

SOCIOLOĢIJA

Violeta Vilkoitytė, Daiva Skučienė

SOCIAL INVESTMENT IN THE CONTEXT OF THE COVID-19 PANDEMIC: THE CASE OF LITHUANIA

DOI: [https://doi.org/10.9770/szv.2022.2\(3\)](https://doi.org/10.9770/szv.2022.2(3))

For citation: Vilkoitytė V., Skučienė D. (2022) Social investment in the context of the COVID-19 pandemic: the case of Lithuania. *Sociālo Zinātņu Vēstnesis / Social Sciences Bulletin*, 35(2): 59–77. [https://doi.org/10.9770/szv.2022.2\(3\)](https://doi.org/10.9770/szv.2022.2(3))

Citēšanai: Vilkoitytė V., Skučienė D. (2022) Sociālās investīcijas COVID-19 pandēmijas kontekstā: situācija Lietuvā. *Sociālo Zinātņu Vēstnesis*, 35(2): 59–77. [https://doi.org/10.9770/szv.2022.2\(3\)](https://doi.org/10.9770/szv.2022.2(3))

The article is aimed at analysing the social investment policy in Lithuania during the COVID-19 pandemic. Social investment within a new paradigm of welfare state emphasizes the contribution to human capital together with income protection. Social investment must ensure better life prospects during its course. This research is based on the theoretical conceptual approach of A. Hemerijck (2017) and J. Kvist (2014), a meta-analysis of studies conducted during the pandemic and a secondary analysis of quantitative data of the Lithuanian Department of Statistics, State Social Insurance Fund Board, the Employment Service and the Institute of Hygiene for the period 2018–2021. Results of this study have revealed that during the pandemic the at-risk-of-poverty rate remains among vulnerable groups: pensioners, unemployed persons, large families, and single parents. In the area of reconciliation of the personal life and work, women have encountered challenges combining work obligations and care of their minor children. The social investment was inefficient for pupils and students with low socioeconomic status due to their limited access to quality education. The scope of the active labour market policies, especially those of training, significantly decreased preventing unemployed individuals from acquiring skills necessary to return to the labour market. The health care capacities were directed towards the treatment of individuals infected with the coronavirus and the vaccination, while other services were suspended or restricted, and, therefore, the preventive health care of labour force reduced.

Key words: social investment, income protection, human capital, Lithuania.

Sociālās investīcijas COVID-19 pandēmijas kontekstā: situācija Lietuvā

Raksta mērķis ir analizēt sociālo investīciju politiku Lietuvā COVID-19 pandēmijas laikā. Sociālo investīciju mērķis labklājības valsts jaunās paradīgas ietvaros ir ieguldīt cilvēkkapitālā un aizsargāt iedzīvotāju ienākumus. Sociālajām investīcijām būtu jānodrošina arvien augstāka dzīves kvalitāte visa mūža garumā. Šis pētījums balstās uz A. Hemerika (2017) un Dž. Kvista (2014) teorētisko konceptuālo pieeju, pandēmijas laikā veikto pētījumu metaanalīzi, kā arī Lietuvas Statistikas departamenta, Valsts Sociālās apdrošināšanas fonda pārvaldes, Nodarbinātības dienesta un Higiēnas institūta kvantitatīvo datu sekundāro analīzi par periodu no 2018. gada

līdz 2021. gadam. Analīzes rezultāti atklāja, ka pandēmijas laikā nabadzības riskam visvairāk bija pakļautas sociāli neaizsargātās iedzīvotāju grupas: pensionāri, bezdarbnieki, daudzbērnu ģimenes un viena vecāka ģimenes. Kas attiecas uz privātās dzīves un profesionālās darbības saskaņošanu, sievietes saskaras ar lielām grūtībām, apvienojot darbu ar savu nepilngadīgo bērnu aprūpi. Sociālās investīcijas skolēniem un studentiem ar zemu sociālekonomisko statusu bija neefektīvas, jo viņiem bija ierobežotas iespējas saņemt kvalitatīvu izglītību. Ievērojami samazinājās aktīvās darba tirgus politikas pasākumu apjoms, īpaši apmācību jomā, kas liedza bezdarbniekiem apgūt nepieciešamās iemaņas un atgriezties darba tirgū. Veselības aprūpes jomas resursi bija novirzīti ar koronavīrusu saslimušo personu ārstēšanai, kā arī cilvēku vakcinācijai, turpretim citu pakalpojumu sniegšana bija pārtraukta vai ierobežota, samazinot arī strādājošo iespējas saņemt profilaktisko veselības aprūpi.

Atslēgvārdi: sociālās investīcijas, ienākumu aizsardzība, cilvēkkapitāls, Lietuva.

Социальные инвестиции в контексте пандемии COVID-19: ситуация в Литве

Целью данной статьи является анализ политики социальных инвестиций в Литве во время пандемии COVID-19. Социальные инвестиции в рамках новой парадигмы социального государства являются вложением в человеческий капитал и защищают доходы населения. Социальные инвестиции должны обеспечивать более высокое качество жизни на всём её протяжении. Данное исследование основано на теоретическом концептуальном подходе А. Хемерика (2017) и Дж. Квиста (2014), мета-анализе исследований, проводимых во время пандемии, а также вторичном анализе данных Департамента статистики Литвы, Правления Фонда государственного социального страхования, Службы занятости Литвы и Института гигиены за период 2018–2021 годов. Результаты исследования показали, что во время пандемии наибольшему риску бедности подверглись социально незащищенные группы населения: пенсионеры, безработные, многодетные семьи и родители-одиночки. Совмещая личную жизнь и профессиональную деятельность, женщины столкнулись с большими трудностями в плане интеграции работы с уходом за своими несовершеннолетними детьми. Социальные инвестиции для школьников и студентов с низким социально-экономическим статусом были неэффективными из-за их ограниченных возможностей получать качественное образование. Существенно снизился объём мероприятий активной политики на рынке труда, особенно в сфере обучения, что не позволило многим безработным получить навыки, необходимые для возвращения на рынок труда. Все усилия сферы здравоохранения были направлены на лечение больных коронавирусом, а также на вакцинацию людей, в то время как оказание других медицинских услуг было приостановлено или ограничено, из-за чего снизилось и качество профилактической медицинской помощи работающему населению.

Ключевые слова: социальные инвестиции, защита дохода, человеческий капитал, Литва.

Introduction

In all countries, management of non-precedent COVID-19 pandemic has been associated with various restrictions, lock-down and constraints of economic sectors. It has inevitably affected both macro and micro levels of society. At the macro level, due to economic lockdown, the various sectors have incurred losses. As a consequence an unemployment increased, the social security system had to provide benefits with higher cost of it, whereas health systems have faced unproportionally high challenges. Meanwhile certain groups, which could not work due to restrictions in economic

sectors or closure of schools and preschool institutions, faced their income losses. Other negative implications of pandemic were on education of children, health, etc.

All these mentioned implications were discussed in public and academic space separately rather than as an overall picture. For example, in the field of the economics, Lazutka et al. (2021) analysed how the economic crisis caused by COVID-19 affected the employment and income of the population. The results revealed that changes in the labour market negatively affected incomes, but about 60 percent of the population stated that they received support from the state. The impact of the pandemic in the field of the education was analysed by Jusienė et al. (2021). It was revealed that after the reorganization of the entire education system, the effects of distance education for children were negative, the achievements decreased. The functioning of the health care system in pandemic conditions was discussed by Davidavičius et al. (2021), study emphasized that during the quarantine period, health services were provided less, including planned and necessary assistance. Psychological health was covered by E. Kazlauskas et al. (2021) study found that the pandemic increased psychosocial stress. However, none of these studies involved a social investment approach or looked at COVID-19 pandemic comprehensively. Social investment is relatively new and not a central theme in Lithuanian social policy public and academic space. Lazutka et al. (2015) began to investigate this topic, made assessment of specific policy areas and measures of social investment in Lithuania. Skučienė et al. (2018) discussed about social investment in youth.

Social Investment in the Context of the COVID-19 pandemic have not been discussed in Lithuania, this reason determines the scientific significance. The social investment perspective allows to assess in a comprehensive and long-term perspective the effects of the COVID-19 pandemic on the population. Therefore, the goal of this article is to analyse implications of the COVID-19 pandemic based on the social investment perspective. The contribution of this paper is to look more holistically on the decisions they make instead of focus on the short-term problem solving. While the social investment literature will be contributed with the new insights from the Lithuanian context.

To achieve the goal of the research, the following objectives are set: firstly, to review conceptualization of the social investment and the life course; secondly, to evaluate effects of the COVID-19 pandemic on the population of the country based on these perspectives.

Social investment as new paradigm of the welfare state

Social investment is identified as the transformation of the welfare state and a new rising paradigm (Hemerijck 2015). It is a comprehensive, people-centred policy that focuses on strengthening the human capital and active participation in the labour market to prevent future dependency on the welfare state.

Need of the social investment perspective is related to emergence of 'new' risks (Esping-Andersen 2002; Bonoli 2006, 2013; Hemerijck 2017). Vandenbroucke and Vleminckx (2011) proposed a system of analysis of social investment classifying social

risks into two categories: 'old' and 'new'. Unemployment, old age, ill health, sickness and disability, and the financial burden of raising children are seen as constituting 'old' risks (Vandenbroucke, Vleminckx 2011). In the event of these risks, the role of the state is passive; protection is linked to unemployment and contributions, and events are sought to be compensated primarily by cash benefits (Schubert et al. 2016). However, such traditional concept of welfare does not respond anymore to emerged 'new' social risks that are linked to fundamental changes in the human life. Transformation of the traditional 'man-breadwinner' model, inclusion of females into the labour market, and importance of employment have inspired emergence of 'new' risks including such challenges as reconciling the family and work life, single parenting, care of elderly persons, lack of schooling, or obsolete skills (Vandenbroucke, Vleminckx 2011; Schubert et al. 2016). The mentioned risks limit opportunities of an individual to participate in the employment structure and to sustain generally acceptable lifeway. To solve these challenges, compensatory cash transfers would also be suitable, however, it is agreed that social investment's role is more important (Schubert et al. 2016). It is related to the fact that active measures have a long-term positive impact.

In accordance with Cooke and Gazso (2009), the main idea of the social investment policy is transition from passive social security to active welfare programs. The activation includes a policy that increases opportunities of citizens, empowers them to participate in the economic and social life (Esping-Andersen 2002). It means that redistributive institutional regimes are reoriented towards formation of the human capital and skills. Difference between the concepts 'social investment' and 'active social policy' was highlighted by Bonoli (2013). It is stated that social investment, as a paradigm, highlights development of the human capital and equal opportunities, and the active social policy gives priority to investment in the human capital and elimination of limitations to participate in the labour market (Bonoli 2013). Jenson (2010) has pointed out that the social investment perspective has three main principles: increasing the human capital throughout the lifetime; focusing on future, especially of children; investing in people as a benefit to society. It can be stated that social investment is aimed to create, mobilize, and maintain knowledge and skills of individuals in solving inconsistencies of the life course.

It is pointed out that the social investment analysis should include not only programs of development of knowledge and skills but also welfare measures ensuring consumption (Nolan 2013; Pintelon et al. 2013; Kvist 2014; Kuitto 2016). In accordance with Esping-Andersen (2002), support of adequate income is important assumption for preventive strategies. Investment may not be developed without support of consumption as, first, investment is associated with productivity and health of the labour force (Nolan 2013). It is stressed that cash transfers have not only consumption function; they affect food demand, investment in human health and education (Farrington, Slater 2006). It is of particular importance to provide people with necessary financial security that they could develop their own human capital (Dheret, Fransen 2017). The compensatory and social investment policies should not be apart: in accordance with Kuitto (2016), they should complement each other. The modern welfare policy should combine formation of the human capital, more active participation in the labour market, and appropriate social security.

While Hemerijck (2017) proposed a trichotomy of the social investment combining the discussed areas of the policy and defined three main interrelated functions that include minimum income protection, work and life balance, and formation of the human capital. Minimum income protection (*buffer*) is the essential assumption of the effective social investment policy. The buffer's function is particularly important when an individual is not able to participate in the labour market. Then necessary financial security is ensured, social inequality is mitigated at the microlevel, and simultaneously economy is stabilized at the macrolevel (Hemerijck 2017). The function of income protection is performed by minimum monthly wage and passive benefits (Hemerijck 2017). Consumption is also supported by measures helping people to cope with lost income due to family duties or sickness (Toots, Lauri 2017). Moreover, critical importance of access conditions, duration of protection, and mutually combined activation incentives and services is stressed (Hemerijck 2017). During social and economic crises such as the COVID-19, it is particularly important to reach vulnerable groups that often appear beyond boundaries and do not receive any benefits (Kempf, Dutta 2021). These persons do not have financial resources and skills to solve occurred challenges.

The second function of the social investment includes reconciliation of the personal life and work (*flow*). It is aimed to use efficiently work resources by supporting participation of both genders in the labour market, facilitation of the 'flow' of work and life course during critical transitional periods (Hemerijck 2017). It is argued that we are living at the time of deinstitutionalization and de-standardization of the family life, education, and work trajectories (Kvist 2014). Contemporary employees in different jobs, more than ever before, combine their work with education of their children and care of elderly parents, further studies, and possible unemployment. The function of 'flow' balances life transitions, helps individuals pursue education and work without reducing their life opportunities.

The most important function of the social investment policy includes the human capital (*stock*). Investment is being made in people's skills and capabilities to be ready to solve inconsistencies of their life course and to improve future opportunities and perspectives (Hemerijck 2017). This function includes education, life-long learning, and health. It has been proved that high-quality state-subsidized care and education of children is the major investment in children. It has long-term positive effects on economy (Burger 2010; Havnes, Mogstad 2011); moreover, it leads to lower criminality, higher income, and better health (Campbell et al. 2014). It is also important to invest in the higher education as low-qualification persons with limited perspectives in the labour market. People with lower education earn less, work in the sectors that are the most vulnerable during economy declines; they are at a higher risk of automation and followed unemployment (Arntz et al. 2016). An inseparable human resource is health and physical capacity of the labour force; it is closely linked to productivity, capability to participate in the labour market to ensure own welfare (Nolan 2017).

Kvist (2014) has proposed to analyse the social investment through the life course perspective. It is stated that the social investment strategy is based on an indirect intergenerational contract (Kvist 2014). The generational perspective means a need to regard a smooth use of resources by the welfare state throughout the entire life

cycle. Persons of working age fund the welfare policy, including social investment in children, youth, and pensioners. During life, there is a change of positions when the investing become the recipients, and vice versa. For instance, children that were invested in become employees funding further the welfare policy. The mentioned change of positions in the life course means that the welfare state balances resources over the life perspective and acts as if a personal 'Piggy saver'. The social investment policy serves in the horizontal redistribution of resources for oneself in the course of life.

Based on the life course perspective, Kvist (2014) has defined the social investment contributions and return. It is argued that investment starts from the childcare policy. Maternity, paternity and childcare leaves provides security to parents' income, while for children – longer and healthier time with their parents. Pre-school education, especially for children from families at the social risk, is also important. It is argued that it is very important to develop properly cognitive and social skills in childhood as formation of these skills is a dynamic process during which early introduction highly impacts on later productivity (Heckman 2006; Burger 2010). It has been determined that a social class affects emergence of risk. In accordance with Pintelon et al. (2013), the social investment in children can solve the problem of social inheritance. It means that by investing in the children's capital through preschool education and educational programs it is possible to reduce intergenerational inheritance and emergence of potential risks in future. It is important to highlight that education is not limited by that first stage of life; it is aimed to increase the human capital over the whole life (Jenson 2010; Bonoli 2013; Hemerijck 2017). During the youth stage, a transition from the educational system to the labour market is important (Kvist 2014). The social investment strategy must ensure access to education to young people, to those from poor families. As persons with poor education earn less, work in unfavourable sectors, and are at a higher risk of automation and, at the same time, unemployment (Arntz et al. 2016). From the perspective of return, investments in education pay off as skills and competences necessary for highly qualified work are acquired. In later stages of life, dangers for health, unemployment, poverty also emerge. It is claimed that, by applying the active labour market policy and life-long learning, social security must prevent from emergence of such risks (Bonoli 2012; Kvist 2014). At old age, the idea of active ageing is supported. The aim is to move from work to pension by maintaining active and independent life and, thus, increasing the welfare and reducing needs for care (Kvist 2014).

The social investment helps to reduce the emergence of social risks, pursuing individual and social welfare and ensuring growth of the human capital through combination of programs of social protection, education, health, and employment.

Data and methods

The social investment in this research is understood as it defined Hmerijck (2017). It means the following important parts: income protection (buffer), transition (flow), and increase of the human capital (stock). The 'buffer' function as a minimum income protection from poverty; as a result, indicators of benefit and poverty level are assessed.

The transition function includes risky thresholds in the life periods of a person, in other words, transition of youth from the educational system to the job, reconciling the family life and work, transition from the work life period to the retirement. The function of the human capital in that research includes the function of education in all levels, including adult education and measures of the active labour market for unemployed persons. Also, health care data are considered.

Structural parts of social investment are assessed in the perspective of life course, based on Kvist (2014) methodology. The research based on the following stages of the life course: infants and children, youth, adults, and seniors.

To assess social investing during the COVID-19 pandemic, meta-analysis of research in the field of poverty, unemployment, education, and health carried out in the period of 2018–2021 was used. These data are supplemented by a secondary analysis of the Lithuanian Department of Statistics, State Social Insurance Fund Board, the Employment Service and the Institute of Hygiene for the period 2019–2021.

Income protection (buffer)

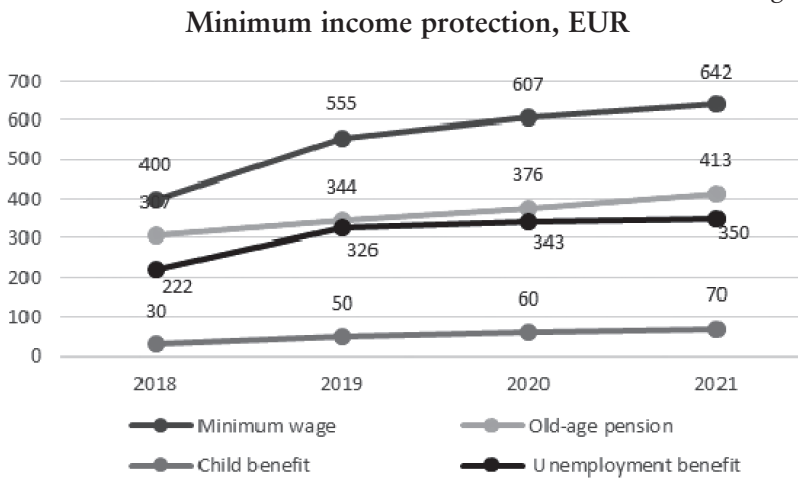
Before the pandemic, the various measures of social security were implemented toward the protection of income of population in Lithuania. The minimum wage, child benefit and unemployment benefit as well as old age pension increased in 2019 as it was in 2018. We can observe the further growth of these income sources up to 2021 (Figure 1). Despite the positive development of social protection benefits and minimal wage the Figure 2 shows as remaining protection issues. The at-risk-of-poverty rate of children, unemployed and retired remains high as well as of single parents or families with 3 or more children. The at-risk-of-poverty rate of unemployed or retired even increased during pandemic. These data provide us understanding that the insurance of ‘buffer’ is not provided for one fifth of children, almost two third of unemployed and about 40 percent of retired.

Also, additional measures were taken to protect vulnerable groups, which are the most impacted during socio-economic crises. Not only the child benefit was growing, but also the income assessment threshold was raised (Ministry of Social Security and Labour 2020). In such a way, a circle of recipients of the additional benefit (paid to the child benefit), which was purposed for children with disabilities, from large and poor families, was extended. In the case of unemployment risk, beneficiary groups were extended by the persons not entitled to obtain unemployment insurance benefit or whose payment period of such benefit had terminated; the measures included downtime subsidies, job search benefit, employer subsidies, and self-employment benefit (Employment Service 2021).

Increased benefits and extended circle of beneficiaries had to ensure the minimum income; however, these measures were not sufficient. It is evinced by increased at-risk-of-poverty rate (Figure 2). To compare data of the years 2019 and 2020, the at-risk-of-poverty rate in many groups increased. The highest increase can be found among old-age pensioners (4.4%) and unemployed persons (2%). The average old-age pension in 2020 made up EUR 376, and the average unemployment benefit was EUR 343

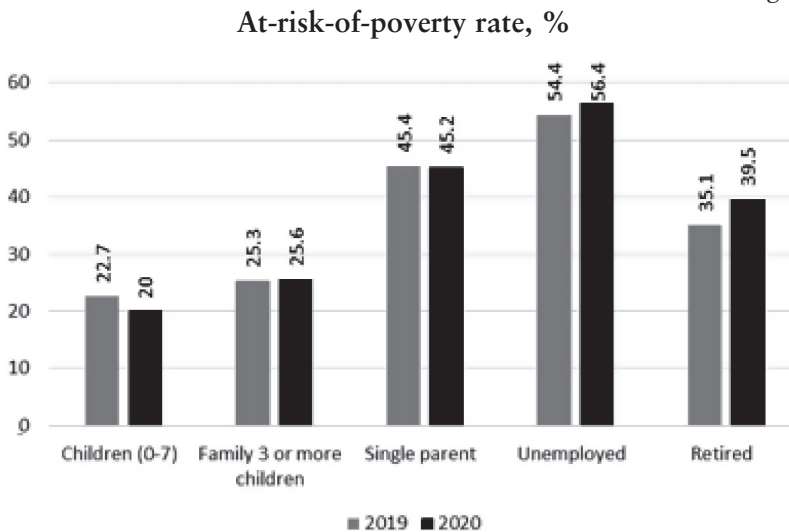
(Figure 1), while the at-risk-of-poverty threshold was EUR 430. It can be also noticed that children poverty decreased in 2.7%; however, it must be noted that a quarter of multi-child families and almost a half of single parents still face poverty. It can be stated that minimum income protection was not completely effective. Benefits purposed to ensure financial security to the most vulnerable groups were lower than the at-risk-of-poverty threshold, and it led to the growth of the at-risk-of-poverty rate during the pandemic.

Figure 1



Source: Lithuanian Department of Statistics.

Figure 2

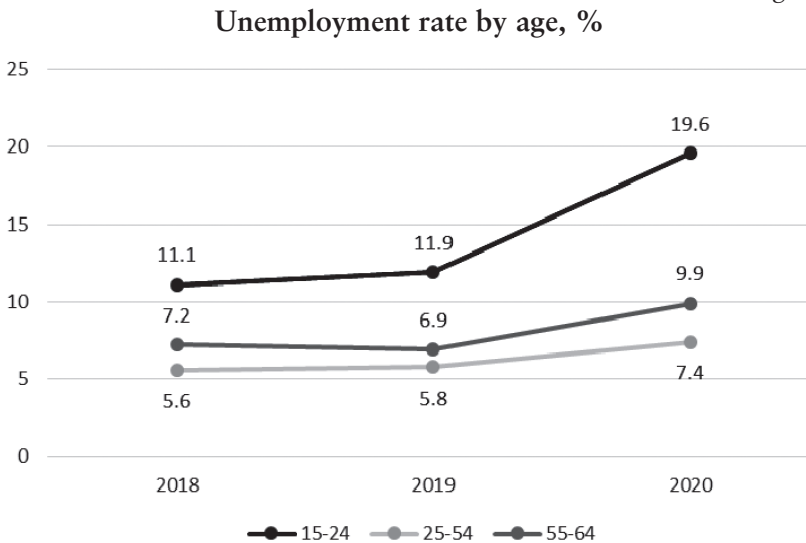


Source: Lithuanian Department of Statistics.

Transition (flow)

The second discussed area of social investment concerns harmonizing the personal life with work. It must be noted that this function balances transitional periods of life. Also, it performs a function of a bridge when one successful transition shapes success for other life-course stages (Hemerijck 2017). Transition to work during the youth stage is an important event of the life-course and alike the litmus test shows whether social investments has paid off; it is reflected by youth unemployment rate in the country (Kvist 2014). When analysing the situation in Lithuania during the pandemic, it is noticed that unemployment in the 15–24-year-old group was growing the most (Figure 3). In the third quarter of 2020, it reached a peak and made up 23.1% (Employment Service 2021). Such growth can be related with the fact that young people have little work experience and work in the sectors (catering and accommodation) that are the most vulnerable during an economic decline. However, it is also important to note that even 66.7% of 15–24-year-age unemployed persons did not have any qualification and only 6.4% of this age group had the higher university degree (Employment Service 2021). It shows that young people are particularly vulnerable in the labour market. Important condition for successful transition from education to employment is investment to high-level education. It increases resilience during socio-economic shocks.

Figure 3



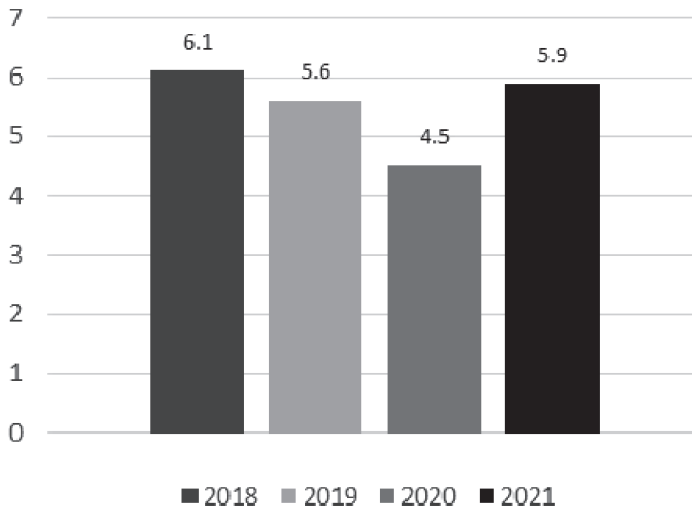
Source: Lithuanian Department of Statistics.

Next transition in the life-course is often associated with reconciliation of children care and work. Studies conducted show that only 19% of men in Lithuania devote at least one hour for care of a child or an elderly person (European Institute for Gender Equality (EIGE) 2018). After declaring the quarantine in the country, preschool educa-

tional process was suspended in the kindergartens, and primary, secondary, and higher education was conducted remotely (Ministry of Education, Science and Sports 2020). Moreover, health care provision and organization were disturbed. In view of the above data revealing poor help from men, assumption can be made that females faced difficulties. Studies conducted during the pandemic show that remote work opportunities helped employees to save their workplace and to perform their duties during the quarantine; however, for women it became as one more challenge (Rakauskienė et al. 2020). Women had to reconcile an increased need for care of their minor children and elderly persons with their regular work obligations. It is also important to note that remote work is available not in all sectors and not in all work positions; therefore, women at such work had no opportunity to reconcile care of their children and elderly persons with their work. Guterres, the Secretary-General of the United Nations, warned that the pandemic increases gender inequality and causes negative implications for women (Guterres 2020). In view of the discussed situation in Lithuania, it may be stated that the pandemic impacted negatively on opportunities for reconciling work and family obligations, condition of women in the labour market.

Figure 4

Early retirement pension recipients, thousands of people



Source: State Social Insurance Fund Board.

The stage of the life-course covering transition from the labour market to the old-age pension remained almost unchanged. During the pandemic, unemployment rate for elderly persons (55–64 years old) was growing the least, just 1.6% (Figure 3). Important issue is that the employment problems of older people lead to early retirement, which has a significant impact on the size of the pension. The early retirement benefit is lower for life long. Data show that in 2020 there were 4.5 thousand of such persons, i.e. even less than in 2019 or 2018 (Figure 5). In 2021 this number increased

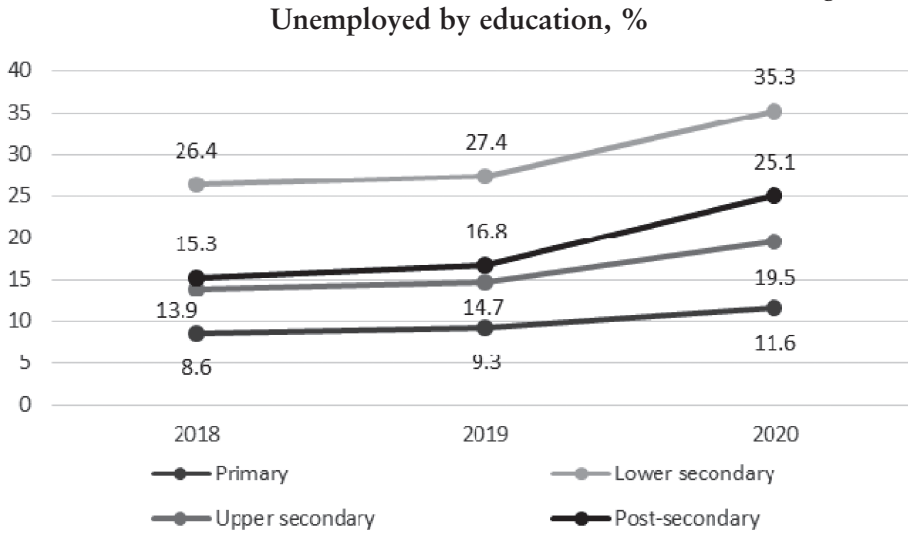
up to 5.9 thousand. It can be considered that during the pandemic peak older employees were interested in retaining their workplaces as long as possible that would not decrease their income. However, some still took early retirement and faced lower incomes, which in itself is linked to higher levels of poverty (Figure 2) what we discussed earlier.

Investment in the human capital (stock)

The third function of social investments covers the human capital formation over the entire lifetime, to start from the preschool education and to end with the life-long learning. As discussed, during the pandemic, education in kindergartens was suspended. Parents were recommended to organize education at home in consultation with educators (Ministry of Education, Science and Sports 2020). However, as discussed, the parents faced difficulties related to reconciling care and education of their children with work obligations, and it is likely that majority of preschool children were not educated at home. Older children were taught remotely. In view of the fact that during the pandemic the absolute majority of Lithuanian teachers experienced for first time the distant type of teaching (Strata 2021), it can be considered that the general quality of teaching could be poorer. Transition to distant education distinguished the impact of socio-economic status on learning of children. At the beginning of the first quarantine even 35 thousand of pupils did not have IT means and lacked skills how to use them (Ministry of Education, Science and Sports 2020). It means that children coming from poorer families did not participate in the classes until they were provided with computers and tablets. Studies also reveal worsened achievements of children with special needs and coming from families at social risks; motivation of such children was lower (Jusienė et al. 2021). It can be stated that distant education strengthened the impact of socio-economic status on pupils' access to qualitative education; worsened education of children can have long-term negative implications in the economic and financial context in future.

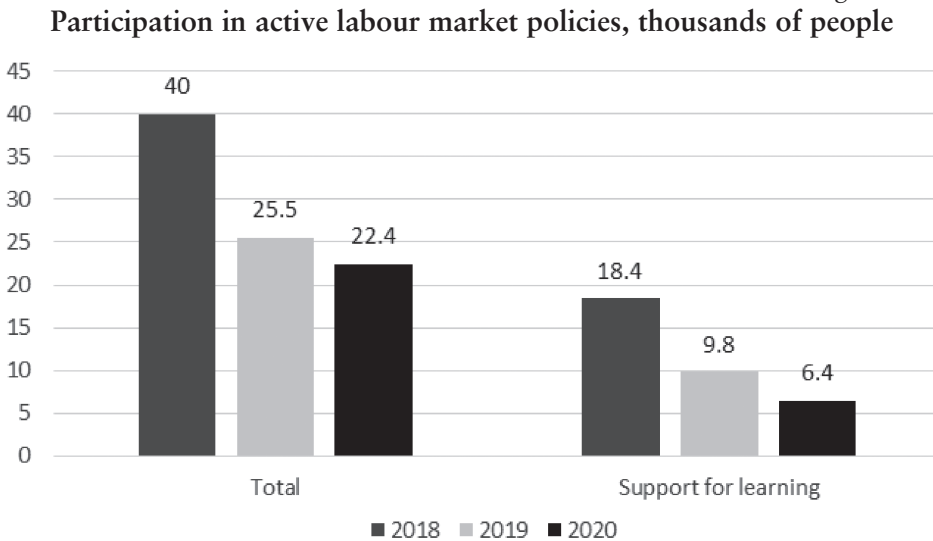
As discussed, social investments function as a 'bridge'. It means that low socio-economic status affects negatively access to education not only for pupils but also for young persons. Studies reveal that in Lithuania seekers of the higher education are three times as many coming from high-income households (Strata 2021). It must be mentioned that persons with a lower-level education are vulnerable over entire their lifetime. There is a big difference in employability of persons having good and poor education (Figure 6). In 2020, 66.4% of total number of unemployed individuals did not have the higher education. However, during the COVID-19 pandemic, another problem can be viewed, which is growth of unemployment among people with high qualification. Data show that in 2020, 25.1% of unemployed individuals had the university degree. Such situation can be resulted by non-compliance of existing skills with needs of the labour market, it is noticed that deficiencies and excesses of high-qualification specialists are more frequent in Lithuania than in many other OECD countries (Strata 2021). It means that the country fails to invest successfully in the human capital. Such persons are vulnerable during socio-economic crises, their skill potential is not used in full, and welfare at micro and macro levels is not created.

Figure 5



Source: Lithuanian Department of Statistics.

Figure 6



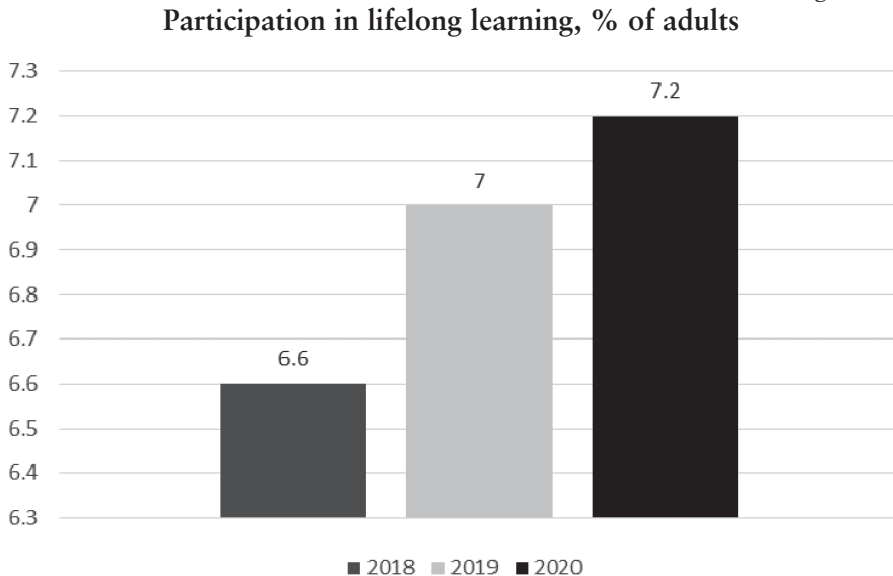
Source: Lithuanian Department of Statistics.

The discussed data show that during the pandemic unemployment in Lithuania was growing in all age groups and different levels of education. In such situation, not only the number of unemployment security benefits increases, but also the need for active labour market policies grows. It is noticed that during the pandemic the scope of active labour market policies was decreasing. Although in the year 2020 the number

of unemployed people was higher, only 22.4 thousand job seekers started participating in the policies, i.e. by 12% less than in 2019 (Figure 7). Lack of the active labour market policies was deepening unemployment, and it negatively impacted on status of unemployed persons and their opportunities to acquire new knowledge and skills that would be necessary to return successfully to the labour market.

During the pandemic, positive changes were taking place in the life-long learning. According to data of the Department of Statistics, the level of life-long learning reached 7.2% in 2020 (Figure 8). It can be considered that with the onset of the COVID-19 pandemic, the life-long leaning became of particular importance as persons had to adapt to new methods of remote work. However, it is stressed that still insufficient number of elderly persons participate in training, and the EU average has not been reached (Strata 2021).

Figure 7

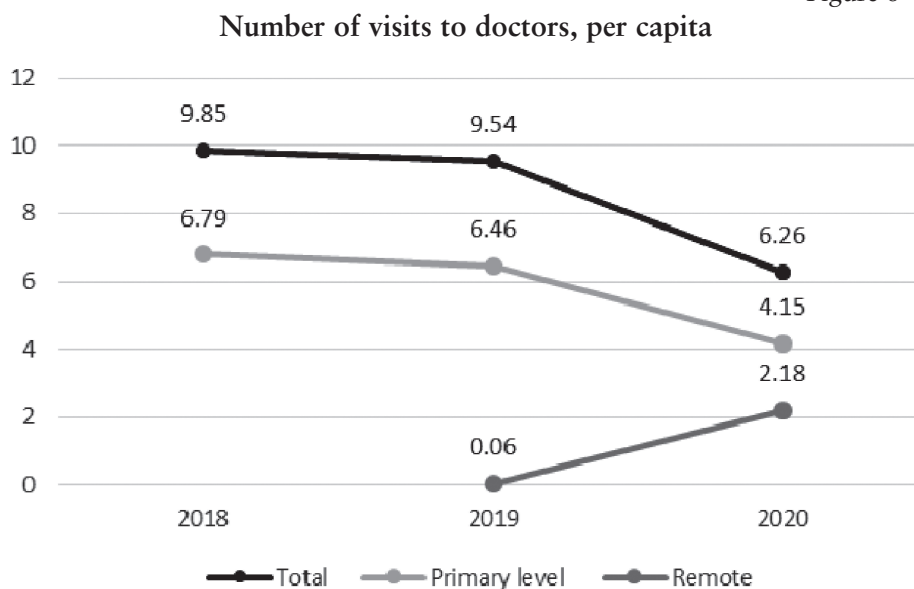


Source: Lithuanian Department of Statistics.

As discussed, health is also a part of the human capital. During the pandemic period, capacities of employees of the health sector were directed towards treatment, care of the infected with COVID-19 and vaccination of the society. It resulted in disturbance of organization and accessibility of the health services. Preventive programs, elective visits and surgery interventions were cancelled. That inevitably impacted on people of all age groups. During the pandemic, a number of visits to doctors was decreasing but a number of remote consultations was growing (Figure 9). It must be noted that remote assessment of the patient's condition is a very difficult task, and failure to provide necessary treatment resulted in increased risk of adverse events and even in growth of mortality. To compare data of 2020 and earlier years, it is visible

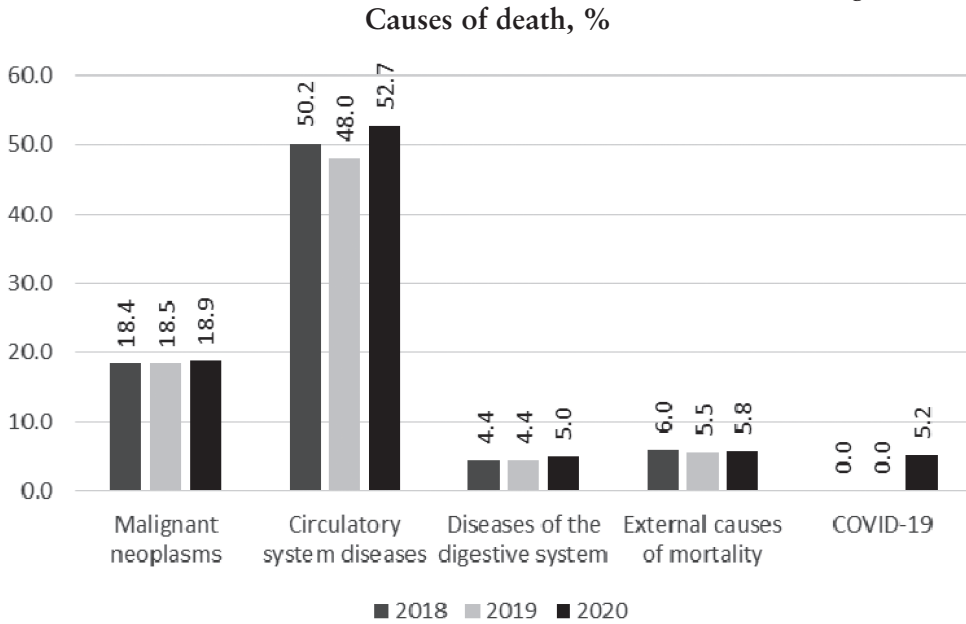
that according to causes of death the mortality increased in all areas (Figure 10). Circulatory system diseases made up 52.7% of all causes of death, while the COVID-19 cases caused only 5.2% of deaths. More detailed analysis of mortality from circulatory system diseases shows that these diseases caused 9.8% of deaths more in 2020 than in 2019. One of the reasons of such jump can be failure to provide timely consultation by a family physician or cardiologist and indirect effects of the COVID-19 disease. It is stressed that a number of the persons who died from circulatory system diseases at home at the end of 2020 increased in even in 90%. There may be several reasons for such situation, and some of them are revealed by the study conducted by Davidavičius et al. (2020). The researchers indicate that in April 2020 active treatment was provided to patients even in 56% less than in the same month of 2019, while in the period of March–October 2020 increase of mortality in 11% was noticed during the first period of quarantine and in 14% later (Davidavičius et al. 2020). It is obvious that during the quarantine people had less visits to doctors, did not receive necessary treatment, and it impacted negatively on mortality from circulatory system diseases. Concentration of health care sources for pandemic needs also impacted negatively on provision of services related to other diseases and contributed to emergence of adverse outcomes. That is why the current and future losses are bigger than those from the COVID-19 disease.

Figure 8



Source: Institute of Hygiene.

Figure 9



Source: Institute of Hygiene.

The pandemic impacted negatively on emotional and psychological self-feeling. Studies show that due to quarantine challenges and stress pupils experienced certain behavioural and emotional difficulties (Jusienė et al. 2021). Studies have distinguished an important factor contributing to worse psychic and even physical health: that is several times longer hours spent at the computer monitors (Jusienė et al. 2021). Because of the quarantine, most of entertainments and activities of leisure time became non-accessible and, therefore, children focused on the passive computer activities. The COVID-19 crisis also brought stress-increasing factors to adults. The study conducted by Kazlauskas et al. (2020) revealed that people responding to significant changes of life faced adaptation difficulties, were staying with constant fear of getting infected with the virus, had uncertainty for their future; stress was caused by restriction of contacts with other people and loss of familiar people. It is obvious that during the quarantine the need for services related to emotional and psychological health increased; however, it must also be noted that during the pandemic a provision of many health services, including psychological consultation, was limited. It means that individuals were not able to receive necessary assistance, and in the long-term perspective it can become a cause for serious psychological problems.

Discussion and conclusions

Social investment emphasizes the investment in human capital, but together with insurance of income or social benefits protecting against poverty. Looking from the social investment as the three parts: income protection, transition through important life thresholds, and human capital we observe the important issues before and during pandemic.

Before pandemic social protection was not sufficient to protect against poverty children, unemployed and retirees as well of large and single parents families. The at risk of poverty rate increased among old-age pensioners (4.4%) and unemployed persons (2%), a quarter of multi-child families and almost a half of single parents face poverty. That shows the incapacity of 'buffer'. As mentioned, Esping-Andersen (2002), the human capital can not develop in a poverty.

The transition during the important life stages were not without the complications before pandemic and during of it. The youth unemployment in the 15–24-year-old group reached a peak and made up 23.1%. The women experienced higher burden of childcare, thus they experienced difficulties to balance family and work responsibilities. The increased unemployment of older labour force encouraged growth of early retirement pensions (in 2021 this number increased up to 5.9 thousand), which they overlap with unemployment of older employees.

The loss of investment in human capital were observed during all life course of population before pandemic and during the pandemic especially. Because the funding was directed to the compensatory welfare mainly. The lack of computers and other technical devices of lower socio-economic status of students from the beginning of pandemic means the poor access to good quality of education as the important precondition to more stable employment career further. The increase of unemployment among the persons with higher education (25.1% of unemployed individuals had the university degree) also can be related with youth transition.

The decreased funding of active labour market policy during the pandemic. By this reason 12% less job seekers started participating in the active labour market measures. It means that unemployed were trapped in their situation without the opportunities to change their career and to move from the social security benefits to employment. As well the majority of them were in poverty.

The health care focus on the management of COVID-19 was related with the restrictions of other services, especially preventive which are important for healthy labour force. In April 2020, active treatment was provided in 56% less than in the same month of 2019. Due to the mortality of covid disease increased, the use of preventive programmes was decreased.

These facts tell us that the consequences of the pandemic will be long lasting. Some of them will be latent and difficult to relate with the experience of the management of pandemic, for example investment in human capital and health. Because it would be difficult to distinguish the results from the other factors. The main advice would be the complex the view toward political decision even the decision is fast due to the great changes of spread of the disease.

References

- Arntz M., Gregory T., Zierahn U. (2016) The risk of automation for jobs in OECD countries: a comparative analysis. *OECD Social, Employment and Migration Working Papers*, Vol. 189. Available: <https://www.oecd-ilibrary.org/> (accessed on 30.11.2022).
- Bonoli G. (2006) Time matters: postindustrialization, new social risks, and welfare state adaptation in advanced industrial democracies. *Comparative Political Studies*, Vol. 40, No. 5, pp. 495–520. DOI: <https://doi.org/10.1177/0010414005285755>
- Bonoli G. (2012) Active labour market policy and social investment: a changing relationship. Morel N., Palier B., Palme J. (Eds.) *Towards a Social Investment Welfare State: Ideas, Policies and Challenges*. Bristol: Policy Press, pp. 181–204. DOI: <https://doi.org/10.2307/j.ctt9qgqfg.14>
- Bonoli G. (2013) *The Origins of Active Social Policy: Labour Market and Childcare Policies in a Comparative Perspective*. Oxford: Oxford University Press. DOI: <https://doi.org/10.1093/acprof:oso/9780199669769.001.0001>
- Burger K. (2010) How does early childhood care and education affect cognitive development? An international review of the effects of early interventions for children from different social backgrounds. *Early Childhood Research Quarterly*, Vol. 25, No. 2, pp. 140–165. DOI: <https://doi.org/10.1016/j.ecresq.2009.11.001>
- Campbell F., Conti G., Heckman J., Moon S., Pinto R., Pungello E., Pan Y. (2014) Early childhood investments substantially boost adult health. *Science*, Vol. 343, pp. 1478–1485. DOI: <https://doi.org/10.1126/science.1248429>
- Cantillon B. (2011) The paradox of the social investment state: growth, employment and poverty in the Lisbon era. *Journal of European Social Policy*, Vol. 21, No. 5, pp. 432–449. DOI: <https://doi.org/10.1177/0958928711418856>
- Cooke M., Gazso A. (2009) Taking a life course perspective on social assistance use in Canada: a different approach. *Canadian Journal of Sociology*, Vol. 34, No. 2, pp. 349–372. DOI: <https://doi.org/10.29173/cjs1825>
- Davidavičius G., Čelutkienė J., Gurevičius R., Budrys P., Šerpytis P., Černiauskas G. (2020) COVID-19 pandemijos įtaka žmogaus ir visuomenės sveikatai bei sveikatos apsaugos sistemoms funkcionavimui: kraujotakos sistemoms ligų atvejo analizė. Vilnius: Vilnius Universitetas. Available: <https://lcs.lt/wp-content/uploads/> (accessed on 30.11.2022). (In Lithuanian)
- Dheret C., Fransen L. (2017) Social investment first! A precondition for a modern social Europe. *ISSUE Paper*, No. 82. Available: <https://www.epc.eu/en/Publications/Social-Investment-first-A-pre-20e9c8> (accessed on 30.11.2022).
- Employment Service. (2022) *Lietuvos užimtumo 2020 m. tendencijos ir ateities prognozės*. Available: <https://www.ldb.lt/> (accessed on 30.11.2022). (In Lithuanian)
- Esping-Andersen G. (Ed.) (2002) *Why We Need a New Welfare State*. Oxford: Oxford University Press. DOI: <https://doi.org/10.1093/0199256438.001.0001>
- European Institute for Gender Equality (EIGE). (2022) *Gender Statistics*. Available: <https://eige.europa.eu/> (accessed on 30.11.2022).
- Farrington J., Slater R. (2006) Cash transfers: panacea for poverty reduction or money down the drain? *Development Policy Review*, Vol. 24, No. 5, pp. 499–511. DOI: <https://doi.org/10.1111/j.1467-7679.2006.00344.x>
- Jenson J. (2010) *Defining and Measuring Social Cohesion*. Totton, Hampshire: Hobbs the Printers.
- Institute of Hygiene. (2022) *Health Statistics of Lithuania*. Available: <https://www.hi.lt/> (accessed on 30.11.2022).

- Jusienė R., Būdienė V., Gintilienė G., Girdzijauskienė S., Stonkuvienė I. (2021) *Nuotolinis vaikų ugdymas pandemijos dėl COVID-19 metu: grėsmės ir galimybės ekosisteminiu požiūriu*. Vilnius: Vilnius University. Available: https://www.fsf.vu.lt/dokumentai/Nuotolinis_vaiku_ugdymas_pandemijos_dėl_COVID-19_metu.pdf (accessed on 30.11.2022). (In Lithuanian)
- Garrizmann J., Häusermann S., Palier B., Zollinger C. (2017) WoPSI – the world politics of social investment: an international research project to explain variance in social investment agendas and social investment reforms across countries and world regions. *LIEPP Working Paper*, No. 64. Available: <https://www.sciencespo.fr/liepp/fr/publications#working%20paper> (accessed on 30.11.2022).
- Guterres A. (2020) Put women and girls at the centre of efforts to recover from COVID-19. *Statement by the UN Secretary-General António*. Available: <https://www.unwomen.org/en/news/stories/2020/4/statement> (accessed on 30.11.2022).
- Havnes T., Mogstad M. (2011) No child left behind: subsidized child care and children's long-run outcomes. *American Economic Journal: Economic Policy*, Vol. 3, No. 2, pp. 97–129. DOI: <https://doi.org/10.1257/pol.3.2.97>
- Heckman J. (2006) Skill formation and the economics of investing in disadvantaged children. *Science*, Vol. 312, No. 5782, pp. 1900–1902. DOI: <https://doi.org/10.1126/science.1128898>
- Hemerijck A. (2015) The quiet paradigm revolution of social investment. *Social Politics: International Studies in Gender, State & Society*, Vol. 22, No. 2, pp. 242–256. DOI: <https://doi.org/10.1093/sp/jxv009>
- Hemerijck A. (Ed.) (2017) *The Uses of Social Investment*. Oxford: Oxford University Press. DOI: <https://doi.org/10.1093/oso/9780198790488.001.0001>
- Kazlauskas E., Gelezelyte O., Nomeikaite A., Zelviene P. (2021) Posttraumatic stress disorder and adjustment disorder in Lithuanian healthcare in 2018–2020: a nation-wide cohort study of the effects of COVID-19 pandemic. *Healthcare*, Vol. 4, No. 11. DOI: <https://doi.org/10.3390/healthcare9111422>
- Kempf I., Dutta P. (2021) Transformative social policies as an essential buffer during socio-economic crises. *Sustainable Development*, Vol. 29, No. 3, pp. 517–527. DOI: <https://doi.org/10.1002/sd.2197>
- Kuitto K. (2016) From social security to social investment? Compensating and social investment welfare policies in a life-course perspective. *Journal of European Social Policy*, Vol. 26, No. 5, pp. 442–459. DOI: <https://doi.org/10.1177/0958928716664297>
- Kvist J. (2014) A framework for social investment strategies: integrating generational, life course and gender perspectives in the EU social investment strategy. *Comparative European Politics*, pp. 1–19. DOI: <https://doi.org/10.1057/cep.2014.45>
- Lazutka R. (2021) *Lietuvos socialinės politikos reakcija į nedarbo augimą dėl COVID-19*. Available: <https://www.evaf.vu.lt/apie-fakulteta/naujienos> (accessed on 30.11.2022). (In Lithuanian)
- Lazutka R., Poviliūnas A., Žalimienė L. (2015) *Social Investment Lithuania. European Social Policy Network thematic report*. Available: <https://ec.europa.eu/social> (accessed on 30.11.2022).
- Lithuanian Department of Statistics. (2022) *Gyventojai ir socialinė statistika*. Available: <https://www.stat.gov.lt/> (accessed on 30.11.2022). (In Lithuanian)
- Lithuanian National Anti-Poverty Network. (2022) *Skurdas ir socialinė atskirtis 2021*. Available: <https://www.smtinklas.lt/metine-skurdo-ir-socialines-atskirties-apzvalga/> (accessed on 30.11.2022). (In Lithuanian)
- Ministry of Education, Science and Sport. (2022) *Ikimokyklinis ir priešmokyklinis ugdymas nuotoliniu būdu*. Available: <https://smsm.lrv.lt/> (accessed on 30.11.2022). (In Lithuanian)

- Ministry of Social Security and Labour. (2022) *Išmokos vaikams: kas nauja 2020 metais*. Available: <https://socmin.lrv.lt/> (accessed on 30.11.2022). (In Lithuanian)
- Nolan B. (2013) What use is 'social investment'. *Journal of European Social Policy*, Vol. 23, No. 5, pp. 459–468. DOI: <https://doi.org/10.1177/0958928713499177>
- Nolan B. (2017) Social investment the thin line between evidence-based research and political advocacy. Hemerijck A. (Ed.) *The Uses of Social Investment*. Oxford: Oxford University Press, pp. 43–51. DOI: <https://doi.org/10.1093/oso/9780198790488.003.0002>
- Pintelon O., Cantillon B., Whelan C. (2013) The social stratification of social risks: the relevance of class for social investment strategies. *Journal of European Social Policy*, Vol. 23, No. 1, pp. 52–67. DOI: <https://doi.org/10.1177/0958928712463156>
- Rakauskienė O., Krinickienė E., Servetkienė V. (2020) *Motery ir vyrų pajamų atotrūkis Lietuvoje*. Vilnius: Mykolo Romerio Universitetas. Available: <https://repository.mruni.eu/> (accessed on 30.11.2022). (In Lithuanian)
- Schubert K., de Villota P., Kuhlmann J. (2016) *Challenges to European Welfare Systems*. Springer.
- Skučienė D., Lazutka R., Čižauskaitė A. (2018) *Investavimas į jaunus žmones valstybei atsiperka labiausiai*, Vilnius: Vilnius Universitetas. Available: <https://naujienos.vu.lt/investavimas> (accessed on 30.11.2022). (In Lithuanian)
- State Social Insurance Fund Board. (2022) *Homepage*. Available: <https://www.sodra.lt/> (accessed on 30.11.2022).
- Strata. (2022) *Lietuvos žmogiškojo kapitalo būklė 2021*. Available: <https://strata.gov.lt/> (accessed on 30.11.2022). (In Lithuanian)
- Toots A., Lauri T. (2017) Varieties of social investment policies on two sides of the Baltic Sea: explaining routes to endurance. *Social Policy & administration*, Vol. 51, No. 4, pp. 550–576. DOI: <https://doi.org/10.1111/spol.12313>
- Vandenbroucke F., Vleminckx K. (2011) Disappointing poverty trends: is the social investment state to blame? *Journal of European Social Policy*, Vol. 21, No. 5, pp. 450–471. DOI: <https://doi.org/10.1177/095892871141885>