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Abstract

The report discusses measures taken in Lithuania to tackle the COVID-19 pandemic from the first wave in March 2020, to late May, 2021. Impact on the healthcare system, economy are taken into account to assess the situation. It is noted that the success of resolving the crisis is mixed; while the first wave in the first part of 2020 was dealt with relatively effectively, the second wave had a much more negative impact in terms of the number of cases and deaths. On the other hand, the economy proved to be resilient and recovered quickly. An optimistic mood prevails at the beginning of summer 2021, as the number of vaccinated people increases, and the number of cases shrinks.

Key words: COVID-19, Lithuania, healthcare, economy, vaccines, public opinion

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1. Introduction

The COVID-19 pandemic posed an enormous challenge to the whole world, not least Lithuania. The crisis revealed weaknesses in the country's readiness to deal with an issue of such magnitude, as well as certain strengths that enabled Lithuania to at least partly mitigate the damage (e.g. on the economy).

This report presents the most important trends in how Lithuania dealt with the initial phases of the pandemic, as well as the second wave up to the summer of 2021. It reveals two different stages in how Lithuania coped with the pandemic. The first one pertains to a relatively successful management of the first wave, while the second, starting autumn 2020, showed Lithuania's vulnerabilities that caused excess deaths and overwhelmed the public health sector. However, the latest trends present a cautiously optimistic perspective; as the number of vaccinated people increases and the number of new daily COVID-19 cases declines, the hope is that the worst period has passed.

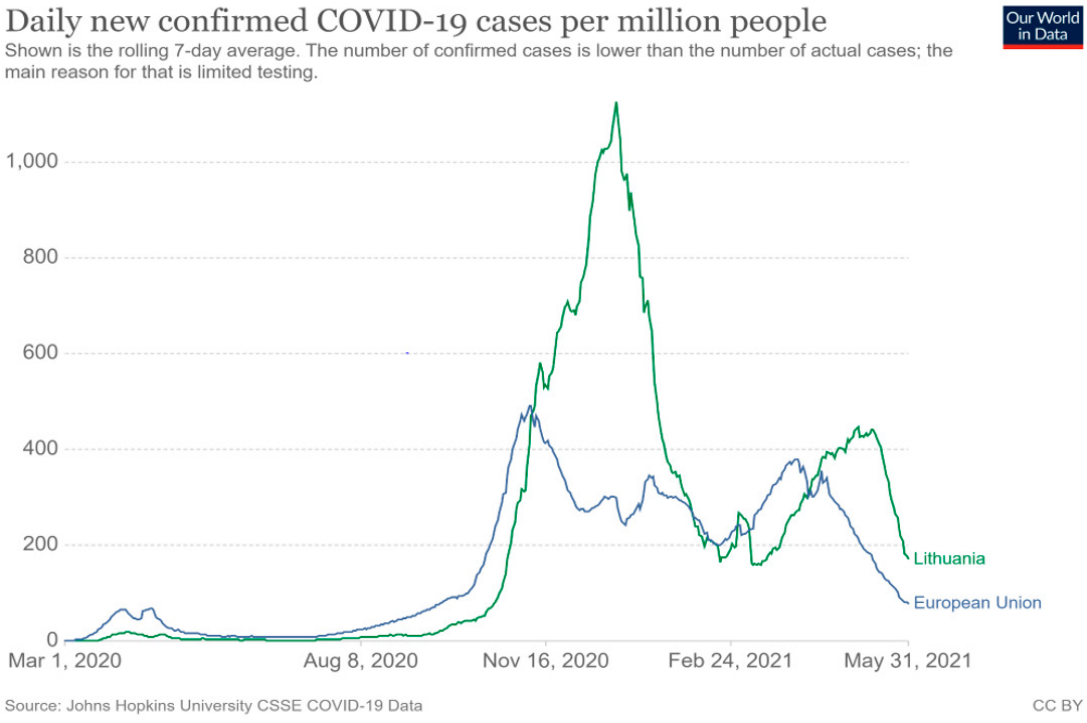
The impact of the pandemic in the report is looked at from the health care, economic, as well as social perspectives. Certain geopolitical aspects are also taken into consideration (for instance in terms of vaccine procurement and donations to other countries).

2. COVID-19 pandemic in Lithuania

The first case of COVID-19 was confirmed in Lithuania on 28 February 2020. As of 1 June 2021, there have been almost 275,000 infections and 4,266 coronavirus-related deaths reported in the country since the pandemic began. In proportional terms, Lithuania, according to Worldometer, ranks 9th in Europe, with 102,099 cases per 1 million inhabitants[2].

Figure 1 thus shows the evolution of the COVID-19 pandemic in Lithuania during the period from the outbreak of the pandemic in the country to the most recent data available. It shows the number of confirmed COVID-19 cases per day in Lithuania and the European Union. This is presented as a seven-day rolling average. This trend positively correlates with the evolution of daily new confirmed COVID-19 deaths as portrayed in Figure 2. In both instances, Lithuania's record is worse than the EU average.

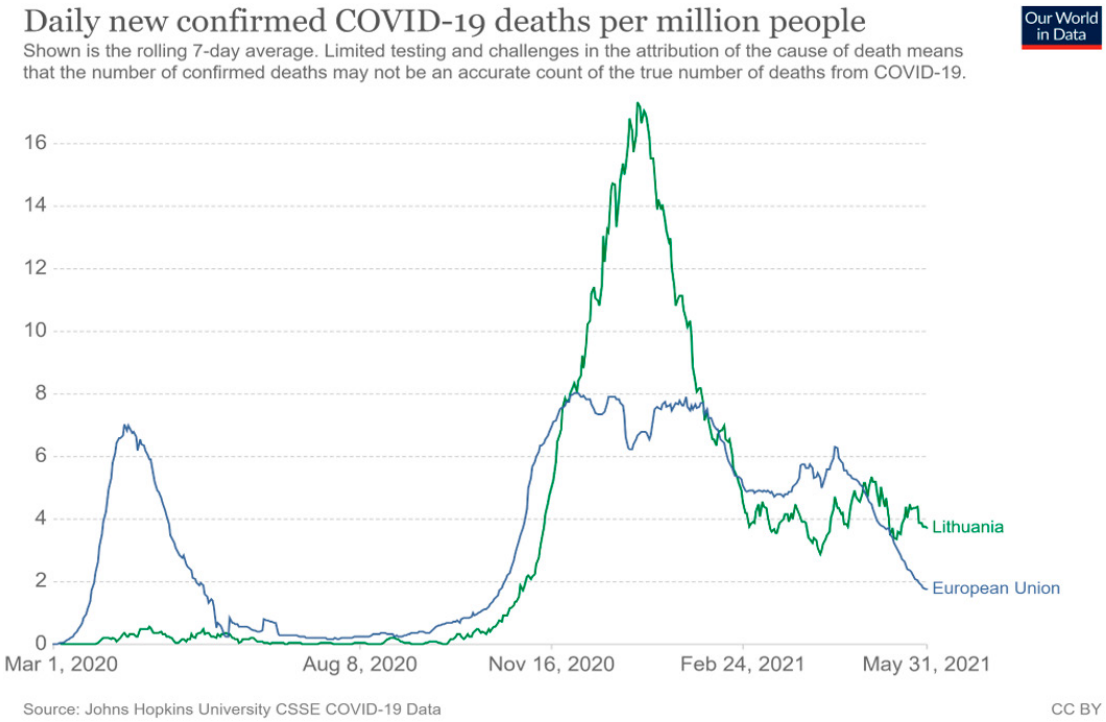
Figure 1. New daily cases in Lithuania



Source: Our World in Data 2021

2 The first eight countries in Europe by coronavirus infections (per 1 million inhabitants) are Andorra, Montenegro, Czechia, San Marino, Gibraltar, Slovenia, Luxembourg, and Sweden.

Figure 2. COVID-19-related deaths in Lithuania

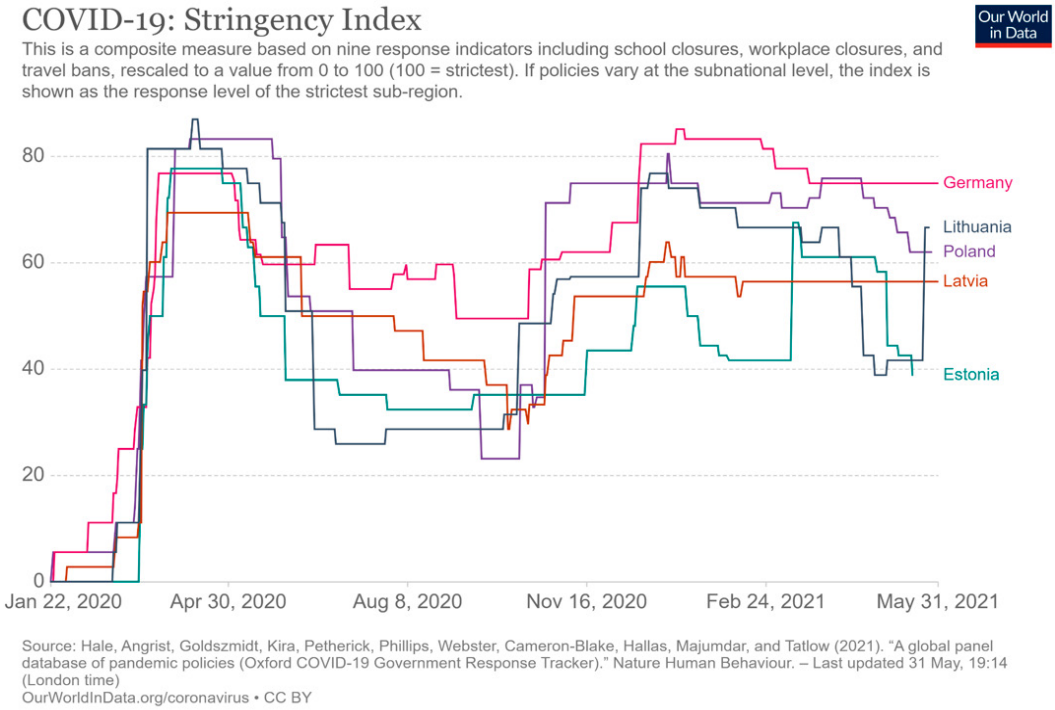


Source: Our World in Data 2021

The first wave of the pandemic spread rather slowly, with a seven-day average infection rate not surpassing 50. After declaring a nation-wide emergency situation at the end of February 2020, the State Emergency Operations Centre headed by the Minister for Health was set up. Lithuania's authorities began implementing a range of containment measures and introduced a nationwide lockdown on 16 March 2020 which was lifted on 17 June 2020.

The country followed a more heavy-handed suppression strategy aiming to keep the number of recorded cases as low as possible. This response is considered to be among the most stringent in Europe (Figure 3), with the following measures being taken: closure of national borders, closure of educational institutions, cancellation of public events, the shutdown of non-essential shops and cultural institutions, increased testing.

Figure 3. COVID-19 Stringency Index



Source: Our World in Data 2021.

Even if suppression strategies usually tend to negatively affect a country's economy and people's general satisfaction, it succeeded in containing the daily cases and the situation remained stable during the summer months. Thus, the Lithuanian Government eased the enforced restrictions, which is reflected in the high drop of the COVID-19 Stringency Index in Summer 2020.

The number of daily cases began to increase in October 2020, coinciding with the Lithuanian parliamentary elections. As Prime Minister Saulius Skvernelis was reluctant to impose stricter containment measures, public satisfaction with the government's handling of the coronavirus crisis as well as support for the ruling Lithuanian Farmers and Greens Union party (LVŽS) started to decrease (further discussed in Chapter 7).

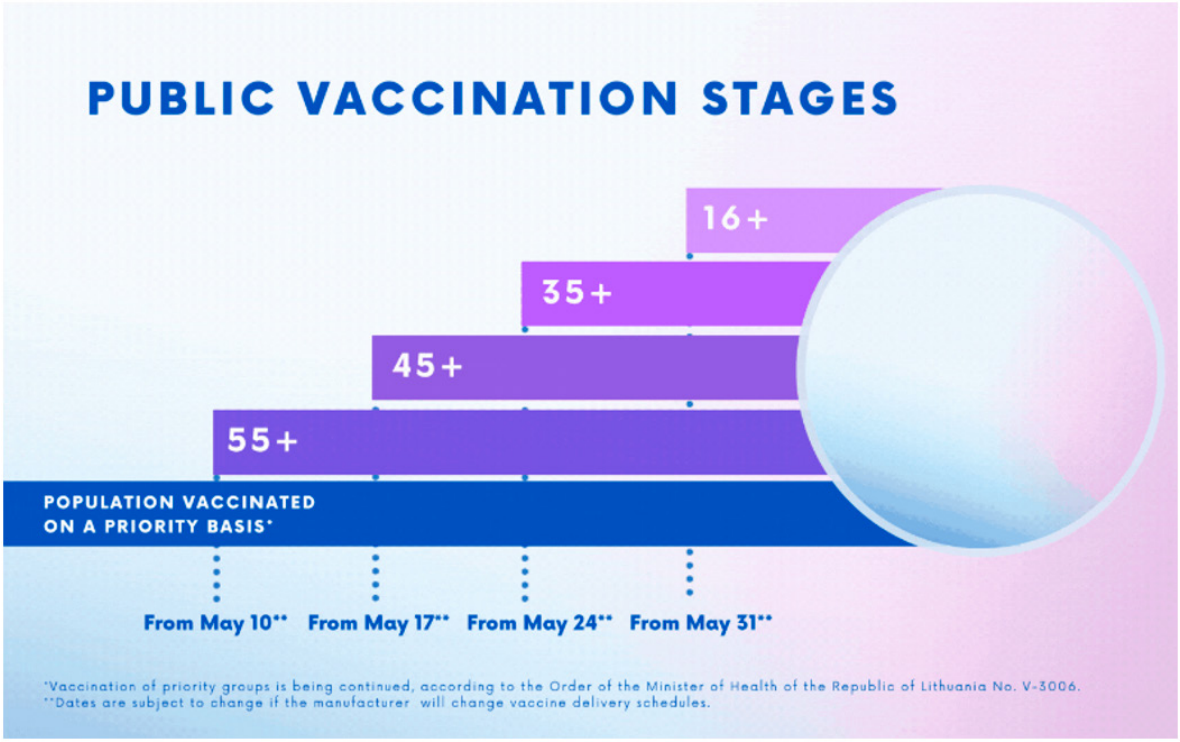
The second wave of COVID-19 surged at a rapid pace and reached its peak on 23 December 2020 (3,799 new daily cases). Following this surge, the newly elected government reintroduced a nationwide lockdown on 7 November; it was prolonged until the end of June, with further extensions possible. The measures taken to contain the spread of the virus included limiting contacts outside households, the shutdown of non-essential shops and cultural institutions, prohibiting hospital visits and suspension of non-essential healthcare treatment.

On 27 December 2020, the vaccination programme started collectively in the whole European Union, including Lithuania. The first target group to receive vaccines was healthcare sector workers that have daily contact with COVID-19 patients. They were then followed by the elderly and the list of target groups continuously expanded. Mass vaccination is planned to begin on 31 May (Figure 4). Currently, four types of vaccines are registered and used in Lithuania: (1) Comirnaty (BioNTech and Pfizer), (2) Moderna, (3) AstraZeneca, and (4) Johnson & Johnson.

As of 31 May 2021, Lithuania has administered 1.585,368 doses of COVID vaccines (Figure 5). Since 590,805 people have been fully vaccinated, the government reports that over 40% of the population is potentially immunized either due to natural or vaccine-induced immunity.

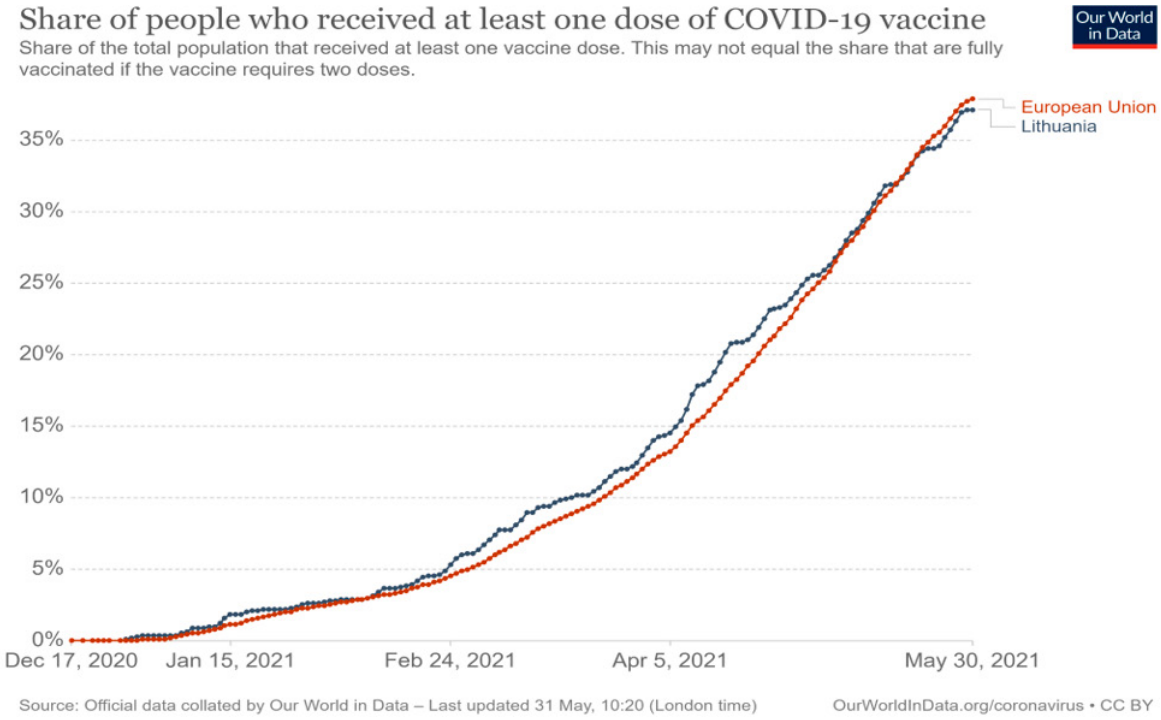
With the progressing vaccination programme, quarantine restrictions have been gradually lifted. For instance, starting 1 June, indoor events can be attended by up to 250 spectators and outdoor events by an unlimited number of spectators; cafes, restaurants can stay open from 7:00 to 24:00, theatres and cinemas were allowed to reopen at 30% seating capacity, face masks are not required in open spaces, and social interaction in groups of at most ten persons or members of two families and/or two households are allowed.

Figure 4. Public vaccination stages in Lithuania



Source: The Office of the Government of the Republic of Lithuania

Figure 5. A share of people who received a vaccine in Lithuania and the EU (at least the first dose)



Source: Our World in Data 2021

While the quarantine has been officially extended to the end of June, the government was cautiously optimistic about the prospects of revising restrictions even further in the summer. As the supply of European Medicines Agency-approved vaccines has been increasing, the President of Lithuania Gitanas Nausėda reaffirmed on 31st of May the ambitious goal that 70% of the Lithuanian population could be vaccinated by mid-July (Jakučionis, 2021).

However, experts voice concerns that the tempo of immunisations has slowed down, especially among the elderly. It may get even more complicated in the near future as going above the 50% population threshold also means people with vaccine-skeptical attitudes have to be convinced to get vaccinated. An opinion poll in February revealed that 58% of Lithuanians aged 16-64 are eager to get innoculated, while others are doubtful (Adomavičienė, 2021). Pre-pandemic research reveals that trust in vaccines tends to generally fluctuate around 52-67% in Lithuania; hence, COVID-19 did not seem to have a negative impact on trust levels; it rather confirmed long-term tendencies. The reasons for not fully trusting the vaccine in the case of the pandemic include disinformation campaigns, especially in social media, on the unproven serious side effects of the vaccine; concerns about the unprecedented pace of development of the COVID-19 vaccine; side effects related to certain COVID-19 vaccines and changes in regulation of their usage by various European governments; a lack of reach of trustworthy vaccine information available to various demographic groups, such as the elderly (Vibrantytė, 2021).

3. The geopolitics of vaccines

The Lithuanian Government has decided to use only the vaccines approved by the European Medicines Agency (EMA). Moreover, the Prime Minister Ingrida Šimonytė has announced that even if the Russian vaccine Sputnik V is approved by the EMA, it will not be used in Lithuania.

This reflects Lithuania's long-standing suspicion of Russia's political motives and inclinations. The Lithuanian Government perceives Sputnik V as a tool to spread geopolitical influence, rather than positively contribute to the efforts to tackle the pandemic. "*They say, Sputnik V is good, but Putin doesn't care to use it as a cure for the Russian people - he offers it to the world as another hybrid weapon to divide and rule. This is neither news nor good for mankind*," said the Prime Minister in February 2021 (Šeputytė, 2021).

Similar concerns were voiced by some other countries. For instance, Ihor Zhovkva, Ukrainian President Volodymyr Zelensky's adviser on foreign policy, said that Sputnik V "*[...] is also a part of propaganda, a part*

of hybrid war – to spread this unchecked vaccine and to say that Russia is always willing to extend its helpful arm in order to treat the world while their aim is the opposite." French Foreign Minister Jean-Yves Le Drian also said that the Sputnik V vaccine is "*more a means of propaganda and aggressive diplomacy than a means of solidarity and health aid*" (AFP, 2021).

Itself, Lithuania has decided to donate 200,000 doses of coronavirus vaccines to countries in the Eastern Partnership group that include Ukraine, Georgia and Moldova. "*Small step [by Lithuania], hopefully our partners in Europe will join in solidarity with many more!*" said the Foreign Minister Gabrielius Landsbergis on Twitter (Landsbergis, May 14, 2021). According to a statement by the Ministry of Foreign Affairs, Lithuania has consistently raised the issue of the need to facilitate access to vaccines for the eastern partners within EU formats and looks forward to working closely with EU institutions in delivering these vaccines to the eastern partners.

4. Opportunity Passport

As an increasing percentage of the population has either natural or vaccine-induced immunity against COVID-19, on 24 May 2021, the Lithuanian Government rolled out the Opportunity Passport, aiming to revive economic activities, allow more freedoms, encourage mass vaccination and testing. To be able to access the digital certificate on their smartphones, citizens must fulfill at least one of the following conditions:

- be vaccinated with a government-approved COVID-19 vaccine.
- have a positive SARS-CoV-2 PCR test result or an antigen test result and maximum 180 days have passed since the positive testing.
- have received a COVID-19 test with a negative result – no later than 72 hours (calculating from the moment of sample collection) in the case of SARS-CoV-2 PCR test or no later than 24 hours in the case of an antigen test; and
- be under 16 years old.

Opportunity Passport holders are permitted to: organise personal events without limiting the number of attendees, visit indoor restaurants and cafes, attend events of more than 500 people, and visit people in detention facilities.

According to an opinion poll by Revolut, 69% of Lithuanians were in support of the Opportunity Passport (15min.lt, 2021). Therefore, Lithuanians were more enthusiastic about the national certificate in comparison to citizens of some other EU countries. However, there were some controversies in Lithuania as well. Those critical of the Opportunity Passport emphasised a risk of growing social inequality, as a lot of citizens at the time of the roll out were still not able to get a vaccine even if they wanted to. On the other hand, even if vaccines are not mandatory, it was also seen as a governmental push to vaccinate by differentiating people. Finally, as the EU plans to roll out its digital certificate for travels in the summer, it was questioned whether the national initiative is worth the effort and investment.

For supporters, the Opportunity Passport is a much-needed step to start opening the economy and ensuring a nationally-acknowledged mechanism that enables safe return of various public and private activities.

5. Impact on the healthcare system

Leading up to the Coronavirus outbreak in 2019, the Global Health Security Index, an assessment of the preparation for epidemics, ranked the Lithuanian health sector's preparedness 33 out of 195 countries investigated (GHS Index, 2019). However, the pandemic posed a serious challenge to Lithuania's healthcare system. As in many other EU countries, Lithuania faced a shortage of face masks and medical equipment in the initial phases of the pandemic. The government was blamed for a lack of preparedness for the crisis.

According to Agnė Slapšinskaitė, throughout November – early December 2020, over 75-80% of hospital beds designated for COVID-19 patients were occupied, reaching a critical threshold, with doctors increasingly raising concerns regarding the availability of beds and staff (Slapšinskaitė et al., 2021). The number was still over 80% in problematic parts of the country, such as the Vilnius region, even in early May (Masiokaitė-Liubinienė, Stankevičius, 2021). That was the case even in spite of the fact that Lithuania

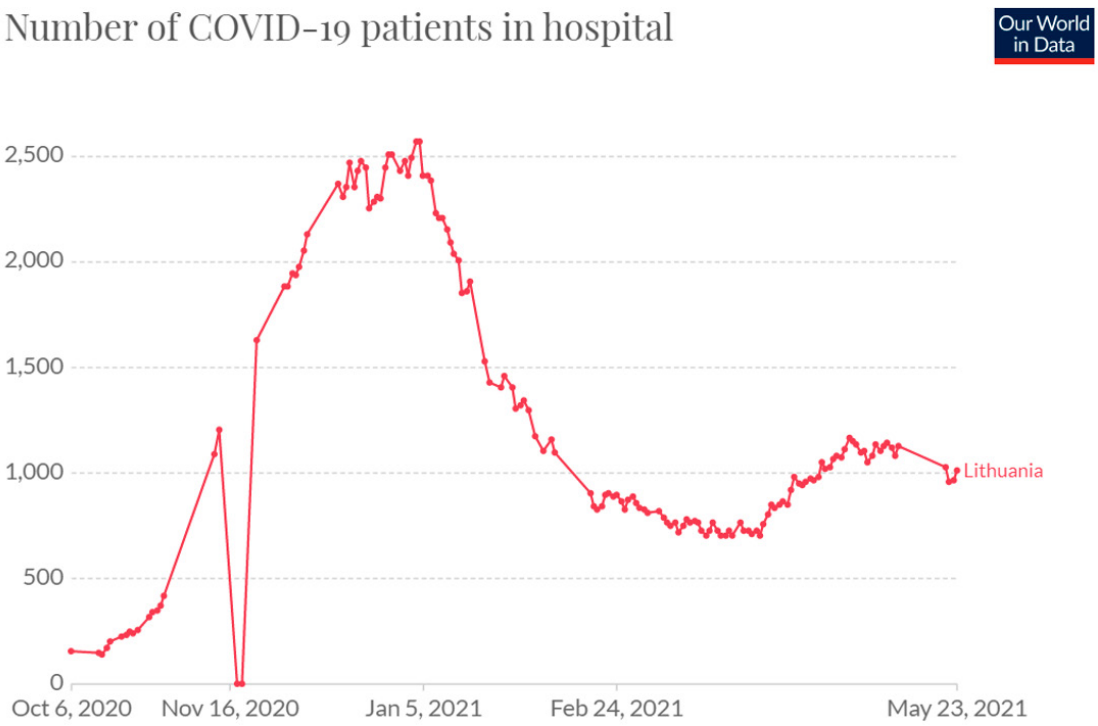
has one of the highest ratios of hospital beds per capita in the EU.

With the increasing number of COVID-19 infected people hospitalised (Figure 6), the lack of medical personnel available became a huge concern in the country. Lithuanian medical associations made a collective public appeal about the exhaustion of medical personnel and long overtime work (LRT, October 22, 2020). To counter this issue, several measures were introduced, such as the mobilisation of volunteers, medical students and retired doctors, and ensuring day-care services for children of health sector workers. In addition, medical staff fighting with COVID-19 received a 15% salary increase (LRT, March 27, 2020), and a government subsidy of 200 Euro (Ministry of Economy and Innovation, 2020) for recreational activities.

As the major COVID-19 outbreaks in Lithuania were primarily indicated in the health care sector, the medical professionals started to report (LRT, April 7, 2020) about a shortage of personal protective equipment (PPE) (e.g. protective respirators, gloves, disposable footwear, disposable gloves) for COVID-19 in hospitals and inadequate public supply of PPE. Hence, the issue being under the media spotlight, additional purchases were initiated by the civil society. The independent online broadcaster Laisvės TV launched a campaign called Laikykitės, Medikai! (Stay Strong, Doctors!) which raised 2.5 million Euro donations to purchase PPE. As Laisvės TV reports, during the project, 318 health care institutions received support and more than 2 million units of PPE supplies were distributed to them (Laisvės TV, 2020). So as to support the healthcare sector, the Ministry of Health started co-operating with private sector enterprises: Lithuanian companies provided disinfection solutions, donated masks, mobile lung ultrasound machines (Viluckas, 2020).

An important area of concern for medical experts is the mental health of the population. An opinion poll in May 2021 showed that 60% of Lithuanians felt a rise in anxiety during the pandemic (Bakūnaitė, 2020). The main reason for this was fear of infection or of illness among the closest relatives, as well as financial uncertainty. According to public health experts, these statistics are not surprising given the circumstances and lack of certainty about the future. Moreover, the quarantine restrictions had a particularly significant impact on young people. According to psychologists at Vilnius University, "*even outside the crisis, changes such as a change in the normal environment, encounters with new people, and the loss of former connections pose great stress to young people. As a result, young people experience more mental difficulties during their studies, such as depression, anxiety, and an increased risk of suicide.*" (Vilnius University, 2021). Acknowledging the issue, the Ministry of Health has allocated higher funding to the municipal public health bureaus aiming to provide mental health support free of charge for the citizens (1 million Euro in 2020, 1.8 million Euro in 2021).

Figure 6. Number of COVID-19 patients in hospital



Source: Our World in Data 2021

6. Impact of COVID-19 on the Lithuanian economy

The containment measures taken in Lithuania were somewhat similar to other European countries or even more hard-handed in spring 2020. However, the Lithuanian economy contracted only by 0.9% in 2020, which is significantly less than the EU average. Moreover, as reported in early June 2021, "*only Australia, China, Chile, Romania, South Korea and Lithuania have grown their economies since Covid-19 struck, according to research by Deloitte Access Economics.*" (Financial Times, June 2021).

Such a positive economic outlook was attributed to several internal and external factors. For instance, as Figure 7 shows, a positive contribution to the GDP came from the net exports. The economic struggle has affected major Lithuanian trade partners less than expected. Hence the geography of Lithuania's trade has not changed. Similarly to the pre-pandemic year of 2019, the biggest export partners of Lithuania were Russia (13.4%), Latvia (9.3%), Germany (8.1%), Poland (6.4%) and the Netherlands (5.2%) (Verslo žinios, February 2021). However, the picture is different if only goods of Lithuanian origin are taken into account. In this case, the importance of Russia decreases as the main export routes are Germany (9.4%), Poland (8.8%) and Latvia (7.7%). (Foreign Trade Statistics of Lithuania, 2020) Thus, the additional border restrictions with Kaliningrad or Belarus (which is not among the key trading partners) did not have a significant negative effect.

Moreover, the volume of Lithuanian exports, excluding mineral products, in nominal terms increased by 3.4%, whereas exports of Lithuanian-origin goods, excluding mineral products, grew by 6% over the year. (Bank of Lithuania, March 2021, p. 34). The increased exports of pharmaceutical and tobacco products, cereals, and a significant contraction in imports supported this trend. (Verslo žinios, February 2021). Hence, the export-focused Lithuanian economy has suffered less than expected.

Governmental support for businesses and the fiscal response also contributed to mitigating the impact of COVID-19. Initially, a plan to boost Lithuanian economy and mitigate the virus' impact was published on 16 March 2020. In total, according to the Ministry of Finance, 3.4 billion Euros were borrowed and spent by the government to tackle COVID-19 throughout the 2020. Most of the increased public spending aimed to support the slowed economy and healthcare system through subsidies. This was the main reason for the budget deficit reaching around 7% of the GDP. (Ministry of Finance, 2020, p. 5). However, private consumption decreased significantly due to the increase in precautionary savings as well as decreased opportunities to spend.

Thus, Lithuania's economy proved to be relatively resilient. For instance, the GDP in the first quarter of 2021 was 1% higher than in the first quarter of 2020. Moreover, salaries continued to climb. For instance, the monthly average wage before taxes reached 1,429 Euro in 2020, an increase of 10.2% in comparison to the year before. It is expected to increase further in 2021.

With the vaccination process progressing in the country and partial lifting of lockdown, it is expected that domestic demand will be the main driving force of economic recovery in 2021. As savings have increased and more opportunities to spend are continuously given, private consumption is expected to increase significantly. Further recovery should also be supported by the increase in investments due to the decreased uncertainty linked to the establishment of the Recovery and Resilience Facility instrument of the NextGenerationEU. Lithuania will be eligible for around 2.4 billion euros in grants and another 2.2 billion euros in loans from the new economic recovery fund (Beniušis, 2020).

The Bank of Lithuania reported early in 2021 that "*although Lithuania's economic activity still lags behind its pre-pandemic levels, the country's economic contraction during the second wave of COVID-19 has been relatively mild. [...] After a 0.8% drop in 2020, Lithuania's real GDP is expected to return to a growth path in 2021, increasing by 2.9% this year and 5.1% the following year.*" (Bank of Lithuania, March 2021, pp. 8-9).

While the outlook is positive, there is a discussion about the risk of rising inflation. According to Deloitte CFO Survey 2021, Lithuania could expect an inflation rate of around 2% over the next year, which is higher than the forecasted eurozone rate (1.4%).

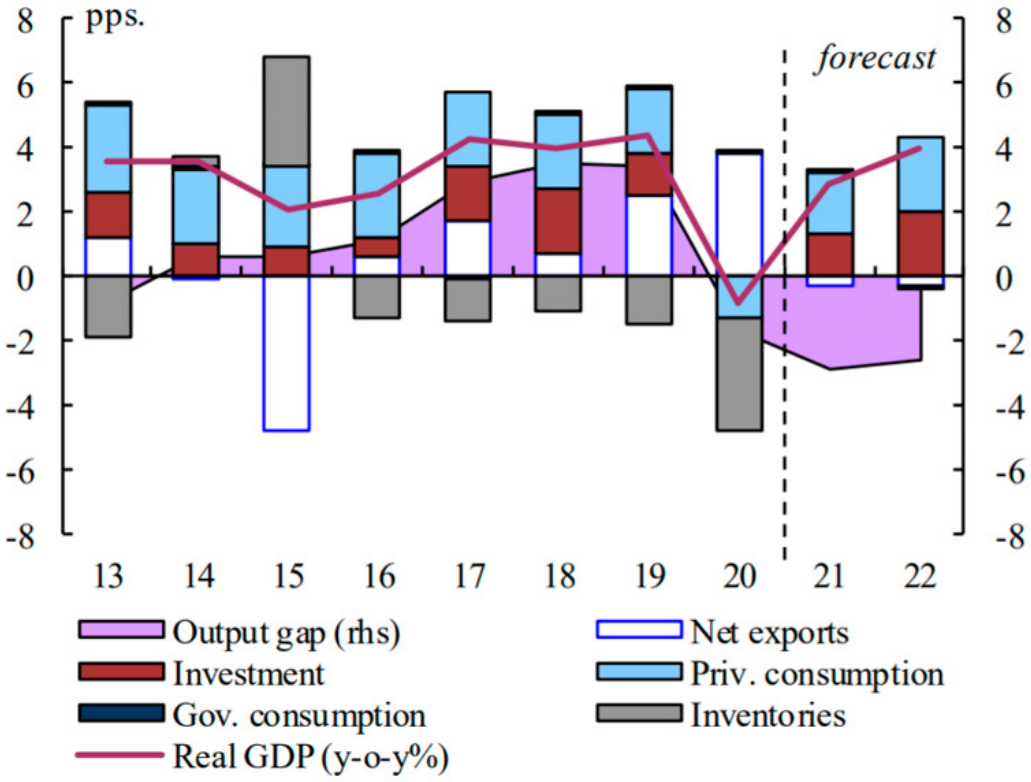
Figure 7. Lithuania: Macroeconomic indicators

	2019			Annual percentage change					
	bn EUR	Curr. prices	% GDP	01-16	2017	2018	2019	2020	2021	2022
GDP		48.8	100.0	4.1	4.3	3.9	4.3	-0.9	2.9	3.9
Private Consumption		29.5	60.5	4.3	3.5	3.7	3.4	-2.0	3.1	3.8
Public Consumption		8.2	16.8	1.0	-0.3	0.2	0.1	0.6	0.1	-0.5
Gross fixed capital formation		10.4	21.4	5.5	8.9	10.0	6.2	-0.2	6.2	9.1
of which: equipment		3.4	7.0	7.5	9.2	8.0	3.6	-5.1	7.9	9.8
Exports (goods and services)		37.8	77.4	8.9	13.5	6.8	9.5	0.0	6.5	6.0
Imports (goods and services)		35.3	72.2	8.5	11.1	6.0	6.3	-5.3	7.9	7.1
GNI (GDP deflator)		47.1	96.5	3.9	4.2	4.5	4.0	-1.0	2.9	4.9
Contribution to GDP growth:	Domestic demand			4.3	3.9	4.3	3.4	-1.2	3.2	4.2
	Inventories			0.2	-1.3	-1.1	-1.5	-3.5	0.0	0.0
	Net exports			-0.3	1.7	0.7	2.5	3.8	-0.3	-0.3
Employment				-0.1	-0.7	1.4	0.5	-1.5	0.4	0.8
Unemployment rate (a)				11.2	7.1	6.2	6.3	8.5	8.3	7.1
Compensation of employees / head				7.2	9.5	7.9	10.2	8.2	6.0	4.6
Unit labour costs whole economy				2.9	4.3	5.2	6.1	7.5	3.5	1.5
Real unit labour cost				0.1	0.0	1.6	3.2	6.3	1.5	-0.6
Saving rate of households (b)				3.2	0.1	0.2	4.1	11.9	9.3	5.6
GDP deflator				2.7	4.2	3.5	2.8	1.1	2.0	2.1
Harmonised index of consumer prices				2.4	3.7	2.5	2.2	1.1	1.9	1.9
Terms of trade goods				0.6	0.4	-1.0	1.3	1.5	-1.4	-0.8
Trade balance (goods) (c)				-8.2	-4.9	-6.1	-4.8	-0.6	-1.9	-3.1
Current-account balance (c)				-4.5	0.5	0.3	3.3	7.6	6.0	5.8
Net lending (+) or borrowing (-) vis-a-vis ROW (c)				-2.4	1.8	1.9	5.2	9.7	8.2	8.2
General government balance (c)				-2.7	0.5	0.6	0.5	-7.4	-8.2	-6.0
Cyclically-adjusted budget balance (d)				-2.6	-0.7	-0.8	-0.9	-6.7	-7.0	-5.0
Structural budget balance (d)				-0.8	-0.7	-0.8	-1.0	-6.7	-7.0	-5.0
General government gross debt (c)				28.3	39.1	33.7	35.9	47.3	51.9	54.1

(a) Eurostat definition. (b) gross saving divided by adjusted gross disposable income. (c) as a % of GDP. (d) as a % of potential GDP.

Source: Spring 2021 Economic Forecast for Lithuania, European Commission

Figure 8. Lithuania: Real GDP growth and contributions



Source: Spring 2021 Economic Forecast for Lithuania, European Commission

7. Impact on politics

The first wave of the pandemic led to an increase of popularity for the then-ruling party, the Lithuanian Farmers and Greens Union (LVŽS), and its leaders in the government. From February to July 2020, according to polls by the agency "Baltijos Tyrimai", the support for the party rose by almost 6% and reached 16.8% (Jaruševičiūtė, 2020). Moreover, public trust in Prime Minister Saulius Skvernelis and the Minister of Health Aurelijus Veryga, both representing LVŽS, rose over the same period by 11% and 12% respectively. The shift was attributed to a relatively successful management of the first wave of the pandemic, as well as loosened quarantine restrictions and generally positive outlook in the summer months.

On the other hand, President Gitanas Nausėda went down in the ratings. From March to July 2020, his popularity decreased by 15%. While still high (68%), the ratings revealed public disappointment in President's actions, described as passive and lacking intent in the initial phases of the pandemic.

However, the parliamentary elections in October 2020 led to a change in the government. Held under a quarantine, the election process required additional safety measures, such as wearing masks and keeping a safe distance. Moreover, advance voting was available for a longer period of time than usually.

The conservative Homeland Union-Lithuanian Christian Democrats (TS-LKD) won these elections. In a mixed electoral system, with 71 seats elected in single-member constituencies using the two-round system, and the remaining 70 in a single nationwide constituency using proportional representation, the TS-LKD received almost 25% of the vote and 50 seats in total. The LVŽS got over 17% of the vote and 32 seats, which was not enough to maintain a ruling coalition. Hence, in November, the leaders of TS-LKD, the Liberal Movement (6.8%, 13 seats), and the Freedom Party (9.0%, 11 seats) signed an agreement to form a new center-right ruling coalition. Ingrida Šimonytė, who has previously served as a Minister of Finance (2009-2012), was chosen as the new prime minister. The LVŽS became the largest party in the opposition.

The shift in public mood was explained by a growing concern about the coming of a second wave of the pandemic. Moreover, the government was criticized for hesitating to take the necessary measures to tackle the rapidly rising number of COVID19 cases in early autumn, as well as the expanding budget deficit and public debt. Finally, some centre-left political parties, such as the Electoral Action of Poles in Lithuania and the Social Democratic Labour Party of Lithuania, probable political partners of the LVŽS, did not manage to pass the 5% threshold.

8. Conclusions

The pandemic was a major health, economic, political, as well as social shock to Lithuania. The country's response could be divided in two parts. The first wave of pandemic was dealt with relatively well; the number of cases, in comparison to many other EU countries, was lower; the number of deaths was not as high as in Sweden or the United Kingdom. Lithuania was praised as a good example of how to tackle the crisis. In the Sustainable Development Report 2020 by the Organisation for Economic Co-Operation and Development, published in late June, Lithuania was ranked fourth among the best performers in dealing with the pandemic (Sachs et al., 2020). For instance, Frederico Guanais, Deputy Head of the OECD's Health Division, said that Lithuania's first steps in managing the coronavirus outbreak had been positive (The Office of the Government of the Republic of Lithuania, 2020). The expert noted the effectiveness of the infection management strategy due to the country's health professionals and adequate infrastructure.

However, the second wave of the pandemic took a much heavier toll on Lithuania. The number of cases surged, while the government again lacked adequate preparedness to deal with the issue. In mid-December, Lithuania was named as being the worst affected country in the world, according to seven-day coronavirus infection rate published by the New York Times and reported by the LRT (LRT, December 16, 2020). The country's average at that time was 97.4 new daily cases per 100,000 people, above Georgia, Luxembourg, Serbia and Croatia.

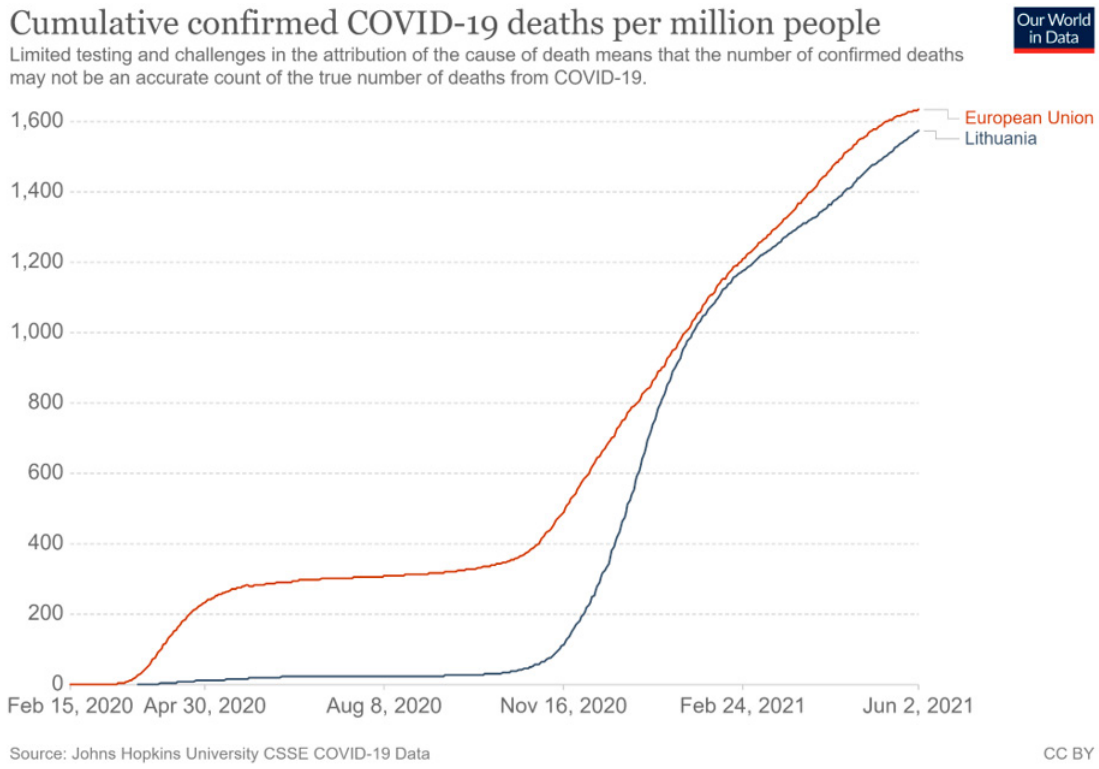
Figure 9. Covid-19 pilot Index and performance indicators for the OECD countries in 2020, during the first wave of the virus[3]

Rank	Country	Covid Index	Deaths Per Million	Effective Reproduction Rate (ERR)	Epidemic Control Efficiency (ECE)	ERR Decline	Mobility Decline
1	South Korea	0.90	5.00	0.76	0.63	0.36	0.10
2	Latvia	0.78	9.34	0.95	0.29	0.63	0.24
3	Australia	0.76	3.88	1.06	0.27	0.67	0.24
4	Lithuania	0.75	17.85	0.90	0.15	0.61	0.36
5	Estonia	0.75	46.14	0.94	0.21	0.73	0.31
6	Japan	0.73	5.08	1.25	0.29	0.70	0.16
7	Slovenia	0.72	49.18	0.83	0.07	0.78	0.46
8	Slovak Republic	0.72	4.77	0.96	0.07	0.74	0.42
9	New Zealand	0.71	4.34	0.80	-0.03	0.86	0.44
10	Norway	0.71	42.17	1.13	0.18	0.72	0.30

Source: OECD, 2020, p. 20

It again exposed the structural weaknesses of Lithuania's health care system, lack of medical staff, as well as negative demographic trends. These issues were known even before the pandemic; yet the crisis complicated many aspects at the same time. Hence, the data on cumulative confirmed COVID-19 deaths per million people up to June 2021, show that Lithuania's result is comparable to the EU's average (Figure 10).

Figure 10. Cumulative confirmed COVID-19 deaths per million people



Source: Our World in Data 2021

3 The index of epidemic control among the 33 OECD countries was created by combining the data on Covid-19 mortality rates, effective reproduction rates, and epidemic control efficiency. Deaths per million are for May 12, 2020. The effective reproduction rate (ERR), epidemic control efficiency (ECE), and mobility decline are all calculated for the period March 4 to May 12, 2020. To read further about the listed variables, please consult Sachs et al. (2020, p. 18)

According to experts from Vilnius University, "*preparation for systemic threats must not be limited to crisis forecasting, prevention and control. The COVID-19 pandemic has shown that crises are difficult to predict, so it is important to strengthen the resilience of the public administration system and individual institutions.*" Professor Vitalis Nakrošis also acknowledged that "*some adaptation has taken place – interinstitutional cooperation has been transformed, the excess hierarchy has weakened, and the capacity to work together dynamically has developed.*" (Vilnius University, 2020).

From an economic standpoint, the results are considered to be more positive. Lithuania's economy declined less than expected in 2020 and returned to the path of growth in early 2021. The government, as well as the measures taken on the EU level, played an integral part. Professor Ramūnas Vilpišauskas says that "*the announcement of the economic support package was coordinated with the response in the field of health care (the declaration of quarantine in Lithuania), the planned scope of support was average compared to other EU countries, and the measures envisaged for the operation of health and public protection systems, the preservation of jobs and income of the population, business liquidity and economic stimulus were quite similar to the measures introduced by other EU countries.*" (Vilnius University, 2020).

It is hoped that the worst of the pandemic is over; in late May 2021, as the number of vaccinated people increased, and more activities moved outdoors, the number of cases started to decline. However, even if the summer months will be more stable, the next autumn again poses risks of the virus resurfacing. It is therefore desirable that the lessons of the previous COVID-19 waves will be used to avoid the crisis recurring on the same scale.

Recommendations:

- The pandemic revealed weaknesses related to official data sharing, which led to unfortunate mishaps, such as controversial public announcements and later statistical adjustments of the number of COVID-19 cases and deaths in Lithuania. Hence, it is important to ensure mechanisms of real-time data sharing between various state institutions, as well as hospitals and regional healthcare branches.
- In order to avoid the healthcare system being overwhelmed at a time of pandemic or similar crisis, as well as to ensure sufficient numbers of doctors and other medical personnel are in place to meet regular healthcare needs, government spending on healthcare must be significantly increased. According to the data by the EU, Lithuania's healthcare expenditure stood at 6.57% of GDP in 2018, among the lowest in the EU, with average spending among the 27 member states being 9.87% of GDP (Eurostat, April 2021).
- The public sector needs to be strengthened in general. The tax revenue-to-GDP ratio in Lithuania is one of the lowest in the EU, amounting to around 30% of the GDP. "*Therefore, in case of relatively small tax revenue in the general government budget, as compared to GDP, there is a risk that adequate financing of state services and, in turn, their quality will not be ensured*" (Bank of Lithuania, March 2021, p. 41). This, in turn, creates systemic issues and decreases the effectiveness of crisis management efforts. For instance, the procedures of governmental subsidies to businesses affected by the pandemic were complicated and slow; thus, the financial support was lagging and businesses lacked the necessary information to plan ahead (Kalinkaitė-Matuliauskienė, 2021). Moreover, it creates conditions for mismanagement of public spending. For instance, some of the government subsidies to businesses were reportedly used to purchase luxury cars (LRT, May 27, 2021).
- To at least partly address the above-mentioned problem, state institutions should cooperate with the private sector, as well as include outside experts in decision-making procedures. In other words, intersectoral cooperation needs to be strengthened. While steps were taken in that direction (for instance, expert panels were formed to contribute to the work of the government, as well as the President), research revealed the approach was not systematic (Bortkevičiūtė et al., 2020, p. 2).
- The impact assessment of different tools used during the pandemic and beyond must be systematic and transparent. This is needed to ensure there is enough quality information to evaluate various policies and mechanisms for future use. Furthermore, it is essential to learn from past mistakes, which was not the case during the first two phases of the COVID-19 pandemic. (Bortkevičiūtė et al., 2020, p. 6)
- The pandemic, as well as the generous financial incentives in the Recovery Fund of the EU, should be taken as an opportunity for the Lithuanian government to undertake necessary and long-delayed structural reforms in healthcare, civil service, education, taxation and other areas. It is essential both to better prepare for similar crises, as well as to ensure long-term growth.

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