



# EMIN Context Report Latvia

## Developments in relation to Minimum Income Schemes

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## **What is EMIN?**

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at [www.emin-eu.net](http://www.emin-eu.net)

## **What is the Context Report?**

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realization of adequate Minimum Income Schemes in that country. These Country Reports can be found on [www.emin-net.eu](http://www.emin-net.eu) (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in Latvia since the publication of the Country Report.

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The information contained in this report does not necessarily reflect the official position of the European Commission.

## **Definitions used in the EMIN Project**

**Minimum Income Schemes** are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

**EMIN aims** at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

**Adequacy** is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

**Accessible** is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries
- personal barriers such as lack of information, shame or loss of privacy.

**Enabling** is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.



## Contents

Section 1: Evolution in laws and regulations regarding minimum income schemes.....	5
Section 2: Use of reference budgets in relation to Minimum Income.....	6
Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.....	8
Section 4: Political Developments impacting on the reference budgets in relation to Minimum Income.....	9
Section 5: Developments in relation to the Latvian EMIN Network.....	10

## Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

*Changes in the legislation and regulations governing minimum income schemes in your country with regard to*

- *Eligibility conditions (lack of sufficient resources, age requirements, residence...)*
- *Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)*
- *Levels of payment, uprating*
- *Links with other benefits*
- *Governance of the schemes?*

There have been minor changes to the legal acts in Latvia till May 2017 with regard to the issues mentioned above.

On January 12, 2017 the Parliament adopted amendments to the Article 5 of Law on Social Services and Social Assistance which sets the basic principles of providing social assistance stipulating that state family benefit should not be considered as income any more i.e. excluded from income test. These amendments came into force by 9 February 2017. Nevertheless, we consider that this is quite a weak progress because family benefit is still extremely low, for the first child in the family it is 11.38 EUR, for the second - 22.76 EUR, i.e. double as for the first child, and for the third and next children it is 34.14 EUR for each child, which is triple as for the first child. Thus, in terms of improvement of coverage there should be provided an analysis on how much there are families with children receiving GMI, though we realized that exact data are not available, and information is fairly superficial and incomplete.

Moreover, by the same amendments of January 12, 2017 the Parliament changed Article 37 of Law on Social Services and Social Assistance which sets the basic principles for conditions of granting the social assistance benefits stipulating that in case if material condition of a indigent family (person) is improved on the basis of employment or economic activity, the municipal social service do not take into account the income up to the amount of the state fixed minimum salary once in a period of calendar year for three months for a person in a working age which has started to earn income. Thus, these incomes are excluded from the means-test.



Anyway, though this is a remarkable initiative, it is far not sufficient to significantly improve the situation of people in poverty and is slightly related to the Minimum income schemes rather than the right to receive social assistance in general.

*Evolution with regard to **adequacy** of minimum income?*

There has not occurred any evolution with regard to adequacy of minimum income, GMI has remained fixed by the Cabinet at the same 49,80 EUR level since 2012.

*Evolution in terms of **coverage** or **take-up** of benefits?*

There has been no evolution regarding coverage and take-up of benefits between end of EMIN pilot project and start of EMIN2.

*Evolution with regards to the **linkage** between minimum income schemes, (inclusive) **labour markets** and (quality) **services**?*

Since there have not been any positive developments regarding minimum income schemes subsequently there has been no evolution with regards to the linkage between minimum income schemes, inclusive labour market and access to quality services.

## **Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures**

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in Latvia. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

*Recent initiatives to develop reference budgets or to adapt existing reference budgets?*

- *For what purposes are they developed or used? By whom?*

At the moment there is no reference budgets used in Latvia. The previous one, adopted by the Cabinet regulations on Composition of the Minimum Subsistence Level consumer basket, was in force 1991-2013.



In October 2014, the Cabinet approved the Conception regarding determination of minimum income levels, and accepted one of options proposed by the Ministry of Welfare which intends to combine both fixed rate of minimum income level and reference budgets, and obliged the Ministry to elaborate an Action Plan to amend the Minimum income schemes, and submit it for approval to the Cabinet by April 1, 2016. Since then, the Ministry twice has asked the Cabinet to postpone the deadline. Eventually, the Plan on Improvement of Minimum Income Support System for years 2018-2020 was drafted by the Ministry and announced in the Meeting of state secretaries on March 9, 2017. Relevant ministries and organizations had to provide their opinions, and the Plan had to be submitted to the State Chancellery by March 16. Nevertheless, it is not yet legally binding document since it is not adopted by the Cabinet, and may experience significant changes.

On this legal basis, in February 2017 the Ministry announced a public procurement on development of new methodology to determine reference budgets or "minimum subsistence level consumer basket" and approbation through pilot projects. The procurement procedure occurred unsuccessful and on April 18, 2017 the Ministry announced that the procurement has ended with no results, because only one applicant submitted a proposal which, in Ministry's opinion, did not meet quality criteria.

- *What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?*

It is impossible to provide answers to these questions, because, as mentioned above, it is still not clear how the Ministry of Welfare will work on drafting the methodology for reference budgets, it depends on methods chosen by entity which will receive the tender (scientific / research, NGO, private, governmental etc.).

- *How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness raising?*

Although the content of basket of goods and services was unchanged since 1991, thus being extremely out-of-date, the Central Statistics Bureau calculated reference budgets on this basis till 2013. Though the reference budgets did not have any legal use or impact which would reflect in laws and regulations regarding guaranteed minimum income, nevertheless it served as an argument to raise level of the minimum salary, to assess general impact of inflation rates on income of individuals, or what income is needed for subsistence. Must be mentioned that nor GMI, nor minimum salary never reached the "minimum subsistence level". Moreover, the GMI level fixed by government never had any link to the subsistence level consumer basket.

Thus, it is highly important to develop and adopt methodology for reference budgets to have specific data that is useful to define an adequate GMI level.



### Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum Income. Evidence can also be found in EAPN's assessment of **National Reform Programmes 2016**. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

*Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.*

For years, through the CSR, Latvian government is urged to tackle poverty by reforming the social assistance system and ensuring adequacy of benefits. Nevertheless, the policy developments are too slow and weak generally because of lack of political will.

In 2014 the Ministry of Welfare drafted a Conception regarding determination of minimum income levels, which was approved by the Cabinet in October 2014. Conception is a policy planning document which is a basis for further drafting of legal acts. The ministry proposed three options to define the minimum income levels: (1) to fix the GMI level at 40% of median income; (2) additionally to the option 1 set a "minimum subsistence level consumer basket", and (3) admit the existing model of defining the GMI which has no economical / legal basis, it is fixed by the Government with agreement of social partners. The Cabinet approved the option 2, which provides to combine both a fixed Guaranteed Minimum Income level and reference budgets or "minimum subsistence level consumer basket". The Cabinet obliged the Ministry to draft legal acts regarding GMI by July 2015, and other relevant legal acts by October 2016. It was intended that the new GMI level which according to statistical data (2014) would be fixed at 129 EUR would come into force by 2017.

Since then, the Ministry has asked the Cabinet to postpone the deadline twice, now it is intended that the new GMI level would come into force by 2019. Moreover, if initially the Conception planned to set the GMI level at 40% of median income, now the Ministry proposes to fix it at 20% of median income which equals to 94 EUR per month. It is intended that the GMI will be fixed for a period of 3 or 5 years. Actually, such a position is in contradiction with the tasks set in EU Council Recommendations of 2016, which demand to improve the adequacy of social assistance benefits and step up measures supporting recipients in finding and retaining work, including through increased coverage of activation measures.

*Has EU funds being used to support developments in relation to Minimum Income Schemes*

No EU funds were used to support developments specifically in relation to minimum income schemes. Majorly EU funds are used to support employment programs. Anyway, there is not



sufficient information on this topic. There are different ESF programs in different spheres, like employment, health care, training, social services etc. to support the most vulnerable groups of society, but not any specifically focused on MIS. There are data available on the EU Funds official website [www.esfondi.lv](http://www.esfondi.lv) ([www.esfondi.lv/finansejuma-sadalijums-2](http://www.esfondi.lv/finansejuma-sadalijums-2)) that 10% of EU funds are allocated for social inclusion and poverty reduction. The funds allocated for this aim are divided into 19 programs: Subsidized workplaces for unemployed in unfavourable situation, Activation measures for long-term unemployed, Support for social entrepreneurship, Increase of social integration and integration in labour market for ex-prisoners, Development and implementation of functional evaluation and assistive technologies' exchange system, Improvement of disability expertise services' quality, Promotion of differences (elimination of discrimination), Development of professional social work in municipalities, Work with children with communication difficulties and behavioural disorders, and with family violence cases, Deinstitutionalisation, Upgrade of social services support system, Support for development and implementation of evolution guidelines and quality assurance system in the network of priority health fields (heart and cardiovascular, oncology, prenatal and neonatal care and mental health), Integrated measures for health promotion and disease prevention, Health promotion measures for local society, Improve accessibility to health care personnel providing services for persons living outside Riga in priority health fields, Improve qualification of medical treatment and health care support personnel, Development of service infrastructure for implementation of deinstitutionalisation plans, Development of infrastructure to create an exchange fund of functional evaluation system and assistive technologies', and two level program Improve access to health care services, especially for persons under risk of social and geographical exclusion and poverty by developing care infrastructure.

#### **Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes**

In this section there is a brief sketch of the 'mood', the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travellers, growing nationalist sentiments etc.

*What kind of social and political environment exists within which the EMIN project will operate?*

In general, there is a need for public awareness rising actions on issues like what dignified life and decent income mean. Opinions both of general society including people experiencing poverty and officials are formed through attitudes and stigmas blaming people in poverty who receive social benefits about their social situation. The general attitude is that GMI benefit should not be high not to increase the number of people who live on social benefits for years and to motivate people living on minimum income to work.

There is a common tendency, especially observed in policy makers, to minimize needs of people to a "survival kit" even not speaking about a dignified life.



## Section 5: Developments in relation to the Latvian EMIN Network

*In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.*

*Is there a formal or informal steering group for your National EMIN Network (who is involved)?*

There is a steering group formed by EAPN-Latvia within the EMIN2 project, where experts from NGOs are involved: Laila Balga (EAPN-Latvia), Elina Alere-Fogele (Women's Rights Institute), Lelde Calite (Association for Social Support and Assistance "Veiksme"), Norberts Snarskis (Association "PINS" – Support for Integration, Employment and Socialization), Henriks Danusevics (Latvian Traders' Association), Marite Rozentale (Association of disabled people "Aicinājums Tev" in the city of Sigulda), and Valda Stadgale (Association "Jumītis" in the county of Rucava).

*Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?*

Latvia is a small country, and in regard to alliance building for improvement of Minimum Income Schemes, EAPN-Latvia as NGO plays a key role in assembling organizations and partners involved in fight against poverty.

There have been addressed NGOs, trade unions and government. NGOs include a wide range of organizations, basically these are existing networks of NGOs, for example, women's umbrella organizations such as Latvian Co-operation Network of Women's Organizations, Latvian Union of Rural Women, Latvian Union for Gender Equality; umbrella organization for Latvian NGOs Civic Alliance – Latvia; alliances representing employers, like Latvian Confederation of Employers, Latvian Trade and Industry Chamber, Latvian Business Union, Association of Small and Medium-sized Enterprises; informal NGO Dialogue Platform on migration issues; Latvian Rural Forum; network organization of national minorities Latvian Union of National Culture Associations; NGO working with refugees "Asylum "Safe House"; essential role in advocacy provides Latvian Union of Lawyers due to legal knowledge their members can contribute; and more other NGOs have agreed to join the EMIN Network.

Latvian Alliance of Free Trade Unions is a partner in the Minimum Income Network, and thus, specific member trade unions of this alliance will be addressed, such as Latvian Trade Union of Medical Treatment and Care Employees, Latvian Trade Union of Health and Social Care Employees, Latvian Trade Union of Educational and Science Employees, Latvian Trade Union of Commerce Employees, Latvian Federation of Aviation Employees' Trade Unions, and others.

There is a partnership established with Latvian Association of Local and Regional Governments, which is a NGO uniting all but one of Latvian municipalities, and this is an excellent instrument how the Network can reach regional self-governments. There are 119 local governments in Latvia, both large cities and small counties, and 118 are members of



LALRG.

Moreover, EAPN-Latvia addressed National Public Authorities, and six Ministries have agreed to be a part of EMIN Network: Ministries of Welfare, Health, Finance, Justice, Economy, and Agriculture.

*Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?*

EAPN-Latvia has both performed and participated in a plenty of activities which were not specifically regarding Minimum Income schemes rather than inadequacy of income in general – low pensions, low salaries, weak support to families and children and disabled persons, and to tackle issues of decent income urgently needed for people in Latvia.

EAPN-Latvia twice, in 2015 and 2016, organized a meeting in the Saeima (the Parliament) with members of Social and Employment Affairs Committee, thus giving a chance to the Parliament Members to listen to the real stories and proposals of people living in poverty.

In addition with regard to awareness raising, EAPN-Latvia had organized both discussions on dignified life and decent income, including decent MI, calling together experts from government and academicians, and representatives from NGOs, as well as discussions in regions of Latvia with grass-root NGOs. Besides, representatives from EAPN-Latvia had participated in the events hosted by other organizations where they expressed their opinions regarding general income level in the country, including MI.

Moreover, EAPN-Latvia had participated in public actions organized by other organizations, like demonstrations and pickets, for example, the one organized by Latvian Alliance of Free Trade Unions on May 1, 2016, and several others.

Besides the mentioned, EAPN-Latvia has been invited to speak or give interviews both on national and private radio and TV channels, both Latvian, and Russian. Considering the large Russian-speaking part of Latvian population, this is very important in order to reach and cover this group. The speakers from EAPN-Latvia always had been emphasized how important is to invent adequate MI schemes which allowed people to live a dignified life.

In 2015, EAPN-Latvia produced a Handbook for member NGOs *"Runājam un rīkojamies"* which was compiled of and adopted from EAPN explainers, position papers etc., to educate Latvian NGOs on EAPN philosophy and position regarding poverty issues with emphasis on reasons of inequality, need for quality jobs. Moreover, the Handbook helps the NGOs understand European procedures, and empowers for participation, with specific suggestions on advocacy and lobbying.

Regarding the Action Plan to amend the Minimum income schemes by the Ministry of Welfare, EAPN-Latvia had sent a document to the Ministry explaining the position of EAPN-Latvia and urging the decision makers for an immediate action.