulting in ruined reputations and social isolation (Madison 1968).

The Catholic Church also played a significant role in care provided to older persons in pre-WWII Lithuania. Based on Christian and humanitarian values, priests and nuns assisted the minority of older adults who did not have immediate family or who had been abandoned by their children and lived alone. Charitable activities, such as pastoral work, assistance in-kind, nursing the sick and the frail, as well as providing spiritual aid, were subsidized by the state (Szeman & Gathy 1993).

Under Soviet rule, the Roman Catholic Church was severely suppressed. A number of churches were closed down, or turned into industrial facilities. However, it is important to note that the Soviet occupation did not change institutional patterns of the old age care system in

Lithuania. As a result, most of the churches' responsibilities pertaining to care for older people were taken over by the state. Apart from prohibition of volunteer and charitable organizations, the Communist ideology did not alter informal care practices for the aged; the majority of elderly people relied on the support they received from their children and closest kin based on values and practices that had always been an integral part of Lithuanian culture for centuries.

Figure 1 Old Age Care Provisions in Lithuania



Source: Author

The rapid process of industrialization and urbanization in Lithuania during the late Soviet period began to change traditional patterns of old age care. Aging-in-place, which centered on multi-generational rural homesteads, was increasingly replaced by the urban-rural relocation of older adults. Since the early 1950s, annual relocation of the rural population to cities has been almost 1% (Iwaskiw 1996). Fast urban development attracted younger generations

with better jobs and educational opportunities. As children migrated to rapidly growing cities, their aging parents, who were getting too old and frail to live by themselves in rural areas, were migrating to urban areas as well, often helping to raise their grandchildren (Sipaviciene 2002).

However, by the late 1970s, elder care based on rural-urban relocation of multigenerational households was coming under increasing strain, mostly due to socio-demographic changes. Declining fertility rates resulted in the decrease of the average family size. Accompanied by decreasing mortality rates and increasing life expectancy, this accelerated the "graying" of the population (Stankuniene et al. 2005). This was especially the case in the most developed region of the USSR – the Baltic republics of Estonia, Latvia and Lithuania – which had the highest proportion of people 60 years and older. Thus, in the late 1980s, the percentage of retirees in the USSR (17.1%) exceeded that of the US (15.2%) (Kingkade & Torrey 1992). Furthermore, the capacity to care for older adults was strained by rapidly growing numbers of single-parent families and increasing divorce rates, which were the highest in European part of USSR. With one-in-three marriages ending in divorce 700,000 children were left in single-parent families each year (Juviler 1991).

Increasing numbers of frail adults unable to take care of themselves because of the migration of their children, rising female employment, changes in family structure, and shortages of housing worked together to bring a set of problems that Soviet society was not prepared for. Although the central authorities were becoming keenly aware of the rapidly growing elder care needs since the 1970s, little was done to expand and improve the rudimentary social service provisions. With its emphasis on investment and development of the industrial production, this was a reflection of the priorities of the Soviet state. Their practice of treating senior citizens as an "unproductive" and expensive liability resulted in a chronic underfunding of social services. Furthermore, the number of beds available was not enough to meet the growing needs of the

aging population, and placements always lagged behind demand (Powell 1991). The economic resources for social service provisions were allocated in the most restricted manner, which reflected the rhetoric of Soviet authorities focusing on economic growth and the development of industrial production (Pflanczer & Bognar 1989). At the same time, strict political control imposed by the Communist regime, and the repression of any not-officially-sanctioned criticisms kept accumulating problems in this area partially invisible (Powell 1991).

The general attitudes regarding institutional old-age care in the Soviet Union were negative; only 1.4% of 60 to 75 year olds expressed a desire to live in a nursing home (Powell 1991). In addition to the numerous failings – corruption, bureaucratic indifference, inefficient organization – that were apparent in the system of social services delivery, residing in a nursing home was stigmatized; for older adults themselves and for the broader public, it indicated the end of life in isolation and failure (Madison 1968). Admission to nursing homes was regarded an exceptional case and considered only if the elderly person was childless or abandoned by the family, and unable to lead an independent life. Thus, the overwhelming majority of nursing home residents were mostly the bedridden "old old" population.

During *perestroika*, the era of reforms associated with Gorbachev's leadership in the late 1980s, investigative journalism brought the situation of the growing number of pauperized, frail and sick elderly living alone, with no families, and ignored or abandoned by children to the public's attention. Between the woeful inadequacy of pensions and the rapidly growing costs of living, an absolute majority of pensioners were living below the poverty line. Additionally, a growing number of older people sat on waiting lists for admission to the few dilapidated, badly underfunded and understaffed nursing homes. Prevailing societal attitudes towards older adults, their marginalization, misery, isolation, powerlessness and treatment as second-class citizens in

governmental and social welfare offices, policlinics and hospitals were also criticized (Matthews 1991).

The newfound publicity and barrage of criticism regarding inadequacies of the elderly care system led to attempts to overhaul its current provisions. Lithuania found itself at the forefront of social service reforms in the Soviet Union (Orenstein 2008). The reforms of the late Soviet period included three main elements. First, the legal status of charitable – both religious and secular – organizations was restored by state authorities, which allowed an influx of foreign donations, previously forbidden by law. The establishment of charitable organizations was facilitated by laws passed in November 1986 and June 1988 legalizing small scale private enterprises. This allowed charities to claim the status of cooperatives and acquire bank accounts, begin hiring and paying their staff, solicit donations, and to publish and distribute literature promoting their activities (Matthews 1991).

Second, the reform attempted to decentralize state social welfare apparatus by increasing autonomy of the localities. Thus, instead of the Ministry of Social Security and Labor having exclusive control over policies, facilities, personnel and the budget, part of the central authorities' functions were returned to the municipalities. The efforts to reform social services focused on two dimensions – providing home assistance, and establishing territorial day care and long-stay care centers for older adults. Municipal service centers allowed services to be more responsive to, and differentiated according to, local conditions and needs (Matthews 1991).

Finally, because of the prevalent quantitative approach to social services, and their provision under the Soviet regime, a "humanization" movement emerged. During the Soviet rule, social services were excessively bureaucratized, with little accountability for the social care provided; because of confusion in the delegation of responsibility, and unclear authority, a diminished sense of managerial accountability was prominent. Furthermore, older adults were

treated as passive objects with relatively little consideration for their social and emotional needs and wants (Tobis 2000). As a result, in the late Soviet period, calls were made to emphasize the quality-of-life dimension, and the importance of increasing autonomy, self-worth and dignity of the seniors. This led to such innovations as the creation and establishment of the first university programs for social work, a profession that had previously not existed in Lithuania (Constable, Kulys & Harrison 1999).

The collapse of the Soviet Union led to a precipitous economic decline and severe recession in post-independent Lithuania (Mandelbaum 1997). Under the guidance of the World Bank and International Monetary Fund, the new government enacted a set of reforms for a rapid transition to a market economy in response to worsening conditions. By the mid 1990s, neo-liberal reforms stabilized economy, but led to growing inequality, social tensions, and deteriorating standard of living, especially among older adults (Iwaskiw 1996).

Senior citizens proved to be particularly vulnerable to economic downturn, because monetary reform wiped out their lifelong savings and significantly reduced the purchasing power of old-age pensions. Older people became disproportionately concentrated in economically depressed rural areas with declining social services or support from their established social networks. Extreme forms of poverty, the likes of which had not been seen in Lithuania since WWII, re-emerged among the older adults (Marcinkeviciute & Petrauskiene 2007). In rural areas, poverty levels increased to 28.2% (which was more than three times the poverty levels in urban areas 3 times) (National Social Committee of Lithuania 2000).

Pauperization of the aging population in turn had led a decline in life expectancy, and a sharp increase in mortality. In 1994, for the first time in Lithuanian history (with exception of times of war), mortality rates exceeded fertility rates. Life expectancy decreased from 67.9 in 1978 to 62.5 years for men and from 76.6 to 74.8 years for women in 1994 (Jasilionis 2002).

Severe economic recession in the early 1990s significantly reduced the state's already meager expenditures on social services. Negative demographic trends, such as large scale emigration (over the period between1990 and 1995 194 thousand inhabitants left the country) and changes in family patterns (increasing divorce rates, rise in single-parenthood and cohabitation, declining fertility and marriage rates) further eroded informal family networks of support (Sipaviciene 2002; Social Report 2004).

By the early 1990s the crisis in the social welfare system became a matter of legitimacy and political stability for the new democracies, as pauperized older generations started looking back at the Soviet times with nostalgia, and increasingly embracing pro-Soviet views and preferences (Velikonja 2009). The mid-1990s saw a political demobilization of society and an increase in political fatigue, especially among younger generations. At the same time, the relative political influence of the older population increased as their voter participation rates were much higher than other age groups (Read & Thelen 2008).

In 1992, with the overwhelming support of older voters, Lithuanian Democratic Labor Party (LDLP), the former Communist Party of Lithuania, won parliamentary elections in Lithuania. In February 1993, Algirdas Brazauskas, the former secretary of Lithuanian Communist Party, now the leader of social-democrats, won the presidential elections. The bedrock of support for the LDLP were mostly rural and elder populations, who were especially negatively affected by the economic crisis--which had included privatization of collective farms and deregulation of agriculture. Brazauskas and LDLP won by making promises to improve the lives of the impoverished senior citizens (Iwaskiv 1996). Furthermore, as nationalists and anti-communists lost presidential or parliamentary elections to former communists in Russia, Poland, Hungary, Estonia and Latvia, the crisis in elderly care services suddenly came under scrutiny from

international organizations, such as the World Bank, IMF and the European Union, interested in promoting geo-political stability and further democratization in the region (Kaufman 2007).

When market reforms were first introduced in Lithuania, little attention was paid to welfare provisions. It was expected that diminishing standards of living were a temporary phenomenon. However, apprehension about the possible return of the communists to power by democratic means spurred international organizations to improve elderly care provisions. In 1994 the IMF and the World Bank proposed a set of initiatives to reform and strengthen social safety net in the region because failure to act threatened to undermine the entire liberalization project (Kapstein 1997).

Both IMF and World Bank supported measures to increase the involvement of private entrepreneurs and non-governmental organizations in social services provision (Gedeon 1995). Experts from IMF and the World Bank were highly critical of the universalist social welfare provisions of the Soviet era because they were poorly managed and very expensive. Emphasis was put on reducing public spending and cutting costs of social care through privatization, decentralization and restructuring.

By the mid-1990s, services in public nursing homes were in crisis: homes were dilapidated and overcrowded; there were severe shortages of trained social workers and nutritionists, physicians and psychologists. The social care system needed to be reorganized and adaptations for emerging markets had to be made. Decisions were made to decentralize, deinstitutionalize and increase involvement of non-governmental organizations as well as improve of the quality of social services (Social Report 1999:79).

Decentralization of social services was carried out by transferring outpatient facilities and nursing homes to local municipalities that were given responsibility to organize and manage elderly care provision. Deinstitutionalization of the provision of social services included the

development of assistance-at-home and the creation of community services. The legal basis for reorganization for the social care system was provided by *Program of Social Assistance* established in 1994 and two major laws passed by Seimas (Parliament) in 1996; the *Law on Not-for-Profit Organizations*, and The Law on Social Services (Guogis 2002). The *Program of Social Assistance* divided social assistance into three parts: assistance in cash; assistance in things; and assistance in services (Social Report 2000: 112). The Law on Social Services defined new standards for staff members, including educational requirements for health care personnel and social workers. The law also established the legal framework regulating payments between service providers and their clients, as well as provided the basis for new procedures for regulating admission to residential care institutions. Previously there were no state mandated regulations between the service providers and their clients, leading to uncertainty and confusion, especially in cases when the real estate owned by the senior citizens was used as collateral for payment of services (Guogis 2002).

Political liberalization associated with *perestroika* of the late 1980s led to the revival of voluntary and charitable organizations, which were encouraged to take over some of the state's responsibilities in social services provision (Matthews 1990). In1991 only two out of 18 residences for older adults were run by non-governmental organizations and religious communities, but by 1999 out of 93 elderly care homes 30 were classified as non-governmental care institutions (Demographic Yearbook of Lithuania 1997). Among the most significant NGOs were the Red Cross Society, the Caritas Federation, the Diabetic Association, the Association of the Blind and Visually Handicapped, and the Society of Chernobyl Victims. The Catholic Church administered several nursing homes in rural areas (Krisciunas 2003).

In 1996 the World Bank started a project to establish community-based social services for older people. A partnership was created among the Ministry of Social Security and Labor, the

University of Stockholm's School of Social Work, six Lithuanian municipalities, and the World Bank. The Lithuanian government received a loan of 3.75 million dollars from the Bank, a 3.2 million dollar grant from Sida – the Swedish International development Agency--and a two-hundred thousand dollar grant from Japanese government to begin social service development programs. Training for Lithuanian social workers was organized by the University of Stockholm in collaboration with the Department of Psychology at Vilnius University. During project implementation, 12 social service and training centers were established. A new type of home service program was created in Svencionys municipality and the first day-care center was established in Vilnius (Tobis 2000).

In 1999, the Council of Europe Development Bank and the Lithuanian government started a project "The Strategy of the Development of Social Services in Lithuania." Development of communal social services at the community level was oriented towards reducing the costs and increasing availability and quality of services provided. The initial plan was to finance ten social services provision projects in the cities of Vilnius, Kaunas, Klaipeda, Druskininkai, Marijampole, and in the local governments of the regions of Pakruojis and Jurbarkas. In the second stage of the project, local governments and non-governmental organizations were awarded funding to develop 58 new communal centers (Social Report 1999).

Despite the increasing emphasis on quality of services provided to older adults through decentralization and pluralization of social services provision, the statistics indicate a continuing growth of residential elderly care institutions. In the time period between 1990 and 2008, the number of residential institutions for old people increased almost 10 times (from 11 to 104). The number of residents in state-run institutions doubled over the same period of time – from 2,224 to 5,047. In comparison, there were only 8 assisted living facilities with 212 older adults residing in

them in 2008. Also, 24.6 thousands of older adults attended day care centers, and 9.5 thousand of seniors received care at home nationwide (Social Protection in Lithuania 2008).

It is important to note that in 1990 the majority of those senior citizens who were in need of elderly care had only one option – to become residents in long-term care institutions. In 2008 out of 1,775 applications for residency in a nursing home, 78% were granted. Out of those who submitted applications, only 4% were offered alternative services, i.e. at home care or social services at day care centers. This indicates that local governments were reluctant to establish and provide their clients with alternatives to residential care. The main question that this thesis seeks to answer is: why do residential institutions remain the predominant venue of social care services for older adults, despite anti-institutional elderly care rhetoric and insistence on importance of developing new opportunities for community-based and private social service providers for older adults?

In this thesis I argue that the predominance of elderly care services primarily based on residential care is an outcome of a complex process of cooperation, negotiations, competition and coercion of a number of national and international actors and different social services providers – the World Bank, IMF, Lithuanian political parties, municipality officials, non-governmental organizations, the Catholic Church, the media, social workers, academia, and mobilized older adults. I discuss the variety of interests and resources that diverse sets of actors used in the process of determining the most appropriate mode of elderly care provisions in the country. For analytical reasons, I distinguish between two periods of elderly care development and reforms to show the dynamics in restructuring and pluralization of elderly care services

provision. I elaborate and rely on "path-dependency" approach to show the trajectory of continuous reliance on state- and municipality-funded residential institutions. In my analysis, I suggest that the legacy of state socialism to a large degree explains the reliance on "path-dependent" models of elderly care provisions. To be specific, I show that despite the reforms in elderly care provision system, the network of residential care institutions has been expanding more rapidly, when compared to non-residential services. In the analysis of the development of religious charitable organizations, I demonstrate that these NGOs started out as independent social care providers for older adults, however by 2006 they were incorporated back in the state welfare system. More recently, attempts to establish community-based old age providers led to recreation of residential nursing home based on the Soviet era prototypes. Therefore, the main argument of this thesis is that despite the attempts to reforms the social care system in Lithuania, the Soviet-type institutional patters have been recreated, while at the same time hindering innovations in the sector.

CHAPTER 2: METHODOLOGY

The purpose of this thesis – to outline and analyze elderly care reforms and the development of the plural elderly care provision model – to a large degree determined the data and methods used. First, I drew on personal experience and field data collection. I utilized ethnographic research methods of participant observation and in-depth interviews. The interviews, a focus group discussion and participant observations took place over the summers of 2009 and 2010. The ten in-depth interviews were conducted face-to-face and were mostly open-ended questions.

During the summer of 2009, I visited the Balninkai Community Center and conducted a focus group discussion with the leaders of the group engaged in transforming an old village kindergarten into a social services center for senior citizens. Balninkai Community was among the first rural organizations in Lithuania to utilize the European Union Structural funds to develop a community-based residential institution for older adults. During my visit, I got the chance to meet and interview the leaders of rural community as well as tour the Soviet-era kindergarten that at the time was being transformed to serve the needs of the older population in the area. I also interviewed experts from the Institute of Social Research who worked on the Law on Social Services provision in Lithuania. I interviewed officials from the Ministry of Agriculture, who managed the European Union rural development program LEADER+. I returned to Lithuanian in the summer of 2010 and interviewed 3 directors of municipality residential institutions for older citizens, 2 leaders of parish-based residential institutions, and community-based day care centers for older adults and the disabled of in Svencionys and Vilnius.

The empirical data of this study are not representative to all elderly care institutions in Lithuania but provide an in-depth perspective about the reforms and development of social services for older adults. I recruited my informants for interviews using the “snowball” technique.

I chose particular elderly care provision institutions based on their accessibility and conducted all the interviews at the locations chosen by the informants, which in the majority of cases was the elderly care provision institution. I recorded most of the interviews on a digital voice recorder. The recorded interviews were transcribed into a Microsoft Word document and then analyzed. In order to protect the anonymity and confidentiality of the research participants, each interview was assigned a number, known only to the researcher. My study also relied extensively on secondary data available in academic publications, legal documents provided by the Parliament of Lithuanian Republic (Seimas) and the Department of Social Security and Labor as well as census data collected by the Statistics Department of Lithuania.

I will begin my analysis by reviewing the literature on elder care reforms in post-socialist countries. I will rely on the "path-dependency" approach to explain changes in elderly care services provisions in post-socialist Lithuania. The empirical part of the thesis will analyze each of the four societal responses to the growing elder-care needs: (a) reforms and expansion of state care provisions for the older adults; (b) rise of religious charities devoted to care of older adults; and (c) initiatives to develop community based social services. For this purpose, I describe negotiations among the major actors in defining and institutionalizing four types of elderly care provisions. I will conclude with a brief discussion on the implications of the evolving plural social care model for addressing growing older citizens' care needs in Lithuania.

CHAPTER 3: LITERATURE REVIEW

Elderly care reforms in the former socialist countries remain an understudied area of investigation. The research that does focus on social services provision for older adults is usually analyzed in the broader context of welfare system reforms (Aidukaite 2009). For analytical purposes, existing studies on elderly care provision in post-socialist countries will be classified into two theoretical approaches: transitional and transformational. "Transitional" explanatory model is based on the assumption that post-socialist countries are evolving towards the Western market-based liberal democracies. The body of literature that falls under the name of "transitology" is closely associated with Francis Fukuyama's "The End of History" (1992), in which he argued that with the collapse of state socialism liberal democracy had prevailed over all alternative ways of organizing human societies (Stenning 2005). In comparison, "transformational" model is based on the concept of "path-dependency," which does not assume that history has a progressive direction. The "Path-dependency" approach focuses on how post-Soviet transformations were influenced by many factors, such as history and culture, which in turn led to a variety of reform outcomes in former socialist countries (Brier 2009).

Until the end of 1990s "transitology" was the dominant approach in the debates on post-soviet development (Blokker 2005). From the "transitional" perspective, there was only one pathway of post-socialist development: convergence of former Communist societies with Western Europe through the adoption of Western legal, political, economic and financial practices (Getting 1994; Orenstein 2008). Domestic and international policymakers were primarily concerned with replacing the institutions and practices of socialism with a new, market-based political, social, and economic system (Stark & Bruszt 1998). The socialist past tended to be ignored, and continuity of socialist and post-socialist changes was deemphasized. The focus

was primarily on what needed to be accomplished for post-socialist states to become more like the advanced Western economies.

The market based neo-liberal approach of "transitology" was a predominant philosophy of the money-lending and advisory institutions such as IMF, the World and the European Development Banks (Soulsby & Clark 2007). The major features of neo-liberal policy agenda included macroeconomic stabilization, price liberalization, rationalization of exchange rate, and easing trade and investment, and property ownership reforms--legalization of private enterprises and privatization of state-owned enterprises (Aslund 2002). The trajectories and successes of transformation in post-socialist countries were monitored in terms of political rights and civil liberties, economic freedom, and growth of the private sector using advanced Western societies as reference points. Market reforms were of primary concern; although acknowledged, changes in social policy were considered secondary (Lane 2002). Furthermore, changes in the welfare systems were primarily seen as means to an end and were assessed in terms of how much they deviated from or achieved their primary role of supporting neo-liberal market reforms. Social welfare reforms were defined by several major constraints: the fiscal and budgetary limits on social expenditures, and the prevention of political mobilization and the possible return of neo-communists in the power (Pestoff 1995; Vachudova & Snyder 1997; Read & Thelen 2007).

The predominant majority of Lithuanian economists, as well as international experts, criticized the socialist welfare system as fiscally unsustainable and paternalistic. Thus, reliance on residential old age provision by the state, which had been inherited from the Soviet Era, seemed neither adequate nor sustainable in the market-based economy (Ferge 1997; Read &Thelen 2007; Altman 2008). Liberal reformers and international organizations promoted a transition from the socialist (universal) model to a residual social care model through decentralization and the creation of a means-tested safety net; only those "poor enough" could

qualify for state support. Privatization of the social service sector was encouraged, not only to increase in its efficiency, but also to provide more choices in elderly care services available (Getting 1994).

The "transitology" approach, applied to social policy planning, and deemphasized the importance of socialist past. The main element of their social policy agenda was strengthening the individual responsibility through the privatization and marketization of state welfare system. However, I argue the elderly care provision system in the country changed only marginally over the twenty year period since the collapse of Soviet Union. On the contrary, the number of residential care institutions funded from the state and municipality budgets has been steadily increasing since mid-1990s, especially when compared with alternative social services providers. As it was mentioned before, the number of residential state-funded institutions has increased from 11 to 104 over the time period 1991-2008 with the number of residents in these facilities increasing every year, while the network of alternative/non-residential services has been developed at a much slower rate. This trend suggests that the "transitology" approach fails to explain institutional inertia and continuous reliance on residential elderly care institutions inherited from the Soviet era.

More recently, there was an increase in skepticism about reforming post-socialist states through implementation of economic, legal and social institutions, and practices copied from advanced Western states. These were the main statements of "transitology" approach that critics found questionable: 1) ability to explain institutional change based on proposed instructions; 2) view of historical development based on uni-linearity and neglect of historical legacies; and 3) the assumption that the collapse of socialism created institutional void (Stark& Bruszt 1998:80-82).

Post-socialist countries advised and aided by the World Bank, IMF and the European Bank of Reconstruction and Development (EBRD) mistakenly drew the conclusion that capitalist institutions could be replicated according to their proposed instructions. They not only ignored the origins of capitalism and its development in Western Europe, but also neglected local histories of countries in the region. Moreover, models and analyses based on the "transitology" approach ignored the ways domestic policymakers were constrained by the voice of citizens and other groups of interests in the emerging democracies. According to the critics of "transitology," the new social order can only be built by reshaping the "ruins" or available resources, such as organizational forms and habituated practices (Stark 1992). Consequently, post-socialist transition was exclusively seen through the lens of a general model, and differences among countries were viewed merely as differences in commitment to the new reforms, the speed of introduction of new policies, and the degree to which certain strategies departed from conforming to the initial design. Finally, the collapse of Communist rule did not leave an institutional void, but on the contrary, post-socialist development is marked with institutional legacies. Stark and Bruszt (1998:82) extend the metaphor of collapse:

> It is in the ruins of that these societies will find the materials with which to build the new order; therefore, differences in how pieces fell apart will have consequences for how political and economic institutions can be reconstructed in the current period.

In contrast to "transitologists," proponents of alternative approaches proposed to analyze social welfare reforms based on the concept of "path-dependency." The analytical power of "path-dependency" depends upon its applicability to explain outcomes of actions constrained by existing institutional resources and searching for new ways of departure from former routines. Furthermore, these resources favor selection of certain strategies and not others. The "path-dependency" approach emphasizes particularity, diversity, and continuity with the past

experiences and historical development that are seen as essential in understanding and explaining changes in post-socialist Europe (Blokker 2005; Lane 2002).

Despite its wide application, a precise definition of the term "path-dependency' frequently gets lost among vague assertions such as "history matters" or the "past affects the future" (Zukowski 2004:956). The 'path-dependency" approach was originally used in economics and later applied to comparative political studies, organization studies, and sociology (Pierson 2000). Scholars drawing on the "path-dependency" approach claim that institutional practices are embedded in historical legacies and structures that were in place before reforms were undertaken. The main thesis of the "path-dependency" approach is that social change is bound by past institutional conditions that may restrain policymakers from making choices deviating from preceding experiences; however, it avoids deterministic explanations by acknowledging the process and possibility of change in time (McFaul 1999). As North (1990:98) explains:

> Rather than being a story of inevitability in which the past nearly predicts the future, it is a way to narrow conceptually the choice set and link decision making through time.

"Path-dependency" theorists consider post-communist societies to be shaped by a unitary state-socialist system as well as the unique characteristics of every state (Kostova & Roth 2002). With reference to elderly care systems, the theoretical approach views them as a network of interconnecting relationships between the actors on the macro level (such as governments and political interest groups) and micro level (such as individuals and families) that are embedded in the structures of such external factors as historical conditions, societal structure, politics, and economics (Fux 2008). The theoretical approach puts weight on historical and cultural differences of welfare practices leading to pluralization of elderly care models across European nations.

Based on Esping-Andersen (1990), the plurality of outcomes in post-socialist welfare models could be classified into these categories: 1) *Universalist* or socio-democratic, focusing on enhancing equality and inclusion through guaranteeing a broad range of social rights; 2) *Conservative-corporatist,* influenced by Catholic social doctrine, preserving stratification through attachment of social rights to different statuses and family involvement; and 3) *Liberal*, emphasizing state's withdrawal from public provision and resting on residual safety nets. Other scholars refer to them as the Scandinavian, the Mediterranean, and the Bismarckian welfare models (Anttonen & Sipila 1996).

The post-soviet Lithuanian welfare model could be regarded as a mixture of features from universalistic and conservative models, however, while still maintaining some of the distinct features of the Soviet welfare model, which for analytical purposes could be regarded as a separate Eastern European welfare model. However, Esping-Andersen's approach fails to capture changes over time and doesn't include welfare states in the typology--other than those of the world's major industrialized nations. Therefore, this typology could only be applied to a limited number of welfare states.

It is difficult to neatly fit welfare systems across post-socialist countries into the above provided generalized typologies. This is because every post-socialist country reflects a combination of multiple layers of historical traditions that have shaped contemporary welfare regimes. Therefore, in this study I will rely on the "path-dependency" approach to define the factors that enabled or constrained the introduction of new welfare policies, as well as adaptations and reconfiguration of old ones, which in turn have led to an increasing reliance on residential elderly care institutions. Thus, in my analysis, instead of using the term of "transition" with an emphasis on destination, I will use the term "transformation" so that the focus remains on the

actual process of complex rearrangements and structural innovations in the elderly care provision system.

Further, in this thesis I will investigate other emerging forms of social service provisions for older adults, such as church organizations, and community-based enterprises. This will allow me to identify factors that facilitate, as well as constrain, the transformation of the residential elderly care model in Lithuania. I will conclude by discussing implications of the evolving elderly care model in addressing the growing needs of older adults in Lithuania.

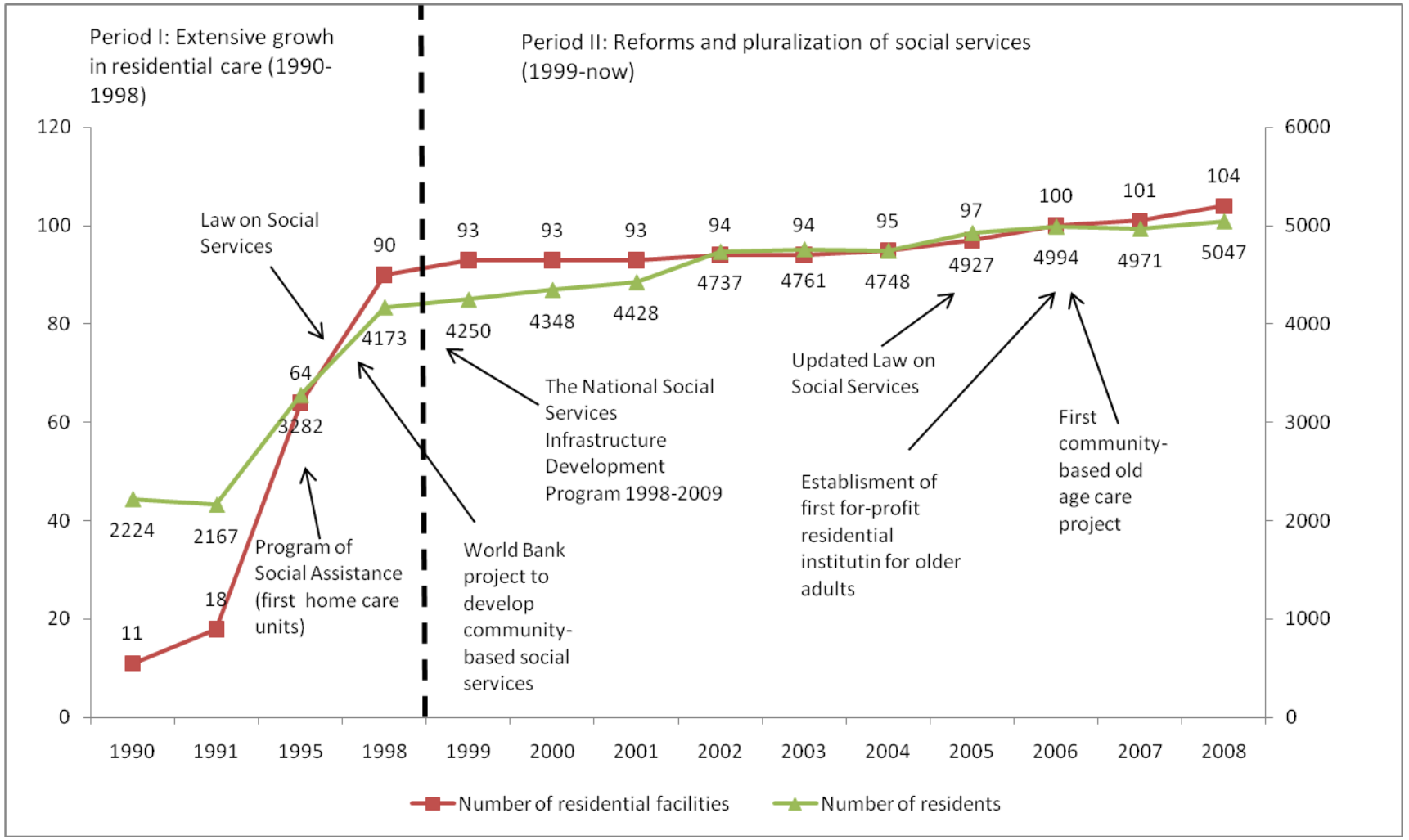
CHAPTER 4: RESULTS

4.1 REFORMS AND EXPANSION OF STATE CARE FOR OLDER ADULTS

As it was mentioned in the preceding chapters, development of social services provision for older adults started after Lithuania regained its political independence. During the Soviet era social services provision was not considered a separate sphere within the social welfare system, therefore, little attention was paid to its development. Social services provision for older adults was limited to institutionalized care. The profession of social work did not exist; therefore, the majority of decisions regarding care in nursing homes were primarily made by the medical staff. The central issue during the early 1990s was to reform elderly care provision in a way that it would adapt to the new market order, reflect historically established and culturally acceptable ways of providing social care and adequately serve the growing needs of older populations.

Figure 2 shows a "path-dependent" trajectory of elderly care services provisions from 1990 to 2008. Two different periods in the dynamics of care for older adults can be distinguished, each with specific dynamics and a set of actors: Period I (1990-1998) of extensive growth in residential care and Period II (1999 to present) of reforms and pluralization of social services.

Figure 2 “Path-dependent” Trajectory of Elderly care Provisions



Source: Data provided by the Department of Statistics 2000, 2008

4.1.1 Period I: Extensive growth in residential care institutions

The beginning of Period I was characterized by a dual process of implementation of neo-liberal reforms of "shock-therapy" proposed by the World Bank, IMF and the European Bank of Reconstruction and Development (EBRD) and increasing pauperization of older adults and. Lithuanian government was pressured to adopt the liberal welfare state model based on a residual safety net. However, the general public continued to overwhelmingly support the universalistic provisions model inherited from the socialist past. Uneasiness was expressed by international organizations in late 1992, when the neo-communist party, with the overwhelming support of older voters, won parliamentary elections in Lithuania. Thus, social policy reforms in the early stages of transformation were constrained by fiscal considerations and the need to prevent political mobilization of pro-communist voters.

Although attempts were made to reform the centralized Soviet elderly care system since *perestroika*, it was in 1991, which was the last year of USSR existence that 98% of older adults were provided social care in state residential institutions (Social Report 2000). Despite the fact that in 1994 IMF and the World Bank agreed to increase funding for development of social services system, the unmet needs of older adults continued to grow. We can see this trend reflected in the fact that by 1995 the number of residents in the deteriorating infrastructure (inherited from the Soviet Union) tripled, which resulted in extremely poor living conditions for older residents (Juliver 1991).

Because of the urgency of the situation pertaining to elderly care, the government chose to rely on the inherited social services provision system while simultaneously attempting to reform the infrastructure so that public spending was reduced. This created an environment for

commercial and informal sectors to step in and take over a part of the responsibilities. The major constrains for further development of a social services provision system was the institutional infrastructure and culture of care provision typical to the Soviet era, as well as lack of legislative base.

During Period I, several groups of actors were engaged in the process of developing social services provision system. The most prominent among them were the World Bank, The Ministry of Social Security and Labor, local governments, which were given the priority to organize social services for older adults, rising NGOs and religious organizations and mobilized older adults. The main focus of social services reforms was decentralization, deinstitutionalization and involvement of non-governmental and religious organizations in social services provision.

In order to decentralize the social services provision, municipalities were made responsible for assessing the needs and organizing social services. However, local governments were primarily funded from the state budget; therefore, financial dependence on a central government hampered diversification of social services in municipalities. Furthermore, the majority of social services providers lacked professional training; therefore nursing home service quality remained a salient issue. It should be noted that reorganization of the elderly care policy during the beginning of Period I was handled very much in a way that resembles the old schemes adopted from the Soviet Era. Because there were no viable immediate alternatives to institutionalized residential care mostly *ad hoc* measures were chosen to alleviate the situation. As stated by one of the directors of state-run residential institution, the first years of independence did not bring any major changes:

> Nothing changed much. The system didn't change; subordination didn't change. We remained subordinate to the Ministry of Social Security and Labor, like we

> were earlier. I didn't notice any changes pertaining to a different political regime. Work is work. All those novelties were implemented later on (…) One can't notice any changes unless they are implemented from above" (Interview 6).

4.1.2 Establishment of Legal Framework and the Diversification Social Services

In the mid-Period I, the dynamics of social services development began to change. National policies on the social services provision at the time set an explicit priority on decentralizing and monetarizing the system. This priority was characterized by *The Program of Social Assistance* adopted in 1994 and *The Law on Social Services Provision* passed by Lithuanian Seimas (Parliament) in 1996, giving the municipalities and non-governmental organizations the responsibilities of organizing and administering social services provision.

Based on *The Law on Social Services Provision,* municipalities became authorized to evaluate the needs for social services and prepare yearly budget plans based on the scope and kinds of requests received from the residents. Long-term care institutions set up by municipalities were primarily financed from the state budget. Non-governmental and private organizations, as well as religious groups interested in social services provision, had to sign a bilateral agreement with the municipality regarding the conditions, control, and financing of social services. Financing from the municipality and/or the state budget was directed towards special social services programs organized by non-governmental or religious organizations; therefore, they had to provide yearly reports on the use of received financial support.

The Law on Social Services in 1996 allowed for the establishment of private social services providers; however, none of them existed until the new *Law on Social Services* was passed in 2006. Table 1 represents the increasing number and variety of residential institutions during Period I (1990-1998).

Table 1 Diversification of Residential Care Institutions for Older Adults

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Municipal residential institutions	**3**	**-***	**9**	**17**	**28**	**34**	**37**	**45**	**50**
Number of residents	44	-	195	447	864	981	1223	1497	1701
Non-governmental/parish residential institutions	**2**	**-**	**5**	**5**	**16**	**16**	**19**	**25**	**29**
Number of residents	5	-	45	61	180	220	305	401	553
Total number of residential institutions	**11**	**18**	**-**	**-**	**-**	**64**	**66**	**76**	**90**
Total number of residents	2224	2167	-	-	-	3282	3404	3647	4173

Source: Social Report, 1998; Statistical Yearbook of Lithuanian, 2000

-*Data unavailable

The number of residential elderly care institutions was rapidly increasing, at the same time social services were becoming more diverse in their types and nature; during this time, the first day care centers and home care services units were established. By 1998 the network of municipal residential institutions was rapidly expanding; the number of residential social services providers for older adults increased by more than 8 times, and the number of residents living in residential institutions increased almost 1.5 times, from 2,224 to 4,173. Between 1991 and 1998 the number of social care institutions ran by NGOs and religious communities also increased from 2 to 29, while the number of seniors who used their services increased from 5 to 533. In addition, six new day care and community centers opened their doors in 1998. With the

developing network of elderly care institutions, more applications for resident care could be filled. In 1998, out of 1,969 received applications, 1,239 were granted (Social Report 1998).

The number of individuals receiving care at home had been increasing since 1995. Data provided by the Department of Statistics indicate that in 1998 there were 7,229 single older persons who received care at home provided by 813 social workers (Social Report 2000). However, when compared to 1997, the number of people receiving care at home decreased in 1998 by 988 people because the government started limiting part-time work based on the new resolution implemented in 1997. The need for social services provision at home became especially pressing in rural areas because 23% of the rural population was 60 years old and older (Social Report 1998).

However, low degrees of decentralization of elderly care institutions was reflected by the fact that in 1996 the share of the national budget allocated to development of residential institutions comprised 69%. Local municipalities devoted 31% of their annual budget to set up residential institutions, as opposed to providing more community-based services (Tobis 2000). Due to an increasing demand for social services, the Ministry of Social Security and Labor started the Social Services Infrastructure Development Program for 1998-2003 to provide social services more efficiently and encourage collaboration between municipalities, non-governmental organizations and religious groups.

4.1.3 The World Bank Program for Community Social Services Development

In 1996, after being approached by the Lithuanian government, the World Bank started the Social Policy and Community Social Services Development Project to support communal social services development. Of the 56 Lithuanian municipalities, six of them were selected to

implement 14 pilot community-based social services initiatives. The projects were established in order to reduce the number of individuals entering residential care institutions and increase the number remaining in the community. Two of the pilot projects started in Svencionys and Vilnius in 1998, will be used to describe the development the first community-based social services for older adults in the country.

4.1.4 Home Care for Older Adults in Svencionys

Svencionys had a state-funded residential care institution inherited from the Soviet era, yet many older adults in this rural community were frail and homebound. The waiting list was 35people long before the home services provision program even started. The goal of the program was to provide opportunities for older populations to live a fulfilling life in their own home. By 2000, the pilot project provided daily and weekly services for 365 older adults. All the services were organized by a social worker and a social worker's assistant. Basic services included counseling, food delivery, home chores, wood, cutting, transportation, provision of technical assistance devices and medical care. The predominant group of services receivers was older adults with special needs. Their number has been increasing since the establishment of the unit and reached 183 persons cared by a total of 47 staff members in 2009.

According to one of the social workers, the home services were very helpful for those older adults who lived in remote rural areas and were too frail to take of themselves, yet did not want to leave their own home:

> If it wasn't for the World Bank projects, our municipality would have never found the money to establish this center. (…) We have enough residential institutions but more home service centers should be provided municipalities. Also, they [residential institutions] have issues with quality standards; there are no showers, not enough bathrooms, even though the requirements are pretty minimal (Interview 8).

In 2002, the home care provision unit was merged with the social services center and a day care center called "Verdene" was opened, which expanded the variety of social services that the unit could provide. Services provided in the day care included counseling and providing needed information, mediation, organization of personal hygiene services, and education to help them maintain social skills and socio-cultural activities. Social services at the day care center were provided by one full-time social worker. Visitors of the day care center also had an opportunity to become members of two musical ensembles and a humor club, as well as to perform on special occasions. In 2009, the day care center had between 40 and 159 visitors every month. After being asked how the day care center was perceived by the local community, the social worker noted:

> It took a long time. Older people stay at home and don't go out. Also, only those living in town or in adjacent areas can visit the center. However, there are plenty of people living in remote areas who would like to come if they could. (…) Those who tried it, really enjoy it. (…) We have older adults coming from the nursing homes because most of residents there have severe disabilities. But it's an alternative for the stronger ones (Interview 8).

4.1.5 Day Care Center "Atgaiva" in Vilnius

The day care center called "Atgaiva" was opened in 1998 with financing received from the World Bank. The center is located in Seskines region of the city, which houses a substantial population of older citizens. The center offers classes in culinary, arts and craft-making, physical exercises, and also organizes trips to museums and churches in the Vilnius area. Visitors are encouraged to participate in choir rehearsals and participate in special events during holidays. The center has a library with a reading room, which is available to use free of charge. Other services that are available for pay include a laundry mat, a shower, and a sewing machine that could be used to fix clothing. The laundry mat and sewing machine are the most

frequently utilized by the visitors. All the services are provided by 5 staff members: the director, 3 social workers and a janitor. The center is open every day from 8 to 5, and everybody is always welcome to join. There are a total of 600 people on the list that registered during their first visit, but the number of regular visitors is around 200, most of whom are elderly women living close to the center. After being asked if there was anything done to encourage older residents to use their services, the director told me:

> It was difficult. We had to walk around with flyers, we also advertised on TV and in the radio (…) People still have the Soviet mentality; they want everything for free. Some of them had to get used to the idea that some of our services have to be paid for. (…) They would come in, look around. We would encourage them to register with us and come again. But they would be scared to give their personal information, thinking that we might rob them. (…) We are glad that most of our clients are intelligentsia, educated people. They come to read and participate in social activities, celebrate their birthdays. Older women are especially interesting in learning; we used to have a person here who taught English (…) They [regular visitors] were very happy. One couple even fell in love and started living together (Interview 9).

Encouraged by pilot projects, the Ministry of Social Security and Labor provided additional $1.25 million for developing additional community-based social service centers in 1998. Out of 143 projects submitted by municipalities, 40 of them received funding. By 2004, the number of day care centers for older adults reached 36 (Social Report 2004: 137).

4.1.6 Development of Social Work in Lithuania

Development of social care practices and services during the first decade of independence was also fostered by introduction of social work profession. In the Soviet era social care was overly medicalized, bureaucratic and limited. There was little need for professionally trained social workers because the majority of people relied on informal support of family members or neighbors. The social welfare was primarily characterized by a system of financial benefits, while social services provision was underdeveloped and limited to state-run

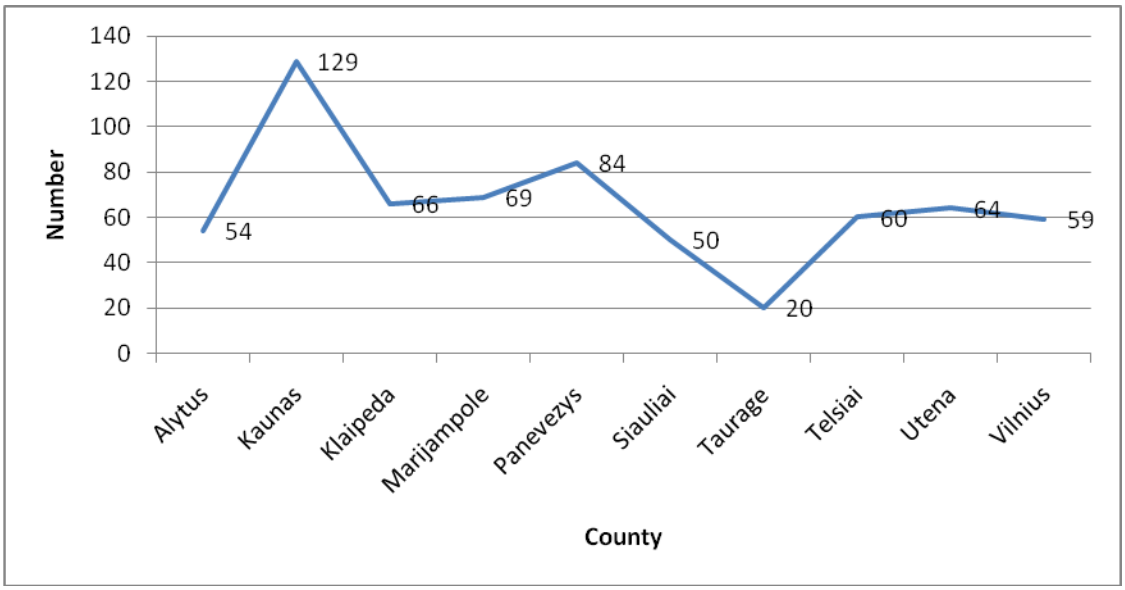
residential institutions. Professional social work was introduced in Lithuania after the collapse of Soviet Union. During the first years of independence, unemployment, violence, alcoholism and poverty increased significantly, thus, the need for professionally trained social workers was acknowledged.

Social work studies were initiated by social work professionals from Loyola (Dr. Robert Constable), Illinois (Dr. Regina Constable) and Alabama (Dr. David Harrison, who is currently is a faculty member at East Carolina University) universities in the U.S. A., Lithuanian Bishop Conferences and Caritas Lithuania. The first social work educational program was established at Vytautas Magnus University in Kaunas. With international assistance, by 1994 the specialized social work library in Lithuania was established. Social work education courses were also offered at College in Utena and Vilnius University. Later on other schools of higher education started training social workers. In 1994, social work was included in the Lithuanian register of professions. During the first years of development of the program most of the program's faculty came from overseas (several of whom were of Lithuanian descent). By 1998, almost all of the courses were taught by Lithuanians. The first full-time certificate class was admitted in June 1992, whereas by 2000, 825 students had received degrees in social work and social pedagogy (Constable, Kulys & Harrison 1999).

The basis for establishing social work was *The Law on Social Services* passed in 1996 (updated later in 2006) that defined and codified the profession, and described major duties of social workers and spheres of social work. Since 2006 social work programs of social worker has been offered at seven universities and eight colleges. Graduates of study programs may acquire a non-university higher education, a bachelor's and a master's degree (Swindell 2004).

While implementing the social services reforms starting with 1996, considerable attention was paid to the qualifications of social workers. In 1999 in order to ensure that social services are provided by qualified professionals, a program on "Training and Certification of Social Workers" was initiated. Over 400 thousand dollars were allocated from the state budget to train social workers. Between1999-2004, close to 4.3 thousand personnel from state, municipal, non-governmental and religious organizations and private institutions attended training sessions and 4,984 of them were awarded certificates. This program proved to be very important not only in the enhancement of the qualifications of social workers but also in improving their professional image in society (Social Report 2003). Figure 3 provides the number of certified social workers in different counties in 2002.

Figure 3 Distributions of Certified Social Workers in 2002



Source: Social Report (2002:49)

After the updated *Law on Social Services* was passed in 2006, persons providing social care were required to either earn a university degree in social work or obtain equivalent education in five forthcoming years. Assistants to social workers are required to upgrade their education by attending introductory courses. In order to ensure the right to work as a social worker for people who had been in the field social care provision without the required education, retraining courses financed by the EU Structural Funds were offered in 15 selected institutions across the country. Between 2006-2008 a project called "Vocational Training of Social Workers and Assistant Social Workers" was implemented to improve the professional competence of social workers (Social Report 2007-2008).

In 2006, 948 social workers worked at residential care institutions for older adults, while over two thousand social workers and 250 volunteers provided home care services for almost 8 thousand older adults. Another 14.4 thousand seniors (1.7 times more than in 2005) received social care at day care centers provided by 993 social workers (Socialine Apsauga Lietuvoje 2006). In 2007, there were 556 posts of social workers functioning in municipalities across the country; in 2008 additional 56 posts were set up in municipalities in order to bring social services closer to place of residency for older adults (Social Report 2007-2008). By 2009 the number of older adults receiving care at home decreased to 13,554, while the number of social workers providing home care decreased to 1,708. On the other hand, by the end of 2009 the number of people receiving care at day centers increased to 27.6 thousand, accompanied by an increase in the number of social workers that reached 1,933 (Socialine Apsauga Lietuvoje 2009).

4.1.7 Period II: Reforms and pluralization of social services

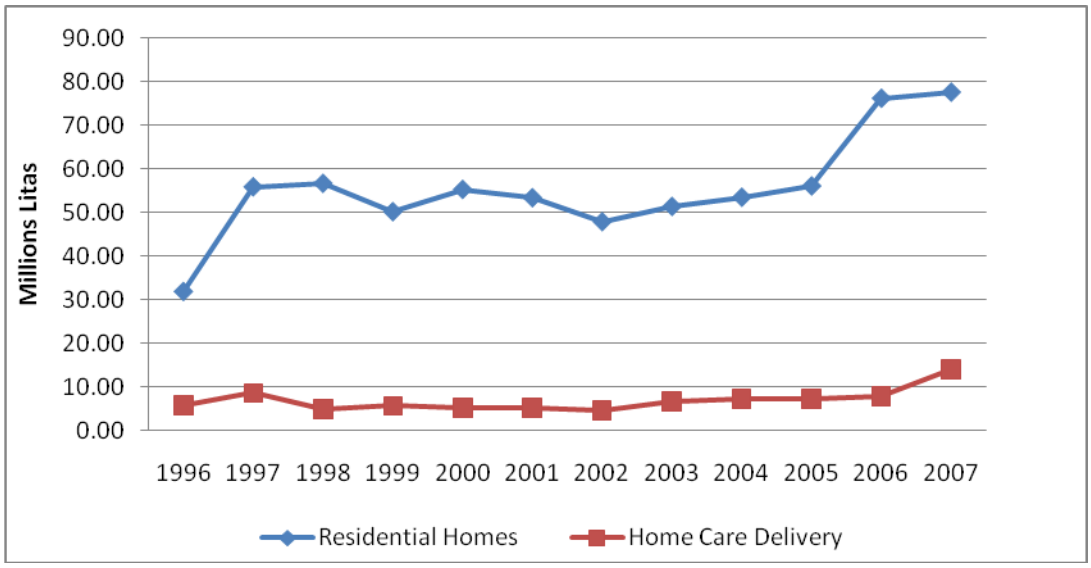
During Period II (1999-now), significant structural changes in the elderly care provision system occurred. The number of residential institutions was still increasing but at a much slower rate, while the network of community-based care centers ran by NGOs and religious communities was rapidly expanding. During this period several pieces of legislation highlighted the development of elderly care services.

Period II started with "The National Social Services Infrastructure Development Program" for 1998-2003 implemented by the Ministry of Social Security and Labor with the objective to improve the infrastructure of social services in municipalities, encourage development of non-residential social services and their accessibility for people in need. Collaboration between municipalities, non-governmental organizations, religious groups as well as private sector was encouraged. Over the period 1998-2002 the allocations from the state budget and the Europe Development Bank totaled LTL 22.49[1] million. With implementation of the project 48 social services centers were established offering services to 2,226 new customers and employing 414 new staff members (Social Report 2002:48-49). In 2003, the Lithuanian government received LTL 5.7 million from the Development Bank to implement another 35 projects (Social Report 2003). Encouraged by the successful completion of projects and increasing interest in participation the program, the Lithuanian government extended the program up to the year 2006. During the period between 1998-2006, a total of 187 projects were financed in 55 municipalities. Out of the implemented projects, 20 were targeted at providing social services to older adults and 63 were aimed at providing multiple social services for all age groups (Socialiniu Paslaugu Infrastrukturos Pletros Programa 2007). The program was extended to 2009 to further improve the infrastructure of social service centers in local communities.

[1] LTL – Litas; 1 LTL=$.42

By the end of 2000, the Ministry of Social Affairs had issued the *Catalogue of Social Services*. The document provided a list of social services that were approved by the Ministry of Social Security and Labor, described its main purpose, and specified principles, methods and procedures of social services delivery and receiving. The catalogue also differentiated on the type of social services to be provided based on the need of recipients, as well as specified the qualifications and education attainment required for different occupation groups of personnel (Social Report 2000).

Figure 4 Public Expenditures on Residential and Home Care Services for Older Adults in Lithuania (1996-2007)



Source: Department of Statistics 2000, 2008

Figure 4 shows the impact of social services reform on funding residential and home care services. With the relatively steady growth in the number of residential institutions, the annual expenditure on residential care services was increasing stably. In 1998 local governments directed more than half of the budget allocated to social services development to maintenance and development of residential institutions, whereas the share of funds for non-residential

services accounted for 32.5%. Most importantly, the budget share directed to residential institutions changed little over the next several years, whereas funding for home care services continued to rapidly increase (Social Report 1999). However, there remained significant differences in social services development across municipalities. In 2005, out of the 60 existing municipalities, 11 did not have social care homes for older adults or could not provide home care (Social Report 2005-2006).

4.1.8 Introduction of Market-based Funding of Social Services

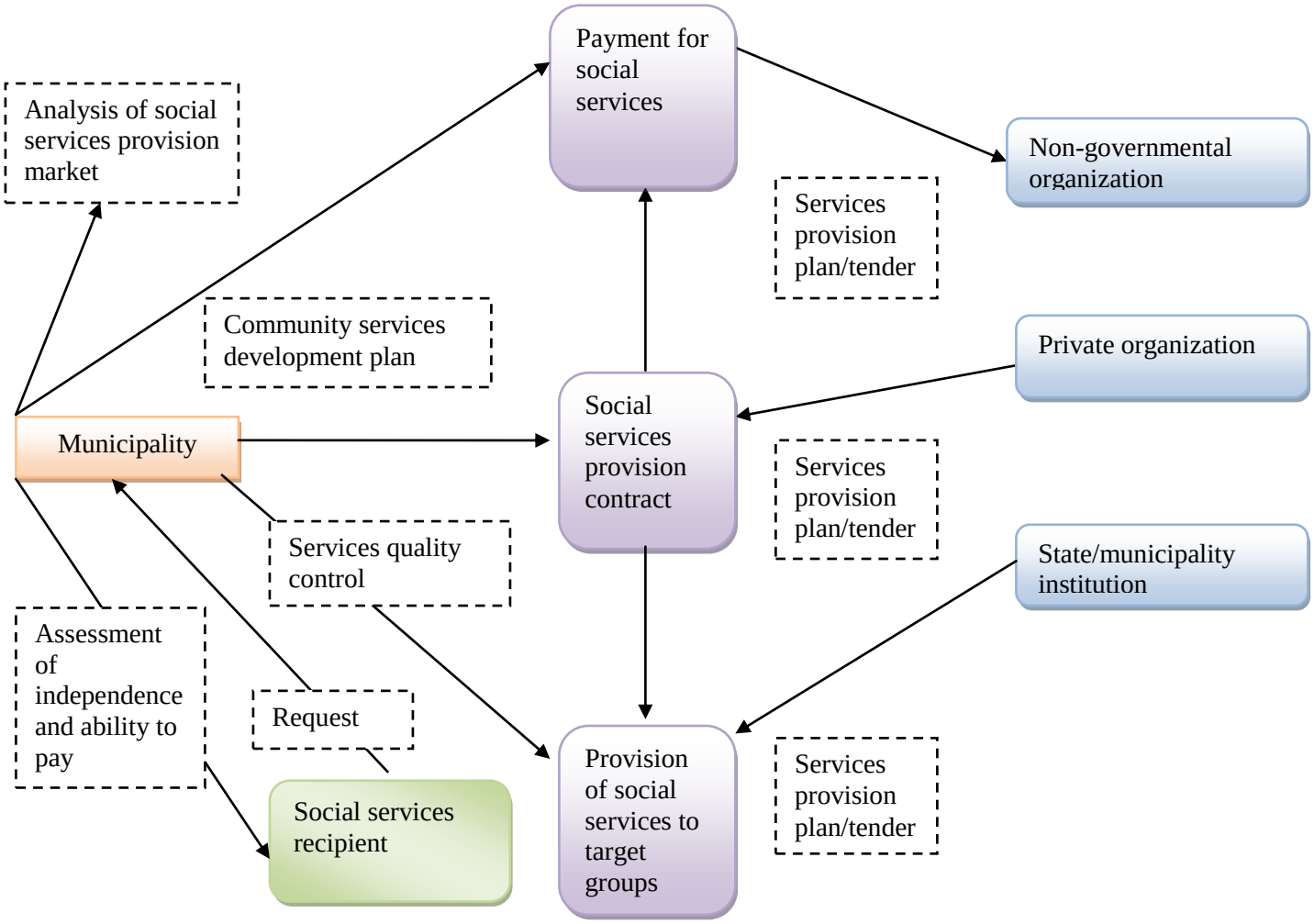
In order to meet the growing needs of the aging population and further stimulate development of non-residential social services, the updated *Law on Social Services* and additional legal acts were passed in 2006. The new edition of law played an important role in changing organization, delivery and financing of social services. The practice of assessing the need for social services was mandated by the new law. Assessment of the needs for social services was important to ensure that the person could have access to adequate and affordable services at their place of residence. Because of the high cost, residential care was supposed to be granted only in cases where other types of social care could not be provided. Changes in the system were supposed to foster the development of non-residential services due to the significantly lower cost as compared to residential care. Non-residential care is approximately 75% lower.

According to the document, the responsibilities of the Ministry of Social Security and Labor, municipalities, and social service providers were clearly differentiated. Most importantly, in order to increase competition between social service providers, a market-oriented approach was chosen for financing of social services. The approach shifted from direct financing of

institutions (based on the number of filled beds) to a practice of providing funding for certain social services provided to target groups. Based on the new law, municipalities had to purchase services from social services providers, i.e. the municipality institutions, parish residential institutions, NGOs and private organizations competing in the market.

With the new law, financial responsibilities for social services recipients changed as well. The cost of social services was now associated with the person's income, as well as their property value. In certain circumstances, their family's income and property were considered as well or in lieu of the individual's. Specialized care was financed from three sources: the receiver of services, the municipality budget, and special donations from the national budget; however, the state financed only those persons who needed permanent care or had severe disabilities. For other target groups receiving social services, funding from municipalities was provided based on the person's or family's income. Figure 5 provides a visualized model of social services organization, financing and delivery in Lithuania, based on the new law.

Figure 5 Social Services Provision Model in Lithuania



Source: Zalimiene & Lazutka (2009: 32)

According to this model, municipalities have become the mediators between social service providers and receivers. After assessing the need for social services and the financial solvency of prospective social services recipients, municipality officials prepare a yearly community services development plan based upon which social services provision contracts are signed between the municipality and social service providers.

Based on the updated *Law on Social Services*, the cost of long-term care services cannot exceed 80% of person's monthly income, unless their property value is higher than that estimated by the municipality. In that case, the social services recipient has to pay an additional 1% of their property value every month. Furthermore, the cost of monthly day care cannot exceed 50% of a person's income, and the cost of monthly home care cannot exceed 20% of a person's monthly income. As mentioned earlier in the chapter, individuals under the auspice of state funding due to severe disability, insolvency, old age or other reasons defined by legal acts were granted free social services. All other social groups are to pay the cost set by municipality.

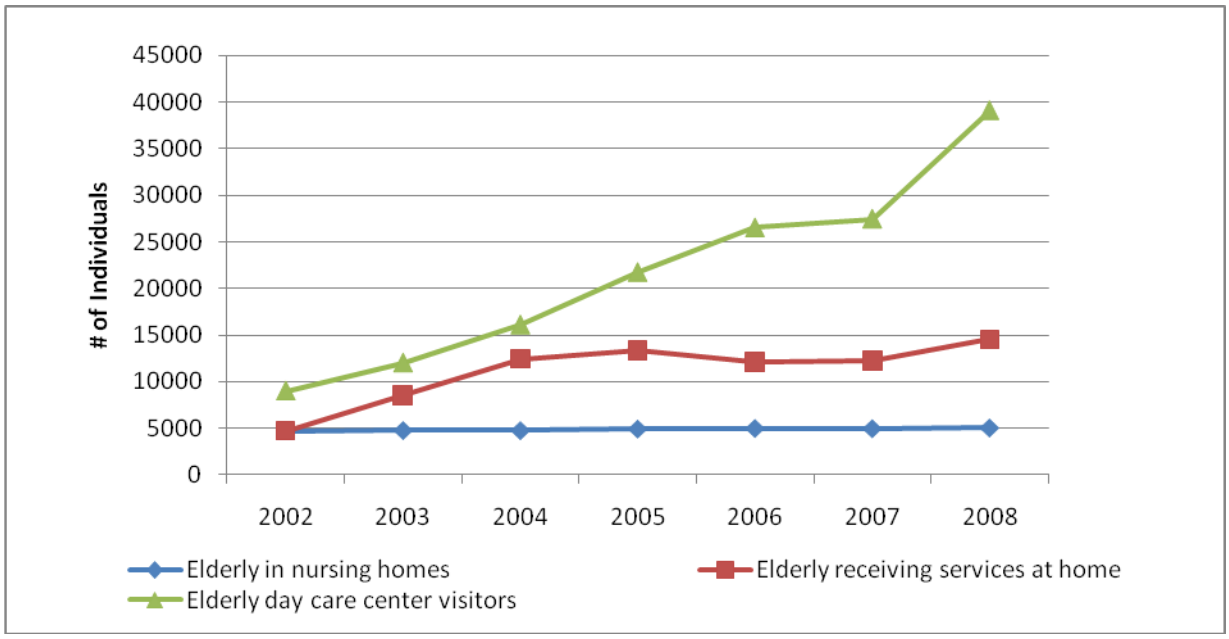
4.1.9 Resistance to Change

In the ten years that elapsed between the year 2000 and 2010, the elderly (defined as 'those 60 years old and older') rose from comprising 19% of the whole population to encompassing 21% of the total population. In other words, at the beginning of 2010 each sixth man and each fourth woman were elderly (Demographic Yearbook of Lithuania 2009). According to demographic aging index, at the beginning of 2000, there were 94 elderly persons per 100 children. Their proportions were to increase to 104 by the beginning of 2010. Furthermore, with the total fertility rate at 1.55, the working-age population is projected to decrease dramatically by 2050 (Demographic Yearbook of Lithuania 2009). In 2008, of the 33.1% of Lithuanians living in rural areas, 23% were older people. Every forth rural inhabitant was 60 and older. Almost two thirds (63.2%) of them were women (Lithuania Population by Age, 2008).

With the rapidly changing demographic situation, the need for social services is increasing exponentially. In 2009, almost 5 thousand older Lithuanians lived in residential care

facilities. Of that number, 43% of them had severe disabilities, three out of four of were 70 years old and older, and almost two-thirds of them were bereft of kin. Since 2006, each year approximately 1,000-1,500 senior citizens apply for long-term care in residential institutions. The majority of applications come from the elderly living alone at their own place of residence, residing with other family members, or those being treated at hospitals. Out of all the applications for long-term care, about three-quarters are usually granted a place at a residential care facility about one-tenth of applicants receive home or day care instead (Apskrities Pavaldumo Senu Zmoniu Globos Istaigos 2009).

Figure 6 Social Services Provided to Older Adults (2002-2008)



Source: Lithuanian Department of Statistics 2000, 2008

However, even though social services have become more diverse and more easily accessible, they cannot yet meet the increasing needs of older adults. Also, a number of barriers need to be

overcome in order for community-based and private social services to become a credible alternative to residential institutions.

The dominance of residential institutions set up by municipalities hinders further development of alternative social service providers, especially those established by non-governmental organizations. Municipalities are reluctant to subcontract services from private or non-governmental providers and are more likely to direct funds to an institution set up by municipality:

> "The state funds those with disability or those over the age of 75, that's why municipalities are more inclined to send them to us. Municipalities don't want to fund other from their own budget. (…) There are instances when a younger person comes, looks around and wants to stay, but we make contracts with municipalities, and it's their decision whether the person needs a long-term care and whether we can accept them. (…) There was a time when we would have people on the waiting list. The need is there but municipalities don't want to fund them. (…) A person would tell me, take my house, take what I have, but we cannot legally do that. If they have property, they pay that 1%" (Interview 4)

Opportunities have been created for local governments to organize social services; however, the tendency to continuously rely on residential institutions set up by municipalities has remained. Since municipalities are more inclined to finance their own institutions, even in those cases when they are more expensive and of lower quality, it makes difficult to move from centralized social service organization to market-based system, which has so far remained mostly a theoretical model.

Because of historical legacy of residential institutions inherited from the Soviet era, there has emerged an "administrative heritage" – an influential body of managers and staff interested in preserving residential facilities for their work and income:

> If they [municipality residential care institutions] had to look for people, it would be difficult, but now municipalities send them people and they have no responsibilities. (…) A lot of funding comes from the European Union, but we

> ourselves don't want to change, why bother? If older people paid for those services, they would have higher standards, but now they live their covered by the state, and have to silent. If they paid, there would be demand for better quality (Interview 7).

On the other hand, with international financial assistance and state programs directed towards developing the infrastructure of elderly care provision, residential municipality institutions became smaller and more home-like. In 2007, Lithuanian government started a program called "Development of infrastructure in residential care facilities," which is funded by the European Union Structural funds. Financing was directed toward adopting modern technology in residential institutions, creating a safer environment, and enhancing the quality of care provided at residential institutions. Additionally, the implementation of training programs for social workers led to changing attitudes towards older adults. According to one of the directors of a residential municipality institution:

> Attitudes towards older adults? Of course they changed… when I started working here, people would say were are invalids, social underclass… but we tried to change that. I would tell them, look at yourself, you have people constantly taking care of you, you are not hungry, you have nothing to worry about, and it's like a vocation for you. We also have foreigners living in our nursing home, we maintain close relationships with the Germans and the Swedes, we get funding from them. We try to be ahead in this business (Interview 4).

However, social work is a very new profession in Lithuania, and persons involved in providing social services did not have adequate training for years. Even though the number of education programs for social workers are increasing in universities, as well as vocational training centers, the qualified cohort of social workers has only recently entered the work force. For years lack of professionals has hindered the development of alternative social services.

Despite all the qualitative change in the infrastructure of residential institutions, several major problems remain. First of all, there is no differentiation of residential institutions based on recipient financing. The majority of institutions are funded from the national budget, and there is a lack of private elderly care providers. Although not many seniors can afford private care yet this trend will be changing in the near future. Additionally, the forthcoming cohorts of retirees with disposable income will be much more demanding in terms of choice and quality in their elderly care provisions. The changes in socio-economic background of older adults applying for long-term care has already been noticed by staff members of residential

> As of now a person cannot choose the types of care available to them according to their income. Five years ago all the clients were grandmas… now we have teachers, bankers, doctors. Our government should make it possible to choose the level of care based on one's income because now it doesn't matter if you're stupid or smart, they will all end up in the same state-funded nursing home (Interview 7).

Furthermore, attitudes promoted by the Soviet regime, such as the idea that elderly care provision is a governmental duty and should be virtually free of charge, still remain influential in the present circumstances. Due to prevailing assumptions that the state has to provide and care for older adults, the majority of older adults think that the role of state in social services provision should be increasing:

> Soviet era mentality is ruining our social system that is why our municipality is balancing on the verge of bankruptcy. Even though the system of social services is more market-based than it used to be, people just find it so difficult to get used to the idea that every service like any other good in the market needs to be paid for (Interview 7).

Finally, the legislature on the development of community and private social services has only been passed in 2006. Even with adequate legislation municipalities tend to continuously rely on residential institutions instead of providing the older person with other alternatives. There are financial incentives for municipalities to place older adults in residential institutions, yet not

all of them receive the needed services. Only those 75 years old and older or persons with severe disabilities receive funding from special state allocations. This age group is granted long-term care because municipalities don't have to cover the cost of services provided to those social services recipients from their own budget. It also explains why most residential institutions have not reached full occupancy rates. For instance, in 2009, the occupancy rates in municipality residential institutions was only 94%, in while non-governmental and private organizations only reached 86% (Informacija Apie Senu Zmoniu Socialines Globos Istaigas 2009). According to one of the directors of municipality residential institution:

> We used to have people on waiting list… and the need is there, of yes. And if municipalities funded them, we would have plenty of people on waiting lists (Interview 4).

Thus, the majority of residents in those institutions are bed-bound and primarily receiving end-of-life care. The majority of residents in residential institutions are over 70 years old, and more than half of them had physical or severe physical disabilities. The mortality rates are at around 20% (Gyventoju Mirtingumas 2006). However, according to one of the informants, the mortality rates would be lower if older adults received home care or day social services:

> For some reason people don't die at home. They die at residential facilities. You see death all around you. They get depressed because they no longer see any light in their lives, that's why they get into drinking. People from different social backgrounds become the same… despite their merits, they are all treated the same. You wake up, you go to bed- it's just death around you (Interview 7).

The *Law on Social Services* introduced new quality requirements for social services providers; additionally, licensing of social care institutions was planned to begin in 2010 in order to ensure qualified services for older adults (Social Report 2007-2008). In 2008, the Ministry of Social Security and Labor commissioned a research project entitled, "Analysis of social care

conformity with the conditions of the licensed activity," to make sure that social care establishments were prepared for evaluation. However, the results showed that a number of social care establishments could not to provide appropriate quality care, i.e. they lacked adequate equipment and highly qualified staff members. In most elderly care institutions, the variety of social services is very limited. Thus, licensing of long-term care establishments was postponed for another 5 years. Social care institutions will be able to start submitting documentation by January 1, 2013, and be able to obtain licenses by 2015 (Social Report 2010).

To sum up, it is apparent that the development of the social services system in Lithuania is shaped by the "path-dependency" of elderly care provision patterns that were prevalent in the Soviet era. Despite the fact that the financial resources devoted to social services development are limited and residential care remains very expensive, the numbers of residential institutions have been increasing since the early 1990s. Legal reforms and social care infrastructure development programs adopted from developed Western nations attempted "path-departure"; however, old Soviet-type institutional patterns have been recreated, although with significant modifications.

4.2 THE RISE OF RELIGIOUS CHARITIES DEVOTED TO CARE OF OLDER ADULTS

In post-independence Lithuanian, the revival of religious charities devoted to the care of older adults was an attempt to complement elderly care services provided at state- and municipality-funded residential institutions with cost-effective alternatives. However, the development of Church-based elderly care in Lithuania is marked by "path-dependency"; provision of high quality services for older adults independently from state was challenged.

This chapter discusses the attempts to redefine elderly care that incorporates the values of Catholic Church and volunteer work, not seen as a part of care provided in state-funded residential institutions. However, the development of religious elderly care providers and their endeavors to depart from the state social care system resulted in a questionable interpretation of the extent to which parish-based nursing homes embody and extend the state's caring role.

4.2.1 Development of Religious Charities in Post-independent Lithuania

During the Soviet era, resistance of the Church in Lithuania was expressed. This was not new as this sentiment had been around since the 1970s; however, *perestroika* (restructuring) and *glastnost* (openness) have created opportunities for the end of religious oppression and a revival of the Church. In 1988, the publication of religious newspapers and books was allowed. The Law on Freedom of Conscience and Religious was passed on October 1, 1990, detailing which religious spread or study of religion was no longer restricted. When antireligious propaganda departed from every-day life, religious freedom emerged and was not only surviving but also attracting new members, especially young people.

As it was mentioned above, the revival of the religious charity movement in Lithuania in the late 1980s was closely related to ethno-national mobilization of Lithuania. The return to the Catholic Church of Vilnius Cathedral, which was used as an art gallery since 1950s, coincided with *Sajudis*, the founding congress of the national movement. The Charity movement was primarily driven by political activism of religious dissidents, who staged the very first public rallies in the early *perestroika* era demanding political and religious freedom. It was observed that most of the dissidents were Catholic, and even for those who were non-believers, the Catholic Church represented the aspirations for the nation.

At this same time, various charities sprang up to meet the growing needs of prisoners, the poor, and the seniors. The Soviet government was supportive of the charity revival because it was no longer capable of solving the growing social issues. The most important in re-establishing charitable movement in Lithuania was *Caritas* - Roman Catholic relief, development, and social service organization. What spurred the creation of Caritas was not only its ideological and religious commitments, but also a return of church property to religious communities, which included a number of vacated buildings that could be adapted for the use of social services provision for impoverished older adults.

In 1926, *Caritas* was established in Lithuania as the social outreach arm of the Catholic Church. Until World War II, this functioned as the most significant charitable organization in the country. In 1940, when Lithuania was annexed by the USSR, the Communist authorities abolished *Caritas*. In 1988, a group of clandestine nuns meeting in secret (out of fear of being arrested by KGB) signed a protocol restoring *Caritas* in Lithuania. As the liberalization encouraged by Gorbachev proceeded further, the relationship between the Soviet state and Catholic Church began to improve dramatically. Prosecution of the Catholic clergy declined, while churches and other auxiliary buildings that had been previously confiscated closed or converted to warehouses and industrial facilities by the Soviet authorities were beginning to be returned to the believers. For the first time in more than a generation, a spate of new churches was beginning to be built. Finally, in 1989 when legal prohibition on religious charities was rescinded, *Caritas,* with an active support of the Lithuanian Catholic Church hierarchy, held a constituent assembly, in which 812 delegates and more than 3,000 guests took part. A high number of international guests at the conference indicated a strong support of the religious revival in Lithuania by foreign religious organizations and charities, many of whom were

actively engaged in the Cold War's ideological confrontation with the Communist regimes and were eager to contribute money, religious literature, clothes, food and other supplies to their counterparts in the socialist countries.

Caritas charitable activities were especially well-developed in Kaunas Archdiocese, the center of this organization in Lithuania. By 1997, Caritas in Kaunas had operated 6 food kitchens, and 16 food distribution centers serving more than 4,000 poor in the city and the surrounding areas. It distributed donated clothes, provided home services for 2,500 elderly, operated 6 nursing homes for older adults with 80 permanent residents, and announced plans to establish 4 more such facilities (Baznycios Zinios 1997). Many of the homes run by parishes also provided non-residential services for senior citizens (Jungtiniu Tautu Vystymo Programa 1997)

However by the late 1990s, the growth in religious charities in Lithuania had slowed down significantly, and in some cases was beginning to decline. This occurred not only because of foreign donor exhaustion, but also as a result of the novelty wearing off of relief efforts to previously prosecuted religious communities in ex-Communist countries. It was also a ramification of a declining religiosity and religious observance in the country in general. Long-lasting atheism propagated by the Soviet authorities was associated with increased secularization. Thus, in a decade following collapse of the Soviet Union, public displays of religiosity and participation in religious rituals previously forbidden by the Communist regime became mundane, which diminished their appeal. The political and cultural aspects of a religious revival, which were so important in mobilizing ethno-national opposition to Moscow and providing an alternative to the Communist ideology, were also declining as the USSR was quickly becoming a distant memory and the reality of the day-to-day task of survival loomed as a more paramount

concern for a majority of the country's citizens. Finally, the younger generation of Lithuanians, who came out of age in the late Soviet period, proved to be thoroughly secularized and much more eager to embrace Western consumerism and individualism, in lieu of Roman Catholicism.

Thus, in the mid 1990s when by church-going, donating, and volunteering began to decrease, plans to establish new Catholic elderly care facilities were scaled down, priests and nuns in many parishes found themselves without sufficient financial means and support to continue operating newly established elderly care centers. In some cases, priests were turning to the local governments with requests to transfer older adult nursing homes from the Church to the responsibility of the municipal authorities.

4.2.2 Incorporation of Church into State Welfare System

In order to ease the looming financial crisis of the Church-based parish and provide urgently needed elderly care, parish-based elderly nursing homes were restructured and re-organized. The legal basis for reorganization was provided by the *Law on Not-for-Profit Organizations* and the *Law on Social Services,* which were both passed in 1996. Based on the *Law on Not-for-Profit Organizations,* parish-based care homes and centers could be re-classified as not-for-profit organizations, which made them eligible to negotiate and sign agreements to provide social services and receive funding from both the state and local governments. The *Law on Social Services* established a list of services that could be provided by not-for-profit organizations, defined the educational and quality requirements for their providers, as well as legal framework for payment arrangements between service providers and their clients.

By the early 2000s, all Catholic nursing homes and elderly care centers were transformed into not-for-profit providers of social services--almost without exception. Based on

the updated *Law on Social Service* passed in 2006, parish nursing homes became incorporated in the social services provision system. This was due to a mandate that church-based organizations had to compete in the social services provision market in order to maintain funding from the state or municipality. Also, as a not-for-profit organization they could receive 2% donations from annual income from taxpayers. Although the clergy was still running the facilities, the role of the local governments in their financing and regulation increased significantly. All religious charities were now operating under agreements with the local municipalities. Service agreements that prescribed the level of fiscal support of the religious facility varied significantly across counties; they detailed the requirements for service, as well as the costs of services, and they also described financial contributions to nursing homes by their clients (usually 80% of their current income). Lastly, they outlined the amount and kind of support the operation was to receive from the sponsoring diocese or Church. The municipal or county social services boards were in charge of screening the clients eligible for care and services in the Catholic nursing homes; they also oversaw and certified the facilities and their personnel. However, state policies and funding of parish nursing homes were not always appreciated by their leaders:

> I don't like state policy, I don't like the fact that we are subordinate to the municipality; they turned the Church into a business. It is dependent upon municipality whether are services are bought or not. When they don't buy our services, we have act like businessmen. There is a big competition; therefore we try to meet quality standards, but we are mostly concerned about the well-being of the person (Interview 3).

By the early 2000s, elderly care provided by the Catholic Church in Lithuania became incorporated into the state bureaucracy, which began to supervise and subsidize the facilities, although they remained run by church operations. For municipalities, such state-church corporatism in delivery of social services represented one of the venues to expand coverage and reduce costs. The financial benefit to the state came in part as a result of the expenditures on

elderly care were also covered by donations from congregations and other donors, as well as through the clergy and members of the community volunteering to help provide care. Provision of the elderly care services by the church were especially important in rural areas because of the underdeveloped rural social infrastructure and relatively high (compared with urban areas) costs, while in many villages, churches were the only functioning institution:

> I have been working for Caritas since 2004. Our activities are based on volunteering. We have 20 volunteers, most of them are students. We need our volunteers to be spiritual leaders who could also provide psychological help. We train them before they start working. (…) We tried different kinds of innovative programs, for instance, "The mission of light" was one of them. We have a few girls who go clean houses for people and bring divine love. "Meals-on-wheels" is another program of ours. The Order of Malta provides funding for that. During special holidays we bring soup and little gifts to the impoverished (Interview 3).

For the Catholic Church, state funding was important because it subsidized not only social activities, but also (indirectly) its pastoral and proselytizing activities. After being asked whether parish-based nursing homes differed from other residential institutions, the parish priest explained:

> Parish nursing homes don't really differ from other, except for that they are run by the priest, who provides residents with spiritual connection and leadership. I eat people residing here. Also, attitude towards the person differs… and the number of residents. We live like a family, we live in small groups, thus, the atmosphere is more home-like, and people receive more attention. Every person is valuable here, because they are like us, like everybody else. But nothing else differs (…) There is no dogma, we don't measure their beliefs, and every person is valuable here (Interview 5).

The leader of Caritas nursing expressed her perception:

> We don't measure the person's believes. We have mass once a month, but nobody asks to you go. Our beliefs are reflected by our behavior with people. This is how we differ from state residential institutions (Interview 3).

Incorporation of the Catholic-based care into the welfare state had a significant impact on the scope and kind of social services provided by the Church. Thus, the religious elderly care was rationalized even as the state imposed a freeze on the establishment of any new Church nursing homes. For example, in the last decade, only one new Catholic nursing home for older adults was established. This increased the number of such institutions to 27 out of a total of 104 operating in the country. Instead, in order to reduce costs, the municipalities began consolidating existing nursing homes by increasing the number of beds in religious facilities, as well as transforming nursing homes into multifunctional facilities. The facilities sometimes also serve as soup kitchens, day-care and educational centers.

4.2.3 State and Church Separation – Are There Any Controversies?

Subsidies provided by the state (i.e., taxpayers) to Catholic nursing homes thus far did not produce public protests or litigation, despite the fact that such policies violate Lithuania's constitution on state and church separation. However, the clergy running parish-based nursing homes did not see controversy:

> The person paid taxes to the state, not the church, so it would be silly for the government to say they are worth less if they choose to live in a parish nursing home. This is not the question of philosophy or religion, but respect to a person as a member of a society. If they paid taxes, the state has to support the. If I earned my pension, it is my choice whether to live in municipality or parish residential institution (Interview 5).

> Caritas is an international organization; municipality can't tell us what to do. But the state has to help the Church, and not push us aside. It is immoral. Morality and business don't go together well (Interview 3).

A number of conditions can explain the absence of legal, social, and political controversies. First, the unmet demand for social services for older adults continues to rise.

Additionally, the Catholic Church has a long history of providing charity to the poor and needy – dating back to the Medieval Ages. In terms of religion, Lithuania remains a very homogenous country: more than 80 percent of its citizens consider themselves Roman Catholics, the rest are split into three groups: non-believers, and a small group of Lutheran and Russian Orthodox communities. Thus, there is little competition from other denominations and dearth of secular charitable organizations interested in providing elderly care.

Finally, so far the Lithuanian Catholic Church was able to avoid any major public scandals that had significantly damaged the reputation of the Catholic clergy in the United States, Ireland, and Germany. As a result, it remains the most trusted institution in the country with more than a 60 percent rate of approval. Such high approval ratings reflect the significant role that the Lithuanian Catholic church played in the dissident movement during the Soviet times and its contribution to the restoration of Lithuania's independent statehood. The public stance of the Catholic Church is that elder care is a moral and ethical duty and responsibility of each citizen. This emphatic message is especially important in times of growing individualism, consumerism, and fraying family and communal relationships.

4.3 INTRODUCING COMMUNITY-BASED SOCIAL SERVICES

Since the 1990s, upheavals associated with the transition to a market-based economy introduced new discourses on elderly care, which reconfigured the state's obligations to care vis-à-vis that of NGOs. In this thesis, I will focus on the pioneer project organized by the Balninkai rural community as a grassroots response to issues of aging and the lack of organized social care and services provision in rural areas. Balninkai community center (further BCC) is a prime example of a successful community building project.

The following chapter explores the opportunities of a rural communal group, which started out as a volunteer organization, in becoming the first NGO-based social services provider for older adults. However, I argue that the endeavors of BCC are shaped by "path-dependency"; the rural community group utilized the financial assistance of the European Union Structural Funds to transform a Soviet kindergarten into a residential care facility, while at the same time recreating the Soviet-type patterns of elderly care provision through "organizational memory."

4.3.1 Balninkai Rural Community

Moletai County is a typical representative of a poorer rural county in Lithuania, with GDP per capita of 20% less than the national average. The population of the county was 25.6 thousand, and official unemployment rate reached 12% in 2005. Dairy farming is one of the major economic activities (Juska et al. 2005:2). Balninkai (pop. 496) is a small village in the North Western part of the county facing problems of a typical rural area, such as aging, unemployment and poverty among its residents.

In the case of Balninkai, rural civic activism was encouraged by the Mayor of the County, a semi-retired teacher of the Balninkai School, the Dean of the Balninkai Catholic parish, and a rural sociologist from Vilnius University. Seventeen activists, mainly professional rural intelligentsia, responded to an open call to consider establishing a community center. The Balninkai community initiative group was comprised of 6 teachers, a librarian, a social worker, a culture house administrator, a vice-director of school, a school-keeper, a school worker, a priest and a sacristan, one pensioner, and one unemployed person.

The first project conducted by the new organization was beautification of the village. The community center was awarded its first grant by the Baltic-American Foundation and the

Lithuanian Council of the Youth Affairs. The grant legitimized organization's activities and worked as an incentive for further actions. The incentive allowed the Balninkai Community Center to pursue and receive a dozen more grants. This helped to engage the majority of community members in social activities (e.g. basket weaving course for elderly women; projects for the youth; courses on Internet use).

Despite the significant achievements of BCC encouraged by successful fund raising and support from the county administration, Balninkai made little progress in coping with the most crucial issue: the lack of employment. In the yearly 2000s activists of the community began discussions on transforming from a voluntary group into an NGO and converting a closed Soviet era kindergarten into a residential facility for the most vulnerable population: older adults. Balninkai community leaders assert that they possess the ability to provide social services needed for the community cheaply and more efficiently than the state.

4.3.2 Introducing the Not-for-profit Communal Activities

After establishing the Balninkai Community Center, leaders of the community tried out a variety of activities. They started with a business envisioning alternative agriculture as their future perspective. Local men and women were very enthused about the idea; therefore, about fifty people enrolled in classes at the business school with the goal of learning the necessary knowledge to gain licenses to start the business. They tried to apply the most recent business ideas prominent and established in other Western countries, but still novel in Lithuania, such as growing snails, earthworms, and bees. However, after not having received any support from the state, community activists started reorienting themselves toward the needs of their community.

For the BCC group, the idea of a "community" had always included everybody living in the village. Therefore, the activities being organized by the group leaders had to involve not only the most active members, but also the most vulnerable ones. At first, the rural group organized their activities toward four target groups: the youth, the elderly and the disabled, and those with various types of addictions. While organizing social activities, the members of community were also closely monitoring what kind of social groups attended the meetings and what their needs were. Community leaders noticed that the Sunday gatherings after the church were well attended and appreciated by the older adults, who would come to the community center to enjoy a cup of tea and a friendly chat. It became obvious that get-togethers were something that people liked and needed the most.

Moreover, one of the major advantages that helped the community members identify their most impoverished social group was a social worker who was also actively involved in the process of establishing a community center. During the focus group, it was mentioned that there were about forty elderly citizens living by themselves in remote areas that are not able to take care of themselves; these individuals lived in old houses with no central heating and available running water. However, those living in remote areas have the opportunity to apply for in-house social assistance from social workers. Community leaders envisioned those people as the ones in greatest need of care. Thus the idea of establishing an elderly care center was born.

BCC leaders had the idea of creating a residential institution for older adults that would not resemble a Soviet-type facility. The hard work began with the question of receiving funding. The municipality of Balninkai refused to provide any sort of funding because there is an older people's home in an adjacent village called Alanta (pop. 450) with 33 permanent residents and 15 residents on the waiting list. Their care is partly funded by the state and partly from the social

insurance pensions that older adults bring after moving in. The average cost per month for one person runs approximately $800. The alternative project to provide social services for older adults initiated by BCC group was also rejected because it did not look serious and legitimate. The municipality authorities wrote off the proposal as entertainment for bored elderly ladies. However, in 2005 initial funding was received from the Netherlands fund, which granted the community approximately $25,000. Since he owned a construction firm, the Mayor of the town also got involved in the project and helped the community group to renovate the old kindergarten. The next phase of funding came from the municipality, who awarded them another $50,000 after the rural community group prepared a written project and a grant proposal. However, gaining funding took time and now the prices were rising. Thus, the group could not get all the construction work done on time. They applied for more funding, but were denied. The municipality received a letter from the Netherlands Fund claiming that if the group hadn't started organizing their activities by 2008, they would have had to return the money. The issue was solved with the help of municipality leaders, who signed the contract and committed to take over the kindergarten from the community group. The project stopped for a year. Eventually, the group applied for a grant from the European Union structural funds and was awarded more than $300,000 to finish the construction and is beginning to see the fruition of their plans. The community group leaders were informed by the municipality that they would not receive any more funding, which means that self-sustainability now becomes the responsibility of the group.

The leaders shared various ideas about how they could involve many different members of the community, such as local artists, farmers, bakers, and others to support their social service facility. However, there has been no clear consensus about the financing, recruitment of staff members, or licensing. In the plans of BCC leaders, the staff should involve no more than 9

people: the director of the kindergarten, 4 nurses, 3 firemen and a few part-timers, such as electricians. They refuse to operate the facility as a day-care center because of the poor living environments that older adults would have to return to in the evening. The center could be able to accommodate 16 to 20 elderly people living in the remote areas around Balninkai village. They are also thinking about making it a community elderly home, where its inhabitants would help each other and take care of themselves. Group leaders understand that collaboration is crucial here. When discussing the issues of food, local villagers could provide the community with organic vegetables, milk, and even meat. In the interviews, the group leaders also mentioned that the living charges for one older adult would run approximately $400 per month. They are also considering cooperating with the local church to provide funeral services. There is also a massive culture house, a Soviet remain that used to be the cultural center in the village, which could be turned into a hotel or teaching center. However, these are just some speculations for the future that, according to the group leaders, could increase sustainability of the organization.

When discussing the success that has been accomplished so far, it is important to note that a significant amount of money from the first grant has already been invested in the interior and exterior of the former kindergarten. A ramp has been built outside the building, the walls and windows have been repainted and winterized, and the old roof has been replaced by a new one. Unfortunately, the successful endeavors of the local rural group to start an NGO oriented toward social services provision for older adults ended with the economic stagnation of 2008-09. The last grant of $300,000 provided by the European Union in 2008 never reached the rural community. The group was informed by the new Mayor that municipality officers got the money and were taking over their project.

4.3.3 Future Perspectives for Balninkai Community Center

With favorable European Union and national policies, non-profit community centers have been increasing over the past years. Balninkai Community Center is one of the very few cases that have made a successful transition from a voluntary group to a not-for-profit organization and a prospective social services provider for older adults in the area. However, the future perspectives of BCC in their endeavors of becoming a not-for-profit elderly care provider remains quite questionable. Balninkai activists have encountered a number of internal and external difficulties that may become detrimental in the process of becoming a rural social services provider.

One of the internal difficulties is a lack of training and expertise of the community group. Education is crucial, not only in terms of running an organization and managing social services, but also in terms of the legislation passed in 2006. Based on the Law on Social Services, social service providers, i.e. social workers and their assistants, have to meet education and qualification requirements established by the Lithuanian government. In 2009, among the activists of BCC there was only one social worker. In order to for the organization to become a social service provider, the group will face the need to hire more professionals or involve volunteers with the required qualifications. The group was very successful in establishing themselves as representatives of a rural civic society and in providing cultural and social activities for the local community; however, at the time of this study, they did not have the answers to a number of crucial questions regarding the sustainability of the non-profit organization. With the support from European Union, the group received investment funds for the renovation of the building; however, recurrent costs were not covered. Neither has the group invested in designing and evaluating programs of staff training.

There are several reasons why the idea of not-for profit residential institution might not be supported by the local government. First, based on the *Law on Social Services*, the organization will have to be incorporated in the system of social care provision and compete in the social services market with other institutions. As it was mentioned earlier, one residential care facility already exists in Alanta, which is rather close to Balninkai. The question that might be raised is whether there is a need for two residential care facilities so close to one another. Another issue to consider is the fact that two residential care facilities in such proximity may also hinder the further development of not-for-profit services in the area. Secondly, the transformation of a voluntary organization into a social services provider is shaped by "path-dependency". The small-scale initiative did not develop any alternative care systems; they applied the same Soviet-like schemes to establish another residential institution. However, the group activist, especially the social worker, was quite adamant in her perception of the need to establish a residential institution and did not approve of the proposals to provide home care or establish a day-care center, which could be a cheaper and more effective alternative to serve the needs of senior citizens living in remote rural areas. All the renovation works were managed so that the old kindergarten would be reorganized into a residential institution; the building has separate rooms for perspective residents, a kitchen, and bathroom area. Therefore, the structure might not be applicable for a day care center, because of its size and interior design.

The Balninkai community would be dependent on the inclinations of municipality officials to buy their services. From the standpoint of the local municipality, the rural group received more funding than they could handle; however, they have not yet proved that the project is sustainable. The local municipality would be taking a risk by letting the community group operate the residential facility without having prepared methodical material on planning the

funding of the institution. Furthermore, the prospective municipal support to a not-for-profit establishment could possibly cause apprehension of social workers, whose employment might be threatened if more funding was directed to the Balninkai community. This all suggests that the viability of the Balninkai initiative will be largely determined by international assistance and national policies that manage social entrepreneurship.

DISCUSSION AND CONCLUSIONS

The aim of this thesis was to outline and analyze the development of plural elderly care model in Lithuania. In the early 1990s, after Lithuanian regained its political independence from the Soviet Union, the country inherited a social care infrastructure for older adults of 11 residential institutions with more than 2,000 residents living in them. Over the twenty years of independence, the network of residential care institutions expanded. In 2008, there were 104 residential institutions with more than 5,000 older adults residing in them. Out of the total 104, 8 nursing homes were run by the state, 56 of them were of municipality subordinance, 35 of them were classified as non-governmental and parish-based institutions and 5 of them were privately-run organizations. However, out of the entire population aged 60 and older, less than 1% was living in residential institutions. During the same time, alternative social services, such as home and day care were developed at much slower rates; even though social services centers and home care units were established in the majority of municipalities, in 2008, 24.6 thousand older adults attended day care centers and another 9,486 received home care that accounts for only 3.5% and 1.6% respectively. Basing the research on primary and secondary data, the intent was to provide an explanation of why, despite the prevalent anti-institutionalist rhetoric, residential institutions have remained the predominant venue of social services provision for older adults.

A number of factors contributed to continuous reliance on residential institutions as a social services provider for the aging population. Historically elderly care in Lithuania was divided between residential care provided by the Catholic Church (during the pre-WW II era) and the state (during the Soviet times), and care at home provided by children or kin. However, social changes in post-communist Lithuania fundamentally undermined existing social relations. While in developed Western countries the weakening informal care networks would have led to a greater dependency on formal social services provided by the state, in post-independence Lithuania such formal support structures were largely absent. It was discussed in the study that in the early 1990s, the social policy responses to issues regarding long-term care policy were strictly economic. Only after political stability of the new democracy was threatened, elderly care provisions came under the scrutiny of the national government as well as international organizations, such as the World Bank, IMF and the EU. However, the increasing provision of social services for older adults has been mainly based on restructuring and expanding of the existing residential facilities.

In relation to the development of elderly care system in Lithuania, a number of issues need to be addressed. Between 1991-1998, the number of residential care facilities increased at a rapid rate, but growth in the last decade has only been moderately steady. However, the development of non-residential services and the number of alternative services have been growing at much slower rates.

Several critical factors that were identified in this thesis that shaped the increasing reliance on residential institutions and marked the development of the social services system with "path-dependency": 1) the legacy of reliance on residential institutions, 2) organizational pressure to maintain residential institutions, 3) lack of social work professionals, 4) social

welfare infrastructure and legislative framework supportive of residential institutions, and 5) the dearth of community-based and private elderly care providers.

The rapidly increasing population of the aged, the increased costs of residential social services, inadequacy of quality and limited variety of social services provided at nursing homes due to lack of licensing control and staff qualification requirements, and limited access to residential care; all these issues are concentrated in residential care institutions that need to be addressed by the public policy. With the exponential growth of the aging population in Lithuania, the societal response of gradual social services system development is not adequate and does not meet the growing needs of the senior citizens. The issue of unmet needs of the aging population becomes even more apparent when compared to the state of care for senior citizens in the countries of other European Union members.

Norms and legislation surrounding formal care vary across European countries and influence accessibility to formal care programs. The average proportion of older adults receiving care at residential institutions in the EU is 3%. The highest proportion of residential care recipients is observed in Northern countries (Norway, Finland, Island), where it reaches 5-7%. As it was mentioned earlier, in Lithuania the share of senior citizens receiving residential care does not reach 1% (UNECE Policy Brief on Aging 2010). The proportion of older adults living in residential institutions reflects demand for long-term care but at the same time shows insufficiency of funds allocated by the government for this kind of service. These trends are reflected in public expenditures on elderly care; the average for European Union in 2008 was 0.41% of GDP. If Northern states spent between 1.5% to 2.5% of GDP on elderly care, in Lithuanian it only reached 0.4%. However, public spending on elderly care provisions is even lower in the Balkan states and other countries from the former Soviet Bloc.

There is also substantial evidence about cultural differences with regards to formal and informal care reflected by a north-south gradient. Northern European countries are usually regarded as having "weak family ties," whereas Southern European countries as having "strong family ties." The strength of family ties in the literature on elderly care is discussed in terms of inter-generational relations and support for older adults. Scandinavian countries have been found to have "the weakest" family ties, while Mediterranean countries traditionally possess "the strongest." Central and Eastern European countries lie in between (Bolin et al. 2008). For instance, in Portugal and Spain children and spouses or partners account for 50% of all caregivers (UNECE Policy Brief on Aging 2010).

For instance, in 2007, in Germany out of the dependent older adults[2], 17% resided in an elderly care institution and 32% received care at home, in the United Kingdom the elderly care rates were 15% and 28.5% respectively; in Italy only 6.5% received care at the residential institution and 14.2% received care at home. In comparison, in Lithuania 16.7% of dependent adults received care at residential institutions and only 3.6% were cared at home (Aging Report 2009). Nonetheless, when compared to other EU countries, the rates of senior citizens receiving either residential or alternative (home or day care) in Lithuania, are insufficient.

Policy-makers in Lithuania face a number of challenges with regard to the future provision of social services for older adults. The demand of old-age care is likely to increase, while there are demographical and socio-economic trends that are likely to continuously strain the provision of informal care. Such factors as the declining family size, greater geographic mobility, and decline in intergenerational co-residence will further affect the availability of social networks to rely on. Furthermore, the current provision of residential care is not sufficient to solve the growing issues. The infrastructure inherited from the Soviet Era provided material for

[2] Older adult who has disability, which requires the provision of a care service (Aging Report 2009:134)

restructuring of social services; however, even more than twenty years later, the vicious cycle cannot be broken because old institutional patterns are being recreated. Despite the attempts to decentralize and monetarize the social services provision system by making municipalities responsible for social services development, a tendency to continuously rely on residential institutions set up in their territory has been observed. Also, it is important to note that endeavors to provide cheaper elderly care by non-governmental institutions set up by the Catholic Church were unsuccessful and later incorporated back in the state welfare system. Furthermore, the European Structural funds have been used to further develop and maintain the infrastructure of residential care, instead of investing in community-based services.

Community-based social services, either provided by formal or informal care givers, would be a less expensive, less intrusive, and more effective alternative to residential care institutions. However, the analysis of Balninkai community center showed that introduction of not-for-profit activities and social care for older adults is dependent on support from the local government. Despite the fact that Balninkai received grants from international donors, they did not receive municipality support. Being underfunded, municipality officials were concerned about financial sustainability of the community care center for older adults. In the long run, the viability of alternative social services providers, such as Balninkai community center, will depend on educational and organization skills of organizers, as well as national and international elderly care services development priorities. Through this study I hope to have demonstrated that the historical development of elderly care provisions in Lithuania was an outcome of recreated institutional patterns shaped by "path-dependency," and as such, worth studying.

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APPENDIX: Human Subject Approval

EAST CAROLINA UNIVERSITY
University & Medical Center Institutional Review Board Office
1L-09 Brody Medical Sciences Building• 600 Moye Boulevard • Greenville, NC 27834
Office 252-744-2914 • Fax 252-744-2284 • www.ecu.edu/irb

Date: March 31, 2011

Principal Investigator: Gabriele Ciciurkaite, Student
Dept./Ctr./Institute: Dept. of Sociology
Mailstop or Address: 419 W. 4th St., Grenville, NC 27834

RE: **Exempt Certification** EC
UMCIRB# **11-0200**
Funding Source: Unfunded

Title: "Old Age Care Reforms in Lithuania."

Dear Gabriele Ciciurkaite:

On 3.31.11, the University & Medical Center Institutional Review Board (UMCIRB) determined that your research meets ECU requirements and federal exemption criterion #2 which includes Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects and any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

It is your responsibility to ensure that this research is conducted in the manner reported in your Internal Processing Form and Protocol, as well as being consistent with the ethical principles of the Belmont Report and your profession.

This research study does not require any additional interaction with the UMCIRB unless there are proposed changes to this study. Any change, prior to implementing that change, must be submitted to the UMCIRB for review and approval. The UMCIRB will determine if the change impacts the eligibility of the research for exempt status. If more substantive review is required, you will be notified within five business days.

The UMCIRB Office will hold your exemption application for a period of five years from the date of this letter. If you wish to continue this protocol beyond this period, you will need to submit an Exemption Certification Request at least 30 days before the end of the five year period.

Sincerely,

Chairperson, University & Medical Center Institutional Review Board

Pc: Dr. Arunas Juska