

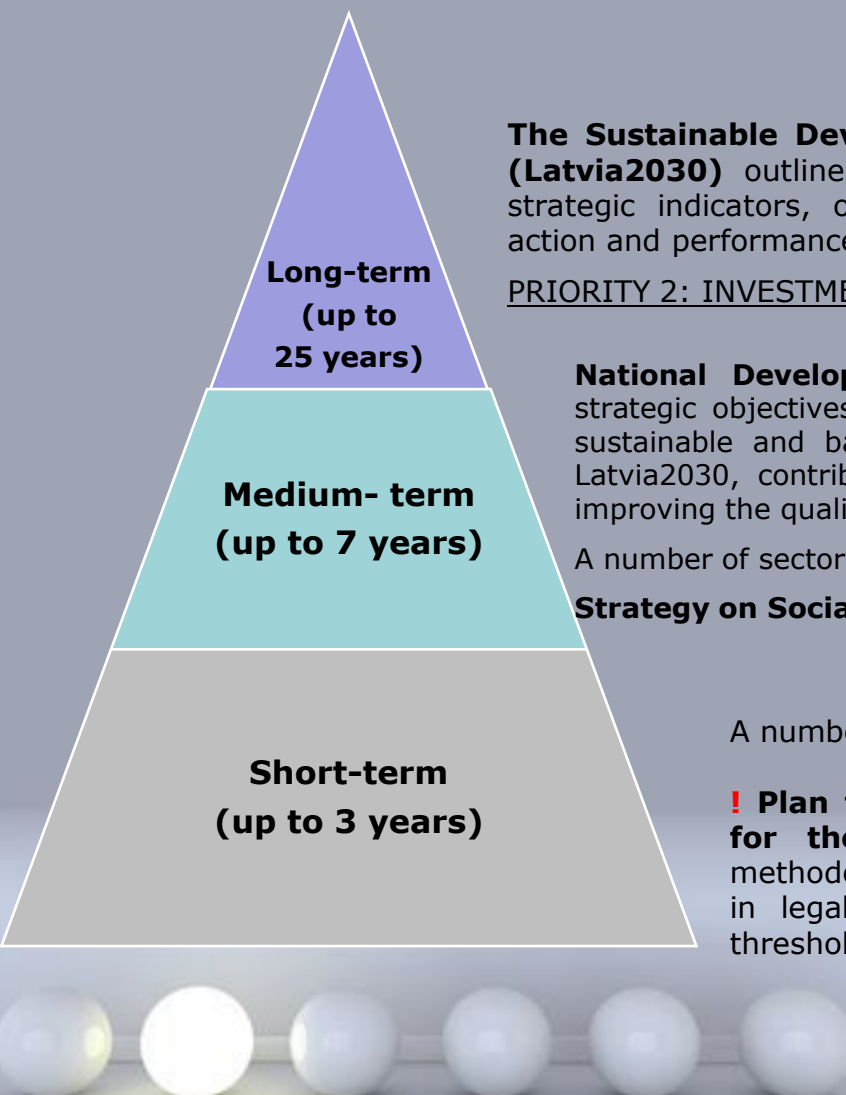
Social inclusion policy and measures in Latvia



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Social inclusion



**Long-term
(up to
25 years)**

**Medium- term
(up to 7 years)**

**Short-term
(up to 3 years)**

The Sustainable Development Strategy of Latvia until 2030 (Latvia2030) outlines Latvia's long-term development priorities, strategic indicators, objectives, development directions, areas of action and performance indicators.



PRIORITY 2: INVESTMENTS IN HUMAN CAPITAL

National Development Plan of Latvia for 2021-2027 envisages strategic objectives, operational priorities and relevant measures for the sustainable and balanced development with the objective of achieving Latvia2030, contributing to the UN Sustainable Development Goals and improving the quality of life in Latvia.



A number of sectoral Strategies **for 2021-2027** especially:

Strategy on Social Protection and Labour Market Policy 2021-2027

A number of sectoral short term **policy planning documents**

! Plan for improvement of the minimum income system for the period of 2022 – 2024 provides the fixing methodology for calculation of the minimum income thresholds in legal acts and defines the review of minimum income thresholds annually

Main policies and measures over the 2020-2022

Minimum
income reform

Addressing 3
crises: Covid-
19, energy
price increase
and war in
Ukraine

Other
measures

Minimum income reform

- The most significant reform since welfare system reform in Latvia in 1995
- The minimum income reform was to aimed to set the national minimum income level and **link the minimum income thresholds to socioeconomic indicator** - median equalized disposable income (not be less than 20% of median income)
- Since 2021 minimum income thresholds revised once in every 3 years (before no indexation mechanism)
- From 2023 planned **annual indexation** of minimum income thresholds (amendments in all related laws submitted to the government and still need to be adopted)



Minimum income thresholds in force from 2021

Provided at
municipal
level

- GMI threshold– 20%** of income median (*previous amount – 12%*) (applies for GMI benefit and housing benefit)
- Needy person`s income threshold– 50%** of income median (*previous amount – 24 %*)
- Low income person`s income threshold– maximum 80%** of income median

Provided at
state level

- State social security benefit** (receive persons not entitled to pension):
 - for old age 20%** from income median (*previous amount 12%*)
 - for disability 20%** and **persons with disability from childhood 25%** (*previous amount – 15% and 22%*)
- Old-age or disability minimum pension 25%** and **for persons with disability from childhood 30%** (*previous amount – 15% and 22%*)

Targeting of policies to mitigate the **impact of the Covid pandemic (2020 - 2022)**

- In total 3 emergency periods* during which various support provided to different groups. The support varied between the emergency periods. The support included lump-sum payments and benefits and support for the whole emergency period and some months after.
- Support was specially provided and improved to the following groups majority of which have been exposed to high risk of poverty:
 - Unemployed
 - Families with children
 - Needy and low-income people
 - People with disabilities
 - Seniors
 - Young people



*Emergency periods:

1st period from March 12, 2020 to June 9, 2020

2nd period - from November 9, 2020 to April 6, 2021

3rd period - from October 11, 2021 to February 28, 2022

Targeting of policies to mitigate the **impact of the high energy/food prices (from 2021 to 2023)**



- Support is provided in two directions: benefits and reduction of bills
- **Benefits are targeted by both – income and certain groups** (mainly to needy and low-income groups):
 - Seniors (targeted by income test and universal support without income threshold)
 - People with disabilities (targeted by income test and universal support without income threshold)
 - Children (targeted by income test and universal support without income threshold)
 - Needy and low-income people (targeted by income test)
- **Reduction of bills (basically not targeted by income, applied to all households)**, e.g., the payment of the mandatory procurement component on electricity bills for all electricity consumers is completely covered (100%) from the state budget (in 2022); compensation for increase in electricity costs for households using electricity for heating; natural gas; pellets etc.

Targeting of policies to mitigate the **impact of the Ukraine war**

Social support for Ukrainian civilians

- GMI benefit and housing benefit
- Social services
- Food and hygiene packages
- Lump-sum payment in crises situation
- Support for families with children (benefits and services)
- Support for emergency guardians
- Support for persons with disabilities (benefits and services)
- Support for employment
- State social security benefit for seniors



And other measures for the most vulnerable

- Family benefit reform since 2021
- Increase of non-taxable pension minimum in 2021 and 2022
- Increased support to people with disabilities
- Improvement and development of various social services
- Etc.



Thank you for your attention!

