

THE IMPACT OF THE MINIMUM WAGE ON THE LIVING STANDARD IN LITHUANIA *MINIMĀLĀS ALGAS IETEKME UZ DZĪVES LĪMENI LIETUVĀ*

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Abstract. *This article is about a minimum wage that is too low in Lithuania. The aim of the article is to investigate whether the minimum wage is enough for Lithuanians to live a dignified/comfortable life, using the answers of the respondents obtained during the questionnaires research. Scientific literature, statistics and SPSS analysis software was also used to achieve this goal. At the end of this article, the results obtained during the research are discussed, which show that the respondents agree that the minimum wage is not enough for a dignified/comfortable life.*

Keywords: *Baltic States, Lithuania, minimum wage, standard of living.*

Introduction

Relevance of the topic: The standard of living is different in each country, but it is well known to everyone. It can vary across the country, as the cost of living in one city or another can vary drastically. In rural and urban areas, it is still incomparable. This is due to the fact that people living in rural areas often grow their own food (they have to buy less) and usually do not pay for housing rent. The prices of utility bills and the necessary costs differ. This criterion is one of the most important indices of social development. Thus, the material discussed in the article is relevant to people seeking to understand and figure out the distribution of the minimum wage in the Baltic States and its impact on livelihoods.

Research problem: According to the “Kaip-uzdirbti” (*How to earn*) page, Lithuania’s minimum wage is one of the lowest in Europe (*Kaip-uzdirbti, 2022*). As a result, the problem formulated in the article is that the minimum wage in Lithuania is too low.

Research object: the impact of the minimum wage on living in Lithuania.

Research purpose: to analyse the impact of the minimum wage on the standard of living in Lithuania.

Research tasks:

- 1) analyse the peculiarities of the minimum wage;
- 2) compare the minimum wage in the Baltic States;
- 3) to present the methodology of applied research;
- 4) provide analysis of minimum wage survey data.

Research methods: comparative analysis of scientific literature, comparative analysis of statistical data, questionnaire research which was conducted from February 25, 2013 to March 13, 2022; use of SPSS analysis software.

1. Justification of the importance of the minimum wage in the Baltic States

Minimum wage in the Baltic States and how it is determined: minimum wage is a widely known concept in many countries. This term and indicator are set by the state to prevent the exploitation of people by devaluing their workforce. Fialová and Mysíková argued that the minimum wage is a tool that can be used to influence profit distributions. They also argue that the minimum wage can be seen as an opportunity to reduce poverty and improve the living conditions of low-income people, and that the minimum wage should be carefully calculated and set to be enough so that people could at least provide their family with basic necessities (*Fialová & Mysíková, 2021*). This can be explained by the problem raised by Eckardt that new technologies increase income inequality and raising the minimum wage could reduce inequality (*Eckardt, 2021*).

Ferraro, Meriküll, and Staehr describe the Estonian minimum wage setting system as collective or tripartite bargaining, where the minimum wage is set in negotiations between employers, trade unions, and the government (*Ferraro et al., 2018*). Eamets and Tiwari meanwhile, describe this Estonian system in more detail: since 1992, the

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Estonian minimum wage has been negotiated between the Estonian Trade Union Confederation (ETUC) and the Estonian Employers' Confederation (ETTC). This changed in 2001, when the Estonian Confederation of Trade Unions (TALO) and the Ministry of Culture began negotiating a minimum wage for cultural workers. In Estonia, negotiations on raising the minimum wage take place annually and intense discussions take place in the autumn, when statistics on average wages in the second quarter of the current year are published by Statistics Estonia and the Ministry of Finance publishes its economic forecast. Typically, the final, newly decided minimum wage is lower than the union's proposal (Eamets & Tiwari, 2018).

As in other Baltic countries, the minimum wage in Lithuania was introduced in 1991 (Reichelt, 2021). According to Reichelt, the minimum wage in Lithuania is set by law, which is a universal wage limit. The tripartite provision reaches an agreement on the minimum wage, the final amount being decided by the government (Reichelt, 2021). The minimum hourly wage and the minimum monthly wage are set by the government on the recommendation of a tripartite council (a national social dialogue institution) made up of trade unions, employers' organizations and the government (Garcia-Louzao & Tarasonis, 2021). Typically, a tripartite council recommendation reflects negotiations between trade unions, employers' organizations, and government representatives and takes into account the country's economic prospects, state and municipal budgets, and employers' ability to provide higher minimum wages (Garcia-Louzao & Tarasonis, 2021).

In summary, the minimum wage systems in all the Baltic countries are the same, with three organizations negotiating and the final decision being made by the government, so there is no one system that is better than the others in this respect. The advantage of these systems is that three organizations negotiate for the best solution, and the disadvantage is that the final decision is made only by the government. Because the tripartite council takes into account the country's economic prospects and budget, we believe that the decisions made are the right ones.

2. Presentation of the analysed data on the minimum wage in the Baltic States

The analysed data are on the minimum wage in the Baltic States from the second half of 2017 to the first half of 2022 (Table 1).

Table 1

Minimum monthly salary in the Baltic States from the 2nd half of 2017 to the 1st half of 2022 (Eurostat, 2022)

GEO/TIME	2017 S2	2018 S1	2018 S2	2019 S1	2019 S2	2020 S1	2020 S2	2021 S1	2021 S2	2022 S1
Latvia	380.00	430.00	430.00	430.00	430.00	430.00	430.00	500.00	500.00	500.00
Estonia	470.00	500.00	500.00	540.00	540.00	584.00	584.00	584.00	584.00	654.00
Lithuania	380.00	400.00	400.00	555.00	555.00	607.00	607.00	642.00	642.00	730.00

From the second half of 2017 to the first half of 2022, Latvia remains the country with the lowest minimum monthly salary of all the Baltic States. Latvia's minimum monthly wage is higher than Lithuania's until the first half of 2019, when Lithuania's minimum monthly wage becomes higher than Estonia's and Latvia's. According to the data of the first half of 2022, the minimum monthly salary in Lithuania is higher than in Latvia by 230 euros, and higher than in Estonia - by 76 euros. The minimum monthly salary in the first half of 2022 in Latvia is the same as in Estonia in 2018.

Examining the Lithuanian minimum wage from 2009 to 2022, it was found that the lowest minimum wage is 231.7 euros, the highest - 730 euros, 231.7 euros are dominating from 2009 to 2012. The minimum wage did not exceed 338.8 euros for half of the period (Table 2).

Baltic minimum wage from 2009 to 2022, forecasts and approximation coefficients
(Compiled by authors, NMW Estonia, 2022; NMW Lithuania, 2022; NMW Latvia, 2022)

Year	x	Lithuanian minimum wage	Latvian minimum wage	Estonian minimum wage	y (theoretical) Lithuanian		y (theoretical) Latvian		y (theoretical) Estonian	
2009	1	231.7	256.1	278.0	234.8376	0.013542	247.7746	0.032508	256.2278	0.078317
2010	2	231.7	256.1	278.0	230.7324	0.004176	261.1004	0.019525	272.4292	0.020039
2011	3	231.7	284.6	278.0	233.7244	0.008737	275.5374	0.031843	291.0742	0.047029
2012	4	231.7	284.6	290.0	243.8136	0.052281	291.0856	0.022788	312.1628	0.076423
2013	5	289.6	284.6	320.0	261	0.098757	307.745	0.081325	335.695	0.049047
2014	6	289.6	320.0	355.0	285.2836	0.014905	325.5156	0.017236	361.6708	0.018791
2015	7	312.5	360.0	390.0	316.6644	0.013326	344.3974	0.043341	390.0902	0.000231
2016	8	365.0	370.0	430.0	355.1424	0.027007	364.3904	0.015161	420.9532	0.021039
2018	10	400.0	430.0	500.0	453.39	0.133475	407.71	0.051837	490.01	0.01998
2019	11	555.0	430.0	540.0	513.1596	0.075388	431.0366	0.002411	528.2038	0.021845
2020	12	607.0	430.0	584.0	580.0264	0.044438	455.4744	0.059243	568.8412	0.025957
2021	13	642.0	500.0	584.0	653.9904	0.018677	481.0234	0.037953	611.9222	0.047812
2022	14	730.0	500.0	654.0	735.0516	0.00692	507.6836	0.015367	657.4468	0.00527
2023	15	823.21	4.043917	535.455	3.17856	705.415	3.323365

Lithuania: average: 392.7; median: 338.8; mode: 231.7; minimum: 231.7; maximum: 730.0; square deviation: 171.09; dispersion: 29272.67

Examining the Latvian minimum wage, from 2009 to 2022, it was found that the lowest minimum wage is 256.1 euros, the highest - 500 euros, 284.6 euros dominated from 2011 to 2013 and from 2018 to 2020 430 euros dominated. The minimum wage did not exceed 365 euros for half of the period.

Latvia: average: 363.3; median: 365.0; mode: 284.6; minimum: 256.1; maximum: 500.0; square deviation: 85.26; dispersion: 7268.83.

Examining the Estonian minimum wage, from 2009 to 2022, it was found that the minimum wage is 178 euros and the highest is 654 euros, with a predominance of 278 euros from 2009 to 2011. The minimum wage did not exceed 410 euros for half of the period.

Estonia: average: 425.1; median: 410.0; mode: 278; minimum: 178.0; maximum: 654.0; square deviation: 131.3; dispersion: 17238.84

Trend equations:

Lithuanian trend equation: $y=3.5486x^2 - 14.751x + 246.04$

Latvian trend equation: $y=0.5556x^2 + 11.659x + 235.56$

Estonian trend equation: $y=1.2218x^2 + 12.536x + 242.47$

Forecasts: in 2023, the minimum wage in all Baltic countries should increase: Lithuanian minimum wage (theoretically) should increase to 823.21 euros, Latvian - 535.46 euros, Estonian - 705.42 euros. These forecasts can be relied on, as the errors in the Baltic minimum wage do not exceed 10 % (Lithuania's approximation coefficient is 4.04 %, Latvia's 3.18 %, Estonia's 3.32 %).

3. Methodology of investigation

Wages are rising fast, but people are not happy with the pay they receive. According to a population survey conducted by "Delfi", Lithuanians have different views on the concept of decent pay, but most of them are convinced that they need to earn at least 900 euros "in their hands" (Žebrauskienė, 2020). To find out if this trend is real and how people live on the minimum wage and what they can afford, we conducted a survey.

H₀ hypothesis: the more a person earning the minimum wage can afford with his or her wage, the more satisfied that person is with the minimum wage.

Research problem - Maciulskyte states that the minimum wage in Lithuania should reach 1177 euros, and in the Lithuanian capital - 1334 euros after taxes (*Maciulskyte, 2020*). Lithuania's current minimum wage is 730 euros before taxes (*Tagidas, 2022*). Therefore, the problem formulated in this work is insufficient minimum wage for a dignified living in Lithuania.

Research object - Lithuanian minimum wage.

The aim of this research - to determine the extent to which the minimum wage allows for a dignified living in Lithuania.

Research method – questionnaire survey. The survey was chosen to maintain the anonymity of the respondents and the easy and straightforward availability of the questionnaire (*Kardelis, 2002*).

Respondents are needed for the research - Lithuanians receiving a minimum wage. Such respondents were chosen because a survey is being conducted about the dignified living in Lithuania for the minimum wage.

Survey respondents' sample - 384 respondents. Such a sample was obtained because there are about 200,000 people (according to Raosoft's instructions) working in Lithuania for the minimum wage, the error is 5 and the probability is 95 %, therefore the estimated sample is 384 respondents (*Raosoft, 2022*).

Research instrument - the justification for the survey questionnaire is given in table 3. The questionnaire that was distributed to the respondents is provided in annex.

Research organization - the survey was created on February 25, 2022, this survey was conducted from February 25, 2013 to March 13, 2022. The survey was published on the social network Facebook. 417 respondents responded to the survey, so the reliability of this survey is 95 percent. The required sample has been reached, which allows the results of the survey to be used.

Research ethics – the research maintained a balance between the goal of obtaining objective information and the safety of the subject - this is also known in the literature as the loss/benefit ratio (*Kardelis, 2002*). The survey was anonymous and voluntary, in an effort not to violate the privacy and confidentiality of the subjects. Because this survey did not pose a risk to respondents because it was anonymous, respondents were only minimally informed about the survey and the use of its data (*Kardelis, 2002*). All the data provided by the survey were summarized and presented exactly as the respondents answered - all the information was left unchanged.

Table 3

Justification of the research questionnaire (Compiled by authors)

Author	Aspect of the research object	Research question (s)
Vilija Maciulskyte (2020)	What is a dignified/comfortable life for a Lithuanian?	2 questions
Zivile Aleskaitiene (2021) Gabriele Sagaityte (2021)	Are residents satisfied with the minimum wage?	10 questions
Gabriele Sagaityte (2021)	Why does a Lithuanian earn the minimum wage?	4 questions
Vilija Maciulskyte (2020)	What must be the minimum wage in order to live a dignified life in Lithuania?	4 questions
Made by authors (2022)	Demographic questions	5 questions

Survey demographics – a total of 416 people responded to the survey, 99 % of whom responded they get a minimum wage. To get to know the respondents better, they were asked 5 demographic questions about their profession, place of residence, age, gender and whether they earn the minimum wage. The results obtained are shown below. The majority of respondents claimed to be factory workers and cleaners: both options received 21 % of the votes. This was followed by the chef profession (19 %), the seller profession (16 %) and the builder profession (15 %). 7 % of respondents chose that they work in another profession. The majority of respondents live in Kaunas (25 %) and in Siauliai (24 %). The share of respondents living in Klaipeda and Vilnius was 15 %, in Panevezys 12 %, and in other Lithuanian cities or villages – 9 %. The majority of respondents who receive a minimum wage are respondents aged 19-25 (31 %). This may be due to the fact that they do not yet have the required education or that they have only recently acquired it. 26 % of respondents were 26-36 years old. 19 % of respondents earning a minimum wage are in the 46-65 age group, 13 % of respondents are in the 37-45 age group, 7 % are 16-18 years old, and 3 % are 66 and older. The majority of respondents are women, accounting for 68 % of all respondents. The proportion of men who

said they received a minimum wage is 32 %.

Research analysis methods – SPSS analysis software was used.

4. Analysis of research data

Analysing the survey data, the largest share of respondents: 98.8 % (411 respondents) answered that they earn a minimum wage, and the lowest proportion of respondents: 1.2 % (5 respondents) do not earn a minimum wage, so these respondents did not need to complete this survey.

The majority of the respondents: 77.5 % (187 respondents), are not able to live with dignity/comfortably with a minimal wage and the minority of the respondents: 8.7 % (36 respondents), are able to live with dignity/comfortably with a minimal wage. 13.9 % of the respondents (58 respondents) chose a neutral position “partially agree” (Figure 1).

The largest part of respondents: 74.3 % (309 respondents) are dissatisfied with the minimum wage in Lithuania, and the smallest part of respondents: 11.1 % (46 respondents) are satisfied with the Lithuanian minimum wage. 14.7 % of respondents (64 respondents) chose the neutral position “partially agree”.

27.2 % of respondents (113 respondents) answered that they cannot pay taxes with a minimum wage, and the largest share of respondents: 51.5 % (214 respondents) answered that they can pay taxes with a minimum wage. The smallest share of respondents: 21.4 % (89 respondents) chose the neutral position “partially agree”.

24.2 % of respondents (101 respondents) answered that they cannot pay for their place of residence with a minimum wage, and the smallest share of respondents: 19 % (79 respondents) answered that they can pay for their place of residence with a minimum wage. The majority of respondents (56.7 %) chose the neutral position “partially agree”.

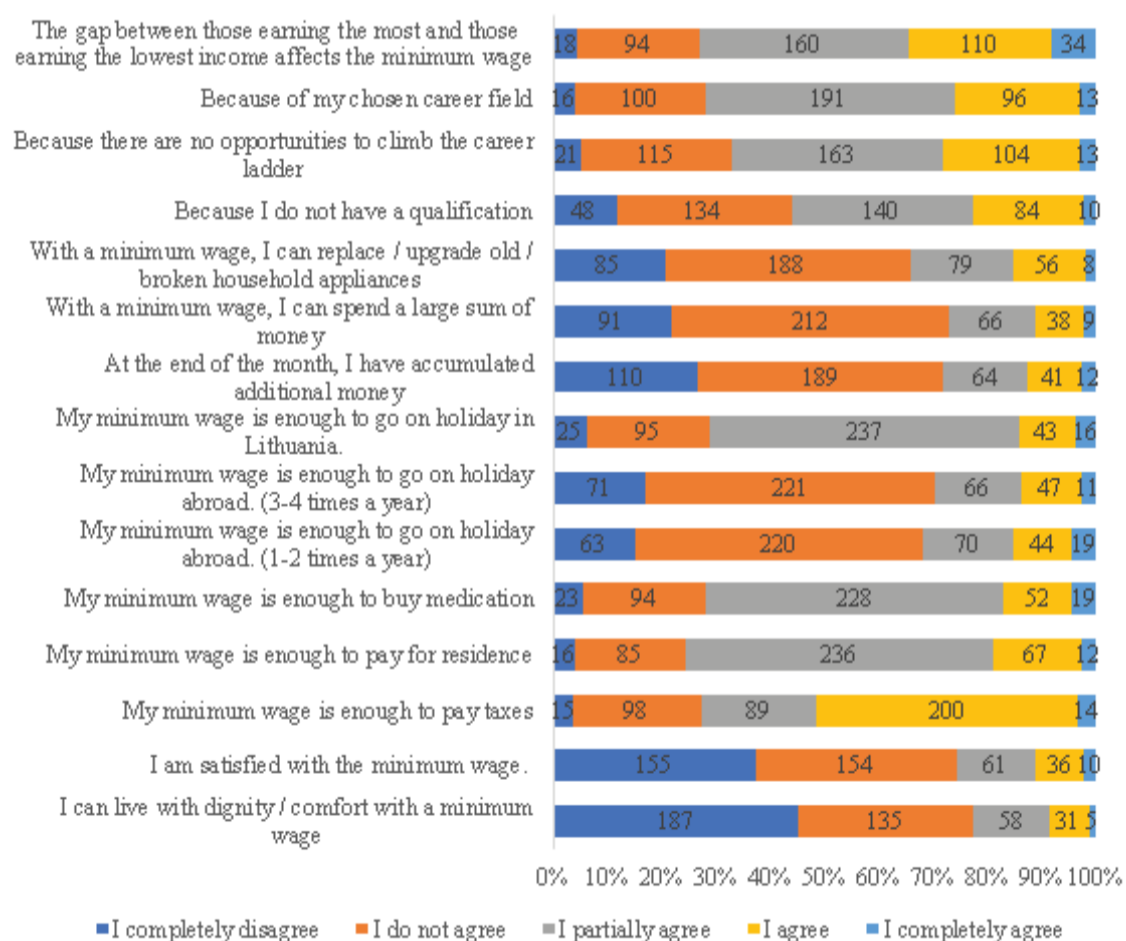


Figure 1. Resident’s satisfaction with the minimum wage (Compiled by authors)

28.1 % of respondents (117 respondents) answered that they cannot buy medication with a minimum wage, and the smallest share of respondents: 17.1 % (71 respondents) answered that can buy medication with a minimum wage. The majority of respondents (54.8 %) chose the neutral position “partially agree”.

The largest share of respondents: 68 % (283 respondents) cannot go on holiday abroad (1-2 times a year) with the Lithuanian minimum wage, and the smallest share of respondents: 15.2 % (63 respondents) can go on holiday abroad (1-2 times a year) with the Lithuanian minimum wage. 16.8 % of respondents (70 respondents) chose the neutral position “partially agree”.

The majority of respondents: 70.2 % (292 respondents) are unable to go on holiday abroad (3-4 times a year) and the lowest proportion of respondents: 13.9 % (58 respondents) are able to go on holiday abroad (3-4 times a

year). 15.9 % of respondents (66 respondents) chose the neutral position “partially agree”. 28.8 % of respondents (120 respondents) cannot go on holiday in Lithuania with the minimum wage, and the smallest share of respondents: 14.1 % (59 respondents) can go on holiday in Lithuania with the minimum wage. The majority of respondents: 57 % (237 respondents) chose the neutral position “partially agree”.

The highest share of respondents: 71.8 % (299 respondents) earning the minimum wage has no savings at the end of the month, and the smallest share of respondents: 12.8 % (53 respondents) earning the minimum wage has no savings at the end of the month. 15.4 % of respondents (64 respondents) chose the neutral position “partially agree”. The largest share of respondents: 72.9 % (303 respondents) with the minimum wage cannot spend a large sum of money, and the smallest share of respondents: 11.3 % (47 respondents) with the minimum wage can spend a large sum of money. 15.9 % (66 respondents) chose the neutral position “partially agree”. The majority of respondents: 65.6 % (273 respondents) cannot replace/renew old/damaged household appliances with the minimum wage, and the smallest proportion of respondents: 15.4 % (64 respondents) can replace/renew old/damaged household appliances with the minimum wage. 19 % (79 respondents) chose the neutral position “partially agree”.

Majority of respondents: 43.7 % (182 respondents) disagree that they earn the minimum wage because they have no qualifications, while the lowest proportion of respondents: 22.6 % (94 respondents) agree that they earn the minimum wage because they have no qualifications. 33.7 % (140 respondents) chose the neutral position “partially agree” (Figure 2).

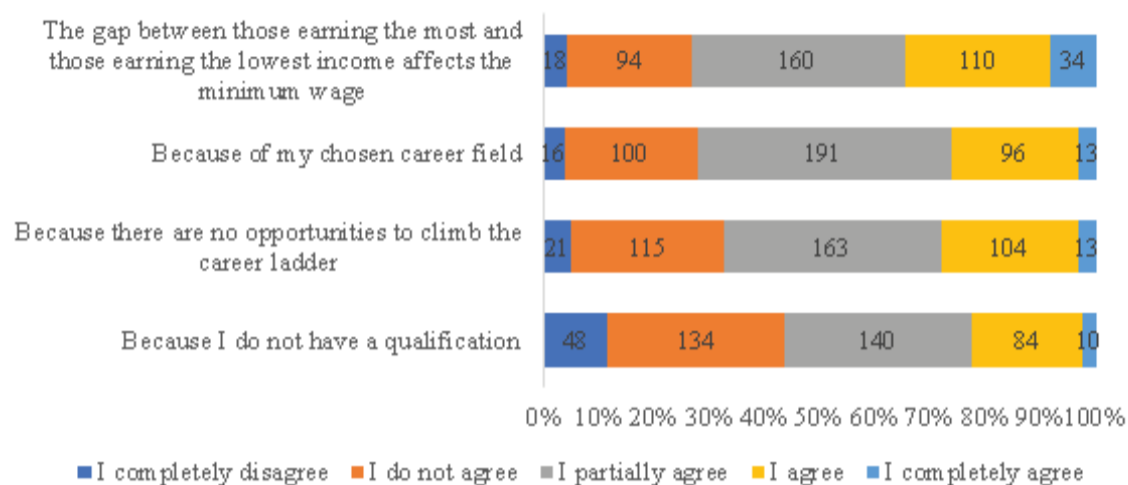


Figure 2. The reasons why does Lithuanian earn the minimum wage
(Compiled by authors)

32.6 % of respondents (136 respondents) do not agree that they earn the minimum wage because there is no opportunity to move up the career ladder, while the smallest share of respondents: 28.1 % (117 respondents) agree that they earn the minimum wage because there is no opportunity to move up the career ladder. The majority of respondents, 39.2 % (163 respondents), chose the neutral position “partially agree”.

27.8 % of respondents (116 respondents) do not agree that they earn the minimum wage for their chosen career path, and the lowest proportion of respondents: 26.2 % (109 respondents) agree that they earn the minimum wage for their chosen career path. The majority of respondents, 45.9 % (191 respondents), chose the neutral position “partially agree”.

The lowest share of respondents: 26.9 % (112 respondents) do not agree that that they earn the minimum wage because the gap between those earning the most and those receiving the lowest income affects the minimum wage, and 34.6 % of respondents (144 respondents) agree that that they earn the minimum wage because the gap between those earning the most and those receiving the lowest income affects the minimum wage. The majority of respondents: 38.5 % (160 respondents) chose the neutral position “partially agree”.

The biggest part of the respondents: 39.4 % (164 respondents), considers that 101-200 euros would be enough for them to live with dignity/comfort, and the smallest proportion of respondents: 7.9 % (33 respondents), considers that the minimum wage in Lithuania is sufficient to live with dignity/comfort (Table 4). A large share of respondents: 35.1 % (146 respondents) believe that the minimum wage in Lithuania should be well above 201 euros in order to live comfortably. A small proportion of respondents: 17.5 % (73 respondents) believe that an additional 50-100 euros would be enough with live in dignity.

Hypotheses. H_1 hypothesis: if a person can live with dignity / comfort with a minimum wage, then that person is satisfied with the minimum wage. It is stated with this hypothesis that there are no differences between these survey statements, but p (asymptotic value) is less than 0.01 and this means that this hypothesis (H_1) has not been confirmed,

there are differences between these statements (IBM SPSS Statistics, 2022). The biggest differences were due to the 21 respondents who chose that they do not to live with dignity / comfort with the minimum wage, but are satisfied with the minimum wage, and who chose that they partially agree that they live with dignity / comfort with the minimum wage and are dissatisfied with the minimum wage. Other differences, which are smaller, are due to 18 respondents who chose that they cannot live with dignity/comfort with the minimum wage and partially agree that they are satisfied with the minimum wage, also, due to the 15 respondents who chose that they cannot live with dignity/comfort with the minimum wage and partially agree that they are satisfied with the minimum wage. The smallest differences between the statements used in Hypothesis H₁ were due to 9 respondents who chose that they partially agree that they can live with dignity/comfort with the minimum wage and are satisfied with the minimum wage, and due to the 5 respondents who chose that they can live with dignity/comfort with the minimum wage, but are dissatisfied with the minimum wage (Table 4).

Table 4

Cross distribution among satisfaction with the minimum wage and life comfort (Compiled by authors)

			I am satisfied with the minimum wage.			Total
			I completely disagree + I do not agree	I partially agree	I completely agree + I agree	
I can live with dignity / comfort with a minimum wage.	I completely disagree + I do not agree	Number of cases	283	18	21	322
		Percentage distribution	87.9%	5.6%	6.5%	100.0%
	I partially agree	Number of cases	21	28	9	58
		Percentage distribution	36.2%	48.3%	15.5%	100.0%
	I completely agree + I agree	Number of cases	5	15	16	36
		Percentage distribution	13.9%	41.7%	44.4%	100.0%
Total		Number of cases	309	61	46	416
		Percentage distribution	74.3%	14.7%	11.1%	100.0%

Size = 161.015^a, df = 4, p<0.01

Hypothesis H₂: If a person earning the minimum wage has savings at the end of the month, then that person is satisfied with the minimum wage. It is stated with this hypothesis that there are no differences between these survey statements, but p (asymptotic value) is less than 0.01 and this means that this hypothesis (H₂) has not been confirmed, therefore, there are differences between these statements (IBM, 2022). The biggest difference occurred because 23 respondents chose to partially agree that they have savings at the end of the month and are dissatisfied with the minimum wage. Other differences stemmed from 17 respondents who chose to answer that they have savings at the end of the month but are not satisfied with the minimum wage, and 16 respondents who answered that they do not have savings at the end of the month and partially agree that they are satisfied with the minimum wage. The smallest differences are due to 14 respondents who answered that they do not have savings at the end of the month and are satisfied with the minimum wage, as well as 13 respondents who chose the answer stating that respondents have savings at the end of the month and partially agree that they are satisfied with the minimum wage, and for 9 respondents who chose to partially agree that they have savings at the end of the month and are satisfied with the minimum wage.

Table 5

Cross distribution among satisfaction with minimum wage and accumulation of additional money
(Compiled by authors)

			I am satisfied with the minimum wage.			Total
			I completely disagree + I do not agree	I partially agree	I completely agree + I agree	
At the end of the month, I have accumulated additional money.	I completely disagree + I do not agree	Number of cases	269	16	14	299
		Percentage distribution	90.0%	5.4%	4.7%	100.0%
	I partially agree	Number of cases	23	32	9	64
		Percentage distribution	35.9%	50.0%	14.1%	100.0%
	I completely agree + I agree	Number of cases	17	13	23	53
		Percentage distribution	32.1%	24.5%	43.4%	100.0%
Total	Number of cases	309	61	46	416	
	Percentage distribution	74.3%	14.7%	11.1%	100.0%	

Size = 172.619^a, df = 4, p<0.01

H₃ hypothesis: if a person earning the minimum wage has savings at the end of the month, then that person can spend a large sum of money with the minimum wage. It is stated with this hypothesis that there are no differences between these survey statements, but p (asymptotic value) is less than 0.01 and this means that this hypothesis (H₃) has not been confirmed, there are differences between these statements (IBM, 2022). The biggest difference appeared because 17 respondents chose that they have savings at the end of the month and partially agree that they could spend with the minimum wage (Table 6).

Table 6

Cross distribution among spending and accumulated additional money
(Compiled by authors)

			With a minimum wage, I can spend a large sum of money			Total
			I completely disagree + I do not agree	I partially agree	I completely agree + I agree	
At the end of the month, I have accumulated additional money.	I completely disagree + I do not agree	Number of cases	278	10	11	299
		Percentage distribution	93.0%	3.3%	3.7%	100.0%
	I partially agree	Number of cases	12	39	13	64
		Percentage distribution	18.8%	60.9%	20.3%	100.0%
	I completely agree + I agree	Number of cases	13	17	23	53
		Percentage distribution	24.5%	32.1%	43.4%	100.0%
Total	Number of cases	303	66	47	416	
	Percentage distribution	72.8%	15.9%	11.3%	100.0%	

Size = 247.908^a, df = 4, p<0.01

Other differences appeared due to 13 respondents who chose that they have savings at the end of the month, but could not spend a large sum of money, also, due to 13 respondents who chose that they partially agree that they

have savings at the end of the month and can spend a large sum of money, and do to 12 respondents who chose that they partially agree that they have savings at the end of the month, but cannot spend a large sum of money. Percentage distribution in survey's 3.8. Statement of the above-mentioned 13 respondents, who chose that they have savings at the end of the month, but cannot spend a large sum of money, is 24.5 %. The smallest differences appeared due to the 10 respondents who chose that they do not have savings at the end of the month and partially agree that they can spend a large sum of money with the minimum wage, and due to the 11 respondents who chose that they do not have savings at the end of the month but can spend a large sum of money (Table 6).

Hypothesis H_4 : if a person earning the minimum wage has savings at the end of the month, then this person can replace/renew old/faulty household appliances. It is stated with this hypothesis that there are no differences between these survey statements, but (asymptotic value) is less than 0.01 and this means that this hypothesis (H_3) has not been confirmed, therefore, there are differences between these statements (IBM, 2022).

The largest differences are due to 22 respondents who responded that they do not have savings at the end of the month and partially agree that they can replace/renew old/faulty household appliances, and due to the 20 respondents who chose that they do not have savings at the end of the month but can replace/renew old/defective household appliances (Table 7).

Table 7

Cross distribution among spending on household and accumulated additional money (Compiled by authors)

			With a minimum wage, I can replace / upgrade old / broken household appliances.			Total
			I completely disagree + I do not agree	I partially agree	I completely agree + I agree	
At the end of the month, I have accumulated additional money.	I completely disagree + I do not agree	Number of cases	257	22	20	299
		Percentage distribution	86.0%	7.4%	6.7%	100.0%
	I partially agree	Number of cases	6	45	13	64
		Percentage distribution	9.4%	70.3%	20.3%	100.0%
	I completely agree + I agree	Number of cases	10	12	31	53
		Percentage distribution	18.9%	22.6%	58.5%	100.0%
Total		Number of cases	273	79	64	416
		Percentage distribution	65.6%	19.0%	15.4%	100.0%

Size = 257.504^a, df = 4, p < 0.01

Other differences stemmed from 13 respondents who chose to partially agree that they had savings at the end of the month and can replace/renew old/broken household appliances, as well as from the 12 respondents who chose to answer that they have savings at the end of the month and partially agree that they can replace/renew old/defective household appliances, and from the 10 respondents who answered that they have savings at the end of the month and cannot replace/renew old/defective household appliances. The smallest difference occurred because of the 6 respondents who chose to partially agree that they have savings at the end of the month but cannot replace/renew old/defective household appliances with a minimum wage.

Conclusions and suggestions

1. The minimum wage is set by the state to prevent people from being exploited by devaluing their workforce. The minimum wage systems in all the Baltic countries are the same when the three organizations negotiate and the final decision is made by the government. The advantage of these systems is that three organizations negotiate for the best solution, and the disadvantage is that the final decision is made only by the government.
2. Comparing the minimum wages in the Baltic States, it was noticed that the minimum wage in Lithuania in 2022 is the highest (730 euros). The minimum wage in Latvia in 2022 is the lowest (500 euros) and differs from Lithuania by 230 euros. The minimum wage in Estonia in 2022 (654 euros) falls behind Lithuania by 76 euros and exceeds that of Latvia by 154 euros.
3. Applied research methodology: questionnaire survey.

4. The majority of respondents (over 250 respondents) earning a minimum wage are not satisfied with the minimum wage because they have no additional money at the end of the month, cannot replace / renew old / broken household appliances and cannot spend a large sum money. H_0 hypothesis: the more a person earning the minimum wage can afford with his or her minimum wage, the more satisfied the person is with the minimum wage, the opposite proved to be the case - respondents cannot afford to spend and are therefore dissatisfied with the minimum wage. Thus, Lithuanian government should make decisions on wage regulation in the country.

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Kopsavilkums

Šis raksts ir par minimālo algu, kas Lietuvā ir pārāk zema. Raksta mērķis ir izpētīt vai ar minimālo algu pietiek, lai lietuvieši dzīvotu cienīgu/ērtu dzīvi. Izmantojot anketu pētījuma laikā iegūtās respondentu atbildes. Šī mērķa sasniegšanai tika izmantota arī zinātniskā literatūra, statistika un SPSS analīzes programmatūra. Šī raksta beigās aplūkoti pētījuma laikā iegūtie rezultāti, kas liecina, ka aptaujātie piekrīt, ka ar minimālo algu nepietiek cienīgai/ērtai dzīvei.