# OF THE LABOUR DISPUTES COMMISSION IN LITHUANIA

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Summary: This article critically examines the prevailing system of labor disputes in Lithuania, delving into the intricacies of the regulatory framework governing the activities of the Labor Disputes Commission. With a meticulous focus on the mechanisms employed for labor dispute resolution within the realm of labor relations and law, the analysis underscores the paramount importance of an effective resolution mechanism in fostering and preserving harmonious relationships between employers and employees. As an inherent facet of any workforce, labor disputes necessitate a well-structured resolution mechanism to uphold a congenial working environment. While the Labor Disputes Commission in Lithuania assumes a pivotal role in mediating employer-employee conflicts, the scrutiny of its functioning prompts a critical evaluation of the efficacy of its provisions and the imperative need for potential reforms. Additionally, the article conducts a comparative assessment of foreign systems of labor dispute resolution, specifically examining the legal regulations governing the Institutes of Labor Disputes in Lithuania and Poland. The ensuing conclusions aim to inform and advocate for meaningful enhancements to the existing framework, to fortify the Institute of Labor Disputes in Lithuania.

**Key words:** labor disputes commission, labor law, labor disputes, labor dispute resolution methods, employment relations.

### Introduction

In the Lithuanian labor market environment, the management and resolution of labor disputes are essential elements in maintaining a healthy and productive working atmosphere. As the workforce change, so too do the challenges that employers and employees encounter in their professional relationships. This article seeks to elucidate the intricacies of labor disputes in Lithuania, with a specific focus on the various mechanisms available for conflict resolution and the cultivation of positive relations within the working environment.

Lithuania, like many other countries, acknowledges the pivotal importance of a fair and efficient resolution of labor disputes to safeguard the rights of both employers and employees. The intrinsic complexity of labor relations necessitates a profound understanding of the legal framework and dispute resolution methods that form the foundation of the conflict resolution process. This article delves into the role of the Labor Disputes Commission, the primary regulatory body entrusted with expeditiously resolving disputes on mutually acceptable terms and ensuring fairness in conflict resolution. Tasked with facilitating the equitable resolution of disputes between employers and employees, the Labor Disputes Commission is mandated to ensure a fair and impartial process. However, over time, issues pertaining to the regulatory framework and procedural hurdles have surfaced, potentially impacting the Commission's ability to fulfill its mandate with utmost effectiveness.

In the intricate realm of employment relations, the role of the Labour Disputes Commission is pivotal, serving as the primary conduit for resolving conflicts between employers and employees. However, given its mandate to mediate disputes and uphold principles of fairness, several challenges impede the seamless regulation of its activities. This article seeks to elucidate the nuances surrounding the regulation of the Labour Disputes Commission by drawing comparisons with labor dispute resolution mechanisms in foreign countries. It aims to identify the problems that have arisen, hindering the effective supervision and management of the Labour Disputes Commission.

The novelty of the topic is the fact that the legal mechanism for the prevention of discrimination in labor relations established both in Lithuania and on an international scale is analyzed at the same time. The complex analysis performed will help reveal the problems arising from the imperfection of legal regulation. The identification of problems will help to draw conclusions and make proposals that could influence the improvement of legislation regulating the prohibition of discrimination. The research material will be useful for both legal scholars and practitioners, who will use the results of this thesis and continue the analysis of the issues of this topic. The purpose of the research: to reveal the problematic aspects of the interview of minor witnesses (victims).

The object of research – to comprehensively assess the problems of the legal regulation of the system of labour disputes in Lithuania, to present possible proposals for improvement and reform of the system.

The aim of research – peculiarities and problems of the legal regulation of the activity of the Labour Disputes Commission in Lithuania, which is the main link in the resolution of conflicts between employers and employees.

The following tasks:

- 1. To reveal the peculiarities and shortcomings of the regulation of the Labour Disputes Commission's activities in Lithuanian legislation.
- 2. To analyse foreign models of labour dispute resolution in comparison with the Lithuanian model.
  - 3. Assess the prospects for a new possible model of labour dispute resolution. Research methods: are analysis of scientific literature sources; content analysis

Research methods: are analysis of scientific literature sources; content analysis and other methods.

## The Labor Dispute Resolution Model in Lithuania

In both international and foreign labor law, labor disputes are not universally classified in a specific order. However, a common classification based on the object of the dispute and the parties involved in the labor dispute is observed. This classification distinguishes the following groups of labor disputes: 1. individual labor disputes over rights; 2. collective labor disputes over rights; 3. collective labor disputes over interests. The categorization of labor disputes into these types is crucial in determining the methods and forms of resolution. Despite the absence of this distinction in international instruments, many countries refer to such categorization when formulating classification criteria. Labor disputes in Lithuania are governed by the Labor Code of the Republic of Lithuania (hereinafter referred to as the "LC"). Article 213(1) of the LC establishes the concept of labor disputes, stating: "Labour disputes are disagreements between parties to labor relations arising out of labor or related legal relations. 1" This definition, as articulated in the LC, encompasses disputes between an individual employee and an employer, between an employer and a trade union, between a trade union and an employers' organization, and among other participants in labor relations. The classification of labor disputes in Lithuania spans a broad spectrum of issues within employer-employee relations, addressing disagreements over employment contracts, disputes related to pay, working conditions, and termination of employment. Lithuania has chosen to categorize labor disputes based on the subject matter of the dispute and the parties involved into two distinct models: 1) labor disputes concerning law (encompassing individual labor disputes concerning law and collective labor disputes concerning law); 2) collective labor isputes concerning interests<sup>2</sup>. This classification in the Labor Code (LC) indicates the existence of two separate approaches. One model involves a judicial procedure with a compulsory pre-trial phase, while the second model entails a conciliation procedure specifically designed for disagreements between workers representatives and employers or employers organizations.

# Labour disputes commission in Lithuania

The entity responsible for handling labor disputes in Lithuania is the Labor Disputes Commission. This mandatory and primary pre-trial body addresses both individual labor disputes and collective labor disputes related to the law. The commission is affiliated with the State Labour Inspection. In accordance with the procedures outlined in the Labor Code, the commission is mandated to address all labor disputes arising from employment relations within the territory of the Republic of Lithuania. This jurisdiction extends to cases where the employer is subject to the Republic

<sup>1</sup> Labor Code of the Republic of Lithuania, Editorial: 40 - 2023-11-16. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/da9eea30a61211e8aa33fe8f0fea665f?jfwid=-k3id7tf7e.

<sup>2</sup> Labor Code of the Republic of Lithuania, Editorial: 40 - 2023-11-16. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/da9eea30a61211e8aa33fe8f0fea665f?jfwid=-k3id7tf7e.

of Lithuania's jurisdiction, unless other laws, labor norms of the European Union, or international treaties of the Republic of Lithuania stipulate otherwise. The labor dispute resolution model in Lithuania mandates the compulsory resolution of labor disputes through established labor dispute commissions. It is noteworthy that international standards underscore the independence of institutions and experts engaged in dispute resolution or facilitating agreements between parties. In Lithuania, labor inspectors, serving as civil servants, hold the authority to settle collective labor disputes. Additionally, it is crucial to emphasize that recourse to a compulsory labor dispute commission in Lithuania is obligatory and not an alternative method of dispute resolution. Importantly, decisions rendered by the Labour Disputes Commission in Lithuania are binding upon the disputing parties, and in case of non-compliance, these decisions attain the status of an enforceable document. Conversely, in other national models of labor disputes, such binding decisions typically arise when the Labour Inspectorate resolves disputes through voluntary agreements among the involved parties. In the Lithuanian model, a preference is given to social cooperation, manifested in a three-member commission where up to two members represent workers and employers. These members are appointed by the governing bodies of trade unions and employers' organizations operating within the territorial branches of the State Labour Inspectorate. However, Article 226(6) of the Labour Code introduces uncertainty by granting the chairman of the Labour Disputes Commission, who is a State Labour Inspector, the authority to unilaterally make decisions. This legal provision prompts valid concerns about whether the current pre-trial system of labor disputes in Lithuania aligns with international standards of independence and voluntariness. Decisions issued by the Labour Disputes Commission bear binding force upon the disputing parties, and in cases of non-compliance, the decision assumes the status of an enforceable document. Similarly, finalized decisions rendered by the courts of the Republic of Lithuania are binding on all involved parties. Upholding the independence of judges and courts is a paramount principle in the administration of justice<sup>3</sup>. Judges, in executing their duties, strictly adhere to the law when presiding over cases, interpreting and applying labor laws, and delivering legally binding decisions. Their responsibilities encompass ensuring the administration of justice, protecting rights, and resolving disputes in accordance with the legal principles governing labor relations. In contrast, the role and independence of the Labour Disputes Commission raise concerns. While the chairperson of the commission is only required to possess special knowledge, the absence of legal provisions explicitly mentioning the independence of the commission contradicts a fundamental requirement of international law. Additionally, the members of the Labour Disputes Commission, being civil servants, are subject to the Law on Civil Service of the Republic of Lithuania. This law stipulates penalties for official misconduct, ranging from reprimands to dismissal from office. In contrast, judges may face disciplinary proceedings for improper implementation of court procedures, unethical conduct in

<sup>3</sup> Courts Law of the Republic of Lithuania, Editorial: 84 - 2023-06-29. https://lrkt.lt/en/about-the-court/legal-information/the-law-on-the-constitutional-court/193.

their private lives, and violations of professional ethics. The disciplinary liability framework for judges contributes to maintaining a balance between their independence and responsibility<sup>4</sup>. However, the parallel liability structure for members of the Labour Disputes Commission, comparable to that of ordinary civil servants, raises concerns regarding their independence and impartiality.

## The Polish labor disputes system

The Polish labor court system constitutes a specialized legal framework designed for the adjudication and resolution of conflicts emerging within the realm of labor relations. In this structured system, labor disputes find resolution in dedicated labor courts distinct from general civil or criminal courts. These specialized courts possess the competence and jurisdiction to hear cases pertaining to employment, collective agreements, and employer-employee disputes. The Labour Disputes Tribunal ensures that these cases are adjudicated by judges possessing specific expertise in labor law, thereby fostering a consistent and sound application of legal principles. This specialized approach acknowledges the distinctive nature of conflicts arising from employment relationships, aiming to provide an effective and efficient forum for resolution. Parties involved in labor disputes can anticipate that the Labour Court will adeptly navigate the intricacies of employment law, promote equitable and just outcomes, and contribute to the overall stability of the Polish labor market. In Poland, the Labour Code stipulates that the resolution of a labor dispute between an employee and an employer should initially be sought through mutual agreement, presenting this as a guideline rather than a mandatory procedure<sup>5</sup>. In adherence to this provision, either the employer or the employee has the option to pursue an amicable settlement before resorting to legal proceedings. Should an amicable resolution prove unattainable, the disputing parties may then escalate the matter to a specialized court designated for the settlement of conflicts related to employment relations. Crucially, the responsibilities of a judge in a tribunal deciding on labor law matters mirror those of judges in other specializations. In comparing the models of labor dispute resolution in Lithuania and Poland, a clear distinction emerges. The Polish model primarily seeks to achieve an amicable resolution of labor disputes, while in the Lithuanian case, disputes are addressed through a court process regulated by law. The Lithuanian model does not preclude the possibility of an amicable settlement, but it mandates the involvement of the Labour Disputes Commission as a compulsory step before resorting to the courts. Notably, the members of the Labour Disputes Commission hold the status of civil servants, implying their exclusive representation of the State and their role in overseeing and supervising compliance with and execution of State

<sup>4</sup> Constitutional court of the republic of Lithuania decision "On termination of the case on the request of the petitioner - Vilnius regional administrative court to investigate whether article 298 of the labour code of the Republic of Lithuania is in conflict with the constitution of the Republic of Lithuania" 11 May 2012.

<sup>5</sup> Labour Code of the Republic of Poland. https://www.ilo.org/dyn/natlex/docs/ ELECTRONIC/45181/91758/F1623906595/The-Labour-Code%20consolidated%201997.pdf

legislation. This status raises concerns about their independence and impartiality, essential elements for the effective resolution of labor disputes.

#### **Conclusions**

The examination of the existing labor dispute system in Lithuania underscores several challenges associated with the regulatory framework governing the Labour Disputes Commission. The article emphasizes the crucial role of effective dispute resolution in preserving harmonious employer-employee relations and ensuring equitable conflict resolution. Despite the pivotal role played by the Labour Disputes Commission in addressing employer-employee conflicts, concerns regarding the efficacy of its provisions and the necessity for reforms have surfaced. The comparative analysis between the legal regulations governing the institution of labor disputes in Lithuania and Poland brings to light notable distinctions. Notably, it outlines the mandatory nature of pre-trial dispute resolution in Lithuania in contrast to Poland's emphasis on peaceful dispute resolution and the utilization of the court system as the primary institution for resolving labor disputes. Furthermore, the challenges pertaining to the independence and voluntary nature of decisions made by the Labour Disputes Commission in Lithuania prompt inquiries into its alignment with international standards. These considerations underscore the need for a comprehensive review of the existing labor dispute resolution mechanisms and the potential implementation of reforms to enhance effectiveness and adherence to international benchmarks.

#### Recommendations

Review Regulatory Framework: conduct a comprehensive review of the existing regulatory framework governing the Labor Disputes Commission to identify areas for improvement and ensure alignment with international standards. Enhance Independence: consider amendments to the legal provisions governing the Labor Disputes Commission to enhance its independence, especially in decision-making processes, and minimize potential conflicts of interest. Explore Amicable Resolution Mechanisms: evaluate the feasibility of incorporating amicable resolution mechanisms, similar to the Polish model, into the Lithuanian labor dispute resolution system. This may include encouraging parties to attempt amicable settlements before resorting to compulsory procedures. Advocate for the Integration of Labour Disputes into the Court System: it is recommended to explore the possibility of transferring the resolution of labor disputes to the court system, aligning their regulation with the standard procedures applicable to other disputes adjudicated before the courts. This move could enhance consistency and streamline the dispute resolution process. By addressing these recommendations, Lithuania can enhance the efficiency, fairness, and transparency of its labor dispute resolution system, thereby fostering a more conducive environment for harmonious labor relations.

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#### WYZWANIA ZWIĄZANE Z REGULACJĄ PRAWNĄ KOMISJI DS. SPORÓW PRACOWNICZYCH NA LITWIE

Streszczenie: niniejszy artykuł krytycznie analizuje dominujący system sporów pracowniczych na Litwie, zagłębiając się w zawiłości ram prawnych regulujących działalność Komisji Sporów Pracowniczych. Dzięki skrupulatnemu skupieniu się na mechanizmach stosowanych do rozwiązywania sporów pracowniczych w sferze stosunków pracy i prawa, analiza podkreśla ogromne znaczenie skutecznego mechanizmu rozwiązywania sporów dla wspierania i zachowania harmonijnych relacji między pracodawcami a pracownikami. Jako nieodłączny aspekt każdej siły roboczej, spory pracownicze wymagają dobrze zorganizowanego mechanizmu rozwiązywania sporów w celu utrzymania przyjaznego środowiska pracy. Podczas gdy Komisja ds. Sporów Pracowniczych na Litwie odgrywa kluczową rolę w pośredniczeniu w konfliktach między pracodawcą a pracownikiem, analiza jej funkcjonowania skłania do

krytycznej oceny skuteczności jej przepisów i bezwzględnej potrzeby potencjalnych reform. Dodatkowo, artykuł przeprowadza ocenę porównawczą zagranicznych systemów rozwiązywania sporów pracowniczych w szczególności badając regulacje prawne dotyczące Instytutów Sporów Pracowniczych na Litwie i w Polsce. Wynikające z tego wnioski mają na celu informowanie i wspieranie znaczących ulepszeń istniejących ram, w celu wzmocnienia Instytutu Sporów Pracowniczych na Litwie.

**Słowa kluczowe:** komisja ds. sporów pracowniczych, prawo pracy, spory pracownicze, metody rozwiązywania sporów pracowniczych, stosunki pracy.