



13/10/2017

EUROPEAN SOCIAL CHARTER

Comments by the Ombudsman's Office
on the 3rd national report

on the implementation of the European Social Charter

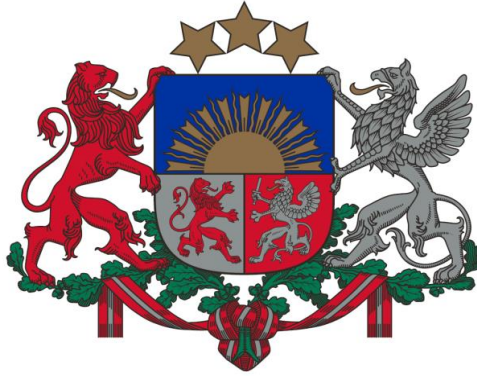
submitted by

THE GOVERNMENT OF LATVIA

Articles 3, 11, 12, 13, 14, and 30
for the period 01/01/2012 – 31/12/2015

Report registered by the Secretariat
on 13 October 2017

CYCLE 2017



Alternative report on the “3rd National Report on the implementation of the European Social Charter submitted by the Government of Latvia” of the government of Latvia

- **Article 3, 11, 12, 13, 14 and 30 for the period 01/01/2012-31/12/2015**
- **Complementary information on Article 8§2 (Conclusions 2015)**

Table of Contents

Terms	5
Abbreviations.....	5
Introduction.....	6
Article 11: Right to protection of health	7
Article 12, Paragraphs 1 and 2: The right to social security	8
Article 13: The right to social and medical assistance.....	11
Article 14: The right to benefit from social welfare services	12
Article 30: The right to protection against poverty and social exclusion	13
Summary	15

Terms

Charter – Revised European Social Charter

Ombudsman – The Ombudsman of the Republic of Latvia

Report – 3rd National Report on the implementation of the European Social Charter submitted by the Government of Latvia

Abbreviations

CSB – Central Statistical Bureau

CDPC – Centre for Disease Prevention and Control

GDP – Gross Domestic Product

GMI – guaranteed minimum income

NHS – National Health Service

SMC – State Medical Commission for the Assessment of Health Condition and Working Ability

SSIA – State Social Insurance Agency

Introduction

European Committee of Social Rights is planning to examine on 16 October 2017 the Report submitted by the government of Latvia on Articles of the Charter on health, social security and protection.

Taking into account the fact that the government of the Republic of Latvia has submitted report on the implementation of Articles 3, 11, 12, 13, 14 and 30 of the Charter, the Ombudsman as the national human rights institution has developed alternative report on the implementation of the Charter. Alternative report provides information both complementing the Report and drawing attention to the inaccuracies reflected therein.

The Ombudsman has not analysed implementation of Article 3 of the Charter (*right to safe and healthy working conditions*) in the alternative report. The Ombudsman engages in the assessment of the problems related to legal labour relations, if prohibition of discrimination can be observed or if the problem situation is based on the elements of bossing and mobbing at work.

While not questioning the existence of the measures described in the Report, the Ombudsman will provide view of the actual situation in the area of health protection, social security and social assistance within this report (Articles 11, 12, 13, 14 and 30 of the Charter).

Article 11: Right to protection of health

The Report indicates to a number of measures implemented in the area of the protection of health, however, I would like to draw attention to a number of significant deficiencies.

Funding allocated by the government of Latvia for healthcare as a per cent of GDP has been among the lowest ones across Europe and fluctuates between 3.38% of GDP in 2012 and 3.16% of GDP in 2015 (or, on average, 9.8% of the budget of the government of Latvia (in 2013)). At the same time, it should be noted that, in 2016 and 2017, the funding allocated for healthcare as a per cent of GDP showed decreasing trend (3.10% of GDP in 2016 and 3.05% of GDP in 2017, respectively)¹. While the direct payments of the patients are among the highest ones in Europe. Insufficient funding results in failure to access the healthcare.

- 1) Evidence of this is the long waiting time and limited funding (so-called quotas) to receive state funded planned healthcare services (examination, surgery etc.). Major part of patients are not able to receive state funded healthcare services and are mostly bound to pay for these services due to exhaustion of the state guaranteed healthcare quotas, or waiting time for a healthcare service is excessive, for example, waiting time for consultation of an endocrinologist and cardiologist is up to 122 days, waiting time for consultation of an ergotherapist – up to 850 days, surgical services in ophthalmology – up to 1677 days². Reception of state funded healthcare services (including medicines) is limited also in the area of rare diseases and organ transplantation (for example, kidney transplantation). Even in cases, when it is a matter of life or death, approach of the state policy-makers to the solution of problems is simplified – if regulations do not provide for something, the person is not due to.³
- 2) Shortage of human resources can be observed in the area of healthcare. Number of nurses and medical practitioners is insufficient at state and municipal hospitals, as well as good quality primary healthcare, emergency care (especially at Emergency units), assistance at birth etc. cannot be provided.⁴ Amount of nurses in Latvia largely falls behind average EU indicators. Number of nurses per 10

¹ Information report on the volume of state funded healthcare services. Available on: <http://tap.mk.gov.lv/mk/tap/?pid=40390907> [viewed on 20.09.2017]

² NHS information by 1 September 2017. Available on: <http://www.vmnvd.gov.lv/lv/veselibas-aprupes-pakalpojumi/ambulatoro-pakalpojumu-gaidisanas-rindas> [viewed on 26.09.2017]

³ Ombudsman's research "Compliance of the "minimum of medical assistance" guaranteed by the state of Latvia with human rights standard". Available on: <http://www.tiesibsargs.lv/news/lv/latvijas-valsts-garanteta-mediciniskas-palidzibas-minimuma-atbilstiba-cilvektiesibu-standartam-petijuma-secinajumi-un-rekomendacijas> [viewed on 20.09.2017]

⁴ P.Apinis. President of Latvian Medical Association. Scenarios and possibilities for the search of funding in medicine.

000 inhabitants was 48.0 in 2012, but in 2015 – 44.8⁵. Number of midwives in Latvia also lags behind in comparison with the average indicator of the EU. During the reporting period (from 2012 to 2015) number of midwives per 10 000 inhabitants was 2 in Latvia (average indicator of the EU – 3.3)⁶ At the moment, situation with human resources in the area of healthcare does not show any improvements.

- 3) In order to provide the required human resources, working time of medical practitioners has been prolonged up to 60 hours per week or 240 hours per month since 2009 (normal working time - 40 hours per week). Medical practitioners do not get paid raised remuneration for the overtime work beyond the normal working time, neither they get additional rest periods (as provided for also by Article 4 (2) of the Charter). Due to work under the conditions of increased stress (long working hours, inadequate remuneration), quality of the healthcare services suffer. Failure to provide good quality healthcare services results in failure to provide availability of healthcare. There is no "free fiscal space", i.e., no money, to eliminate the above mentioned infringement of rights. At the same time, it should be noted that, from 1 July 2017, working time of medical practitioners is gradually decreasing and the remuneration is being insignificantly raised.
- 4) Number of persons with disabilities is rapidly growing. In 2012, disability was determined for the first time for 15'017 adults (from the age of 18) and 1'005 children. In 2015, disability was determined for the first time for 16'545 adults and 921 children.⁷ In 2012, there were 150'142 persons with disabilities in Latvia, while, in 2016, this number reached 182'048, representing for 7.35% and 9.25% of the population of Latvia⁸. Increase of the number of persons with disabilities is affected by the unfavourable nationwide social economic situation, unavailability of healthcare services (mainly, lack of funds, waiting periods lasting for months for examinations and visits of specialists due to shortage of quotas, untimely or missed required rehabilitation measures), which is confirmed by the determined very severe disability.⁹

Article 12, Paragraphs 1 and 2: The right to social security

The Report describes in detail the state social insurance system based on individualized social insurance contributions. Social insurance service (pensions and

⁵ Statistical data of the CDPC on the number of medical practitioners. Available on: <https://www.spkc.gov.lv/lv/statistika-un-petijumi/statistika/veselibas-aprupes-statistika1/get/nid/14> [viewed on 20.09.2017]

⁶ Statistical data of the CDPC on the number of medical practitioners. Available on: <https://www.spkc.gov.lv/lv/statistika-un-petijumi/statistika/veselibas-aprupes-statistika1/get/nid/14> [viewed on 20.09.2017]

⁷ Statistical data of the CDPC on disability Available on: <https://www.spkc.gov.lv/lv/statistika-un-petijumi/statistika/veselibas-aprupes-statistika1/get/nid/1> [viewed on 20.09.2017]

⁸ Annual reports of the SMC for the period from 2012 till 2016 Available on: <http://www.vdeavk.gov.lv/par-mums/gada-parskati-un-petijumi/> [viewed on 20.09.2017]

⁹ Public report of the SMC for 2016 Available on: <http://www.lrvk.gov.lv/revizija/vai-valsts-politika-pensiju-sistemas-iltgspejas-nodrosinasanai-ir-efektiva/> [viewed on 21.09.2017]

benefits) directly depends on the amount of the contributions. Besides, the Report describes state social benefits provided from the state budget in cases, when a person does not qualify for social insurance service (state social security benefit), or in certain situations of life (for example, family state benefit, child care benefit etc.).

- 1) Although the social insurance system of Latvia has been recognized approvingly at international level, public confidence thereon is low. One of the main reasons for this is the high number of persons providing contributions in reduced amount or not providing at all (persons employed under preferential tax regime – employees of micro-enterprises, self-employed persons, persons paying patent fee etc.).¹⁰ This causes potential poverty risk for these persons in the future. In case of incapacity for work, disability, unemployment, as well as old age these persons will receive from the state the minimum social support, which is not sufficient for dignified life¹¹. Thus, these people will depend on the support provided by municipality and immediate family in the future.
- 2) Minimum amount of the state pensions is very low. Depending on the person's insurance period, minimum old-age pension is from 70.43 euro (for persons with the insurance period of up to 20 years) to 108.85 euro per month (for persons with the insurance period of 41 years and up); for persons with disability from childhood – from 117.39 euro to 181.42 euro per month respectively.
- 3) Minimum disability pension in case of a Group I disability is 102.45 euro, for persons with disability from childhood – 170.75 euro per month. Minimum disability pension in case of a Group II disability is 89.64 euro, for persons with disability from childhood – 149.41 euro per month. Disability pension in case of a Group III disability does not depend on the person's social insurance contributions, and the amount thereof is 64.03 euro in all cases, but for persons with disability from childhood – 106.72 euro per month.
- 4) Minimum survivor's pension in the reporting period (2012 - 2015) was 64.03 euro, for a disabled child – 106.72 euro per month. If there are at least two children in the family, amount of the minimum survivor's pension was 41.62 euro for each child, for a child with disability – 69.37 euro per month. In 2016, efforts to raise the minimum amount of the survivor's pension by determining it in the amount of the minimum maintenance were observed¹². However, the Cabinet of Ministers just approached the amount of the minimum survivor's pension to the amount of the minimum maintenance providing for that, from 1 April 2017, minimum survivor's pension for a child aged up to 7 years is 92.50 euro, for a child with disability – 106.72 euro per month, but for a child aged from 7 years - 111.00 euro per month. Therefore, there is a risk, that, upon change of the minimum wage, amount of the minimum survivor's pension will remain unchanged (in 2017, amount of the minimum maintenance is 95.00 euro and 114.00 euro per month respectively).

¹⁰ Audit report of the State Audit Office "Is the state policy efficient for the provision of sustainability of pension system?" 15.05.2017 Available on: <http://www.lrvk.gov.lv/revizija/vai-valsts-politika-pensiju-sistemas-ilgtspejas-nodrosinasai-ir-efektiva/> [viewed on 21.09.2017]

¹¹ According to the audit report of the State Audit Office, in 2016, the lowest wage used for the calculation of sickness benefit was 0.03 euro. The person concerned was sick for five months and received the total benefit in the amount of 3.55 euro.

¹² Amount of the minimum maintenance has been set by the Cabinet Regulations No. 37 of 15 January 2013 "Regulations On the Minimum Amount of Maintenance for a Child". Minimum amount of maintenance for a child aged up to 7 years is in the amount of 25% of the national minimum wage, for a child aged from 7 to 18 years - in the amount of 30% of the minimum wage (in 2015 - 360 euro, in 2016 - 370 euro, in 2017 - 380 euro, in 2018 – planned 450 euro).

- 5) Minimum amounts of the state pensions have been set on the basis of the amount of the state social security benefit (64.03 euro, for persons with disability from childhood – 106.72 euro per month), applying respective ratio. It should be noted that the amount of the state social security benefit has not changed since 1 January 2006, but the amount of the benefit for persons with disability from childhood has been constant since 1 January 2009. Since 1 July 2014, amount of the state social security benefit is differentiated depending on the disability group determined for the person by applying ratios to the amount of the benefit - 1.3 for the persons with group I disability and 1.2 for the persons with group II disability. However, increase of the state social security benefit is insignificant – amount of the benefit increases by 19.21 euro for a person with group I disability, and by 12.81 euro for a person with group II disability.
- 6) Amount of the state social security benefit, thereby also amount of the minimum pensions is disproportionately low, and it is insufficient for dignified life. Amount of the state social security benefit is not based on calculations, furthermore, it has not been revised for several (nearly 12) years.
- 7) Upon introduction of social insurance system (1996), one of the goals of the reform was provision of the minimum level of income for the population of pension age in the amount of 20% of the average gross wage nationwide (in 2015 - 163.60 euro) to prevent poverty in this group of population. In 2015, 17.44% of the total number of persons receiving old-age pension received pension in the amount, which was lower than the minimum amount of pension planned within the reform, while 11.79% of persons receiving old-age pension had been set pension in the minimum amount.¹³
- 8) During the reporting period (from 2012 to 2015), majority of pensioners received old-age pension not exceeding 300 euro (80.6% - in 2012, 76.8% - in 2013, 73.2% - in 2014 and 70.5% - in 2015, respectively). Although the number of persons receiving old-age pension up to 300 euro per month shows a decreasing trend, the number of persons receiving old-age pension up to 200 euro per month remains constant in the amount of 12% of all the persons receiving old-age pension¹⁴.
- 9) Pension indexation takes place on annual basis in October (except for the period from 2009 to 2012, when pension indexation was suspended). For example, in 2014, amount of pensions not exceeding 285 euro was indexed by the index 1.0274. In September 2014, average old-age pension was 279.51 euro, which means that with indexation it increased by 7.66 euro, while the average disability pension was 167.46 euro, and with indexation it increased by 4.59 euro. However, the lower is the amount of pension, the lower is also the rise in pension calculated due to indexation. At the same time, it should be noted that, since 2015, the Parliament has made a number of amendments in the Law On State Pensions to provide more significant rise in pensions due to indexation in the future, and this will especially apply to the persons with long period of insurance (30 years and over).
- 10) State pension is one of the types of income taxable by the personal income tax. Annual nontaxable minimum for the persons, who have been granted the state

¹³ Audit report of the State Audit Office "Is the state policy efficient for the provision of sustainability of pension system?" 15.05.2017 Available on: <http://www.lrvk.gov.lv/revizija/vai-valsts-politika-pensiju-sistemas-ilgtspejas-nodrosinasanai-ir-efektiva/> [viewed on 21.09.2017]

¹⁴ Statistical data of the SSIA Available on: <http://www.vsaa.lv/lv/budzets-un-statistika/statistika?gid=6&dates=2017-06-01> [viewed on 21.09.2017]

pension, is 2820 *euro* (or 235 euro per month). Nontaxable minimum for the persons receiving pension has not changed since 2006. At the same time, it should be noted that, due to tax reform, nontaxable minimum for the persons, who receive pension, will gradually rise in the next three years (2018 – 2020) reaching 300 euro per month or 3600 euro annually in 2020.

- 11) Persons with disability will be applied additional income tax incentives – for persons with group I and II disability – 1848 euro annually, for persons with group III disability – 1440 euro annually. Additional income tax incentives for persons with disability also have not changed significantly since 2009.
- 12) In relation to service pensions, it should be noted that granting of service pensions is currently regulated by nine special laws. There is no unified approach to determination of service pensions in Latvia, furthermore, there is also no political will to introduce one. Responsibility for the determination of service pensions is under the supervision of the ministry concerned (for example, policy in the area of service pensions of military persons is provided by the Ministry of Defence, while policy in the area of the interior affairs (police, fire and rescue service etc.) - by the Ministry of the Interior. Thus, there is a high risk of infringement of the principle of legal equality in the area of service pensions.

Article 13: The right to social and medical assistance

The Report describes the social assistance system currently existing in Latvia, namely, the assistance provided to a person in a situation of crisis, within which a person is primarily provided with the level of guaranteed minimum income and housing allowance, as well as other kind of social assistance. However, similarly as it was indicated before, neither criteria for the reception of social assistance, nor volume of social assistance have changed for a long time in the area of social assistance.

- 1) Amount of the income taken into account to recognize a person (family) as needy has not changed since January 2011, namely, a person (family) should be recognized as needy, if monthly income thereof shall not exceed 128.06 euro. Initially, this income level was equalized to 50% of the minimum wage (of 2010). Municipalities are entitled to determine higher level of income for a person to be recognized as needy or low-income and to retain right to separate social benefits, for example, housing allowance. Level of income for the recognition of a low-income person varies between municipalities. It depends on the financial possibilities and wish of a municipality to assist the local population. However, this opportunity is not exercised by all municipalities.
- 2) GMI level is 49.80 euro per person per month. It has not changed since 2013, neither it has been based on any calculations. It should be noted that GMI was higher between December 2009 and 2012 – for adults - 56.91 euro, for children - 64.03 euro. At the same time, municipalities are entitled to determine higher GMI level for various groups of population (for example, children, persons receiving old-age pensions and persons with disabilities).
- 3) The state has fully delegated granting of housing allowance to the municipalities. Namely, municipalities determine the groups of persons entitled to housing allowance and the amount thereof in their binding regulations. Thus, criteria for the granting of housing allowance and the amount thereof varies significantly

among municipalities. Majority of local governments has determined nominal housing allowance as a single benefit for the purchase of heating fuel in the amount not covering actual expenses. Only few municipalities have determined housing allowance as a monthly payment by covering fee for the rent or management of a residential space and fee for the services related to the use thereof.

- 4) Fact that municipalities are able to provide also a healthcare benefit for their inhabitants should be assessed positively. This benefit is also nominal in majority of municipalities, and mostly expenses related to in-house treatment, dentistry services and expenses for the purchase of prescription medicines are covered. Besides, persons, who have been recognized as needy, children, persons with group I disability, as well as other persons are exempted from patient co-payments. Taking into account the fact that co-payments for healthcare in Latvia are high, needy and low-income persons, as well as pensioners are in high risk to face financial difficulties in case of deterioration of their health condition, unless they are exempted from co-payments. However, even in cases, when a person has been exempted from co-payment for a healthcare service, he/she is still obliged to pay for medicines.¹⁵
- 5) During the reporting period, the Ministry of Welfare has developed a concept "Setting of the minimum income level", approved in the Cabinet of Ministers on 30 October 2014. Overall objective of the concept is reduction of poverty and income inequality based on the principles of solidarity, whereas the objective is determination of the level of income methodologically justified and compliant with the socioeconomic situation, which would serve as the reference point for the improvement of the assistance measures determined within the areas of social security system (state social benefits, social insurance, social assistance). Along with this, it is planned to use the minimum income level for the improvement of labour force tax system to increase income for the low-paid working individuals. It was also planned to introduce the concept before 2017. However, at the moment, i.e., in 2017, the concept still has not been introduced, and introduction thereof is being delayed year by year. The fact that a minimum, which is nontaxable with the personal income tax, differentiated according to a person's income, has been introduced from 2016, should be assessed positively, furthermore, nontaxable minimum for the persons with low income will be increased in the next three years (2018 – 2020).

Article 14: The right to benefit from social welfare services

Role of municipality social services office is to provide of social services and social assistance, assess clients' needs, as well as to perform social work. If work of social services office in relation to provision of social assistance and social services may be assessed as satisfactory, then, the situation is different in relation to the performance of social work.

¹⁵ WHO report of healthcare funding policy in Latvia – opportunities and challenges in the context of international experience. July 2016. Available on: http://www.vm.gov.lv/lv/aktualitates/5163_pasaules_veselibas_organizacija_iesaka_butiski_palielinat_no/ [viewed on 21.09.2017]

Provision of social work is the autonomous function of local governments. The state has undertaken to provide support for the introduction and development of professional social work in the municipalities. Type, volume and conditions for the reception thereof shall be determined by the Cabinet of Ministers. The Cabinet of Ministers has issued Regulations On the Amount of the State Action Grants and Conditions for the Raise of Salaries of Social Workers¹⁶ The state action grant is intended for the employees, who have the qualification of social worker and who provide social services at the municipal social services for families with children by applying methods of social work. However, no action grant is being granted to the municipal councils and social services from 1 July 2009 till 31 December 2018. Granting of action grants for the raise of salaries of social workers has been "frozen" since 1 July 2009 due to the consolidation of the state budget. The above mentioned activity was not supported within the initiatives of the new (since 2009! – the Ombudsman's comment) policy.¹⁷

Article 30: The right to protection against poverty and social exclusion

Comments were provided to Articles 11, 12 and 13 on the social insurance and social assistance system including indication on the low amounts of benefits and pensions, and the high number of persons receiving low pensions.

According to the CSB¹⁸, in 2015, 424 thousand or 21.8% of the population of Latvia were exposed to poverty risk¹⁹. Whereas, according to EUROSTAT, number of people exposed to poverty or social exclusion risk was 30.9% in 2015 (average EU indicator – 23.8%)²⁰.

Comparatively high proportion of poverty risk just among elderly people can be observed in Latvia, and this indicator shows a growing trend. In the population group aged over 65, 38.1% are exposed to poverty risk; in comparison, this indicator was 34.6% in 2014. If a person aged over 65 lives alone, poverty risk is even higher - 67.4% in 2014, 74% - in 2015.

Poverty risk of pensioners has grown rapidly – 41.9% (in 2014 – 36.7%, in 2013 – 29.4%).

Unemployed persons have been exposed to very high poverty risk (above 50%) throughout the reporting period (in 2015 – 55.7%).

Furthermore, high poverty risk can be observed in the households, where dependent children are raised by only one of the parents – 34.4% in 2015.

¹⁶ Cabinet Regulations No. 484 of 26 May 2009 "Regulations On the Amount of the State Action Grants and Conditions for the Raise of Salaries of Social Workers".

¹⁷ Initial impact assessment report (abstract) of the Draft Regulations "Amendment to the Cabinet Regulations No. 484 of 26 May 2009 "Regulations On the Amount of the State Action Grants and Conditions for the Raise of Salaries of Social Workers" (TA-3035). Available on: <http://tap.mk.gov.lv/lv/mk/tap/?pid=40343340> [viewed on 22.09.2017]

¹⁸ Information titled "424 thousand or 21.8% of the population are exposed to poverty risk" and posted on the CSB homepage was used for the preparation of the alternative report. 02.02.2017 Available on: http://www.v.m.gov.lv/lv/aktualitates/5163_pasaules_veselibas_organizacija_iesaka_butiski_palielinat_no/ [viewed on 21.09.2017]

¹⁹ According to the CSB, the risk of poverty threshold in 2013 was 260 euro, in 2014 - 291 euro and in 2015 - 318 euro per month.

²⁰ EUROSTAT data. Available on: <http://ec.europa.eu/eurostat/tgm/printTable.do?tab=table&plugin=1&language=en&pcode=tsdsc100&printPreview=true> [viewed on 20.09.2017]

The risk of poverty threshold in 2015 was 318 euro per month, whereas, minimum wage was 360 euro per month, after the payment of taxes – 265 euro (without tax incentives), consequently, person, who earns minimum wage, is exposed to poverty risk, if there is no additional income. In 2015, income of approximately 23% of employed people did not exceed the minimum wage.

Statistics show that just the most vulnerable groups of society - pensioners, families with children and unemployed persons - are exposed to poverty risk.

The Report shows that the state revises volumes of state social benefits and pensions (pension indexation) on regular basis. One may agree that volumes of separate state social benefits have been revised during the reporting period and later on, which is not insignificant. However, increase of benefits and pensions should be assessed as insignificant (for example, state social security benefit for the persons with group I and II disability increased by 12 to 19 euro, child care benefit for a child aged up to 18 months grew from 142 euro to 171 euro in 2014, pension indexation resulted in maximum increase of 7.81 euro in 2014). However, as the above mentioned facts show, large part of the amounts of benefits and minimum pensions have not been revised for years, and no positive improvements are expected in the nearest future.

It should also be noted that there is a risk that, after increase of income by few euros (for example, in the result of pension indexation), a needy or low-income person may lose his/her entitlement for the required social assistance.

Summary

Since 2011, the Ombudsman has drawn attention of the government and the Parliament of the Republic of Latvia to the situation in the area of health protection and social security.

The fact that reform of the healthcare system was commenced in 2017 including plan to increase healthcare funding in the amount of 4% of GDP in the next three years, thus improving availability of healthcare should be assessed positively. However, while the planned level of funding has not been achieved in reality, there is no reason to believe that healthcare in Latvia is made available to people.

The government has been undertaking to reduce poverty for nearly 20 years, however, approximately 30% of the population in Latvia is still exposed to poverty risk. Foreseen supporting measures are not able to cover the growing costs of the basic needs of people.

The European Commission has indicated in its staff working document in the report on Latvia in 2016 as follows: Expenditure on social protection benefits (14% of GDP in 2013) in Latvia is the lowest in the EU, and social transfers show comparatively low impact on poverty reduction. (...) Contribution of Latvia to the benefits aimed at the prevention of social exclusion (including GMI or guaranteed minimum income) is just 0.1% of GDP, compared to the EU average of 0.5%. Funding of social assistance is fully decentralized, and it may further aggravate regional inequality. Furthermore, social assistance system does not provide sufficient support for the beneficiaries to help them return to the labour market.²¹

Concept “Regarding determination of the minimum income level” developed by the Ministry of Welfare gave hopes that the situation in the area of social protection would improve. However, at the moment, i.e., in 2017, the concept still has not been introduced, and introduction thereof is being delayed year by year.

The Ombudsman has also drawn attention to the insufficiency of the minimum wage. The fact that next year (2018) introduction of minimum wage in the amount of 430 euro, lowering of personal income tax rate from 23% to 20%, as well as raise of nontaxable minimum just for the persons receiving low income is planned as a result of the tax reform should be assessed positively. At the same time, concern has been expressed that families with children can expect the lowest gain from the planned reform.

The Ombudsman called to fully ratify the Charter already in 2012, thus undertaking particular obligations, which would improve provision of the population's social and economic rights. The Ombudsman believes that matter on ratification of the remaining Articles of the Charter has to be updated. Latvia still has not ratified such important norms of the Charter, as, for example, Article 4, Paragraph 1 providing for that a Member State undertakes to recognise the right of workers to a remuneration such as will give them and their families a decent standard of living; and Article 12, Paragraph 3 obligating to endeavour to raise progressively the system of social security to a higher level.

²¹ The European Commission Report on Latvia 2016 Available on: https://ec.europa.eu/info/publications/2016-european-semester-country-report-latvia_en [viewed on 27.09.2017]