

The economic well-being of lithuania

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Prior to the recession that started in 2008, the economy of Lithuania was found to be growing at a rate of 8%. In 2004 the country joined in European Union. It has also joined the World Trade Organization. Most of the trades take place with Russia and other neighbors that are located in Eastern Europe. The process of turning an old traditional Lithuanian economy into a market economy is almost complete. Most of the state-owned organizations have been made private.

The recent global recession that started in mid of 2008, has greatly affected the economy of the country. In 2007 Lithuania's real GDP was growing at the rate of almost 8%, but in 2008 the figure came down to 3%. In 2009 the country's GDP shrank at a rate of 16.8%. Such negative growth is mainly due to the global financial meltdown that has affected almost all the developed and developing economies in the world. In 2008 Lithuania's GDP per capita was \$18,000 and in 2009 the figure reduced to \$15,000 per capita. According to the prediction of Bloomberg, the Lithuanian economy might have positive growth in 2010. It is also predicted that in 2011 the economy might grow at a rate of 4% (Höbemägi, December 23, 2009).

In 2008, the unemployment rate was almost 5.84%, but in 2009 it increased to 15%. The inflation rate has decreased from the past. In 2008 the inflation rate in the country was 10.9% and in the next year, it was around 4.7% (Central Intelligence Agency, n. d.).

Trends

Lithuania's economy was in growth track prior to the recession period. In 2007 the GDP growth rate was 8.9%, but in the next year this rate was 3% and 2009 Lithuania's economy was having a negative growth rate. It is

predicted that in 2010 the economy will return on the growth track. In 2011 the economy is expected to grow at a rate of 3-4%. In 2008 the discount rate offered by the central bank was 4.73% which is almost unchanged from the previous year when the rate was 4.82%.

Alternative measures of the economic well-being

Life Expectancy

In 2009, the Life expectancy of the total population was almost 74.9 years. The life expectancy of a male was 69.98 years and female was 80.1 years.

Immigration

The immigration rate is found to be very low in the country. In 2009 immigration rate was -72 per 1000 which means -72 people immigrated out of 1000 people.

Education

99.6% of the total population is officially literate. Almost all males and females in the country are educated.