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Investing in children:

Breaking the cycle of disadvantage

A Study of National Policies

Latvia

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Investing in children:

Breaking the cycle of disadvantage

A Study of National Policies

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COUNTRY REPORT - LATVIA

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1. Summary¹

In comparison with other EU member states child poverty and social exclusion indicators for Latvia are among the highest. Fiscal consolidation measures undertaken by the government during the economic crisis have had a direct negative impact on child poverty as well as further aggravated the situation of children and families with children.

Child poverty reduction has never been a real government priority. Reduction of poverty of families with children is discussed mostly in the context of demographic measures, i.e., stimulation of the birth rate.

The normative regulation, the governance structure, the institutional mechanism for the involvement of stakeholders can be assessed as sufficient for successful policy implementation; however, in reality the functioning of the system is obstructed by the fragmentation of functions among various institutions, lack of the political will to identify the reduction of child poverty as a real priority for the work of the government, the insufficient funding for child poverty reduction as well as lack of the capacity of the NGO sector.

The universal approach to the planning of policies and measures dominates in Latvia. The research study of the World Bank (2013) confirmed lack of targeted policy measures for the support of the poorest inhabitants specifically.

Parents' participation in the labour market is mostly stimulated through active labour market measures, focusing on the involvement of the unemployed into the labour market. However, no sufficient attention is paid to such essential aspects in promoting employment as "making work pay", "decent job", targeted measures for specific groups of parents (for example, single parents).

According to the assessment of the World Bank experts, measures implemented and planned by the government until now have been distinctly regressive and provide more support to the better - off families to the poorest families. In comparison with other EU member states cash income support schemes dominate in Latvia. Social benefit amounts should be assessed as low and they do not enable families with children, in particular single parent families and large families with many children to find their way out of poverty.

Although in the normative acts children have been identified as a priority target group in receiving various services that are to be financed in full by the state and local governments, still often these requirements are not met, for example, free primary and secondary education, certain health care services, adequate housing. Although the number of children in care institutions has been gradually declining, still the number of children in institutional care remains high and more attention should be paid to implementing de-institutionalisation measures.

It would be necessary to define child poverty reduction as one of the government priorities in the field of social exclusion by developing a uniform and targeted policy. For the reduction of parents' in-work poverty in Latvia policy measures must be implemented that are focused on the development of "make work pay" initiatives, the reduction of the tax burden for the low-wage earners and the raising of the minimum income level. It would be necessary to develop policy measures aimed at providing support to single parents and stimulating their ability to reconcile their work and family life.

¹ Readers should note that the drafting of this report was completed in September 2013 thus it does not include an analysis of data or policy developments that became available after this date.

To achieve an optimum balance between universal and targeted policies, it is necessary to develop targeted policy measures for reducing child poverty that are better in terms of their accessibility, coverage and sufficiency. The raising of the Guaranteed Minimum Income level, would be one of the most urgent measures, in particular for families with children.

Access to inclusive education must be improved for children of social exclusion risk groups (disabled children, Roma children, juvenile offenders etc.). For an improvement in the responsiveness of health system to the needs of disadvantaged children it is necessary to increase the funding for the health sector. This would allow reducing waiting lists for services, improving health care services for the mother and the child as well as reducing health care costs for families with children.

2. Assessment of overall approach and governance²

According to statistics, the situation of families with children, in particular single-parent families and families with three and more children, is disturbing. Child poverty indicators remain high but since 2010 a slight declining is observable (the child poverty risk index in 2008 - 26.3%; in 2009 - 26.3%; in 2010 - 24.7%; in 2011 - 24.4%)³. Children are more exposed to the poverty risk than the population at large. The crisis has had a dual effect on children – a high unemployment rate significantly reduces the income and increases the poverty risk for many families; besides, the national budget consolidation resulted in the reduction of funding for services that are relevant for child development and welfare.

The assessment of changes in various households during the period of 2004-2010 shows that during the seven year period the highest at-poverty risks remain unchanged for families with three and more children and single-parent families. According to research data, in Latvia in 2008 23.3% of children under the age of 18 lived in single-parent families and 3.4% of children lived without parents – the highest indicators among the EU-27 countries⁴. In its turn, the poverty risk of single-parent families and families with three and more children is considerably higher than for other types of households. The poverty risk index has been very high for single-parent families (2008 - 38.7%; 2009 - 39.0%; 2010 - 37.6%; 2011 - 41.5%) as concerns families with three and more children even though the risk index remains high it has started to gradually decrease (2008 - 41.2%; 2009 - 37.6%; 2010 - 37.1%; 2011 - 35.9%)⁵. 48.3% of single-parent families are in the 1st quintile (the poorest) and 21.9% are in the 2nd quintile (year 2012). The distribution of families with three and more children among the lowest quintiles is even more dramatic - 57.6% of the households are in the 1st quintile while 11.5% are in the 2nd quintile. For comparison – the respective distribution for families with two parents and one child differs significantly - 20.3% are in the 1st quintile and 18.3% are in the 2nd quintile⁶.

According to the EU SILC data, during the years of crisis the material deprivation rate for children in Latvia has increased significantly (2007 - 43.3%; 2008 - 36.0%; 2009 - 41.6%; 2010 - 48.5%)⁷. If until 2008 retired people were most exposed to the poverty risk, while children and the youth were less exposed to the poverty risk, just the reverse situation has developed under the impact of the crisis. The at-risk of poverty rate for children and youths is now two and three times higher than for people of the retirement age⁸.

According to the UNICEF report "Child well-being in rich countries. A comparative overview", Latvia takes the 28th penultimate place among 29 industrialised countries in the assessment of child material welfare, health and safety, education, behaviour

² Readers should note that the drafting of this report was completed in September 2013 thus it does not include an analysis of data or policy developments that became available after this date.

³ <http://data.csb.gov.lv/DATABASE/Iedzsoc/Ikgadējie%20statistikas%20dati/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru.asp>

⁴ Living arrangements in the EU27, 156/2011 - 27 October 2011, Eurostat Newsrelease.

⁵ <http://data.csb.gov.lv/DATABASE/Iedzsoc/Ikgadējie%20statistikas%20dati/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru.asp>

⁶ Calculations made by CSB Latvia upon request from the author.

⁷ <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tessi082&language=en>

⁸ <http://data.csb.gov.lv/DATABASE/Iedzsoc/Ikgadējie%20statistikas%20dati/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru/Monetārās%20nabadzības%20un%20ienākumu%20nevienlīdzības%20indikatoru.asp>

and risks as well as housing and environment. For comparison Lithuania ranks 27th and Estonia – 23th⁹.

2.1. The integrated multi-dimensional strategy and synergies between relevant policy areas and players

Since the restoration of independence in 1991 child poverty in Latvia has never been officially declared a government priority. The financial and economic crisis has highlighted the topicality of child poverty issues. Even though in 2012 and 2013 the government declared the reduction of poverty and social exclusion to be one of the priorities on the political agenda and a high-ranking work group was established under the guidance of the Minister of Welfare to reduce poverty, social exclusion and inequality¹⁰, still children have not been identified as a priority target group and problems related to child poverty and social exclusion are discussed largely from the demographic aspect or in the context of increasing incomes of employees. In actual fact, the only policy document in Latvia that highlights reduction of child poverty as a political priority is the National Development Plan of Latvia for 2014-2020. One of the strategic objectives in achieving the goal "Stability for Demographic Growth" has been formulated as follows: "By way of a comprehensive family support system that encourages a reconciling work and family life, reduce the poverty risk of children from 25% in 2010 to 20% in 2020", envisaging that by 2020 the risk of poverty for single-parent families must be reduced from 39 to 30%, but for households consisting of two adults and three or more dependent children from 37 to 27%, the risk of poverty for all children (aged 0-17) from 24.8 to 19%¹¹.

The goal of the National Reform Programme of Latvia for implementation of the "Europe 2020" strategy is to reduce the risk poverty index for the whole population to 21% by 2020; however, child poverty reduction has not been specifically singled out. Measures planned in the NRP 2013 to reduce child poverty and social exclusion are included in the following directions of activity – Reduction of labour force taxes, Provision of the accessibility of primary and secondary education, Reduction of income inequality, Stimulation of the birth rate and Social protection measures for families with children¹². Attention is focused on further improvement of material support for families with children. Although the bulk of measures are planned with the aim of improving the demographical situation, in reality, they are aimed at seeking solutions for poverty and social exclusion problems faced by families with children.

Resolution of child poverty and social exclusion issues as a function has not been delegated to any specific institution; however, separate aspects of the issue (education, health, safety, social protection etc.) are divided among several public institutions, sectoral ministries, and independent agencies. The Ministry of Welfare is responsible for the coordination of a single social inclusion policy in the country, the formulation and implementation of policies in the area of child and family rights; it also ensures policy development in the area of social services and social protection¹³. Initiatives for support to families and children, movement towards care outside institutions, the implementation of the Disability Act and other measures to promote the social inclusion of individuals with functional disorders have been identified as welfare sector priorities for 2012-2013.

⁹ <http://www.unicef-irc.org/Report-Card-11/#.UWaC9vJ7oL2.twitter>.

¹⁰ Labklājības ministres 04.04.2013 rīkojums Nr.24 „Par nabadzības, sociālās atstumtības un nevienlīdzības mazināšanas priekšlikumu izstrādes darba grupa izveidi”. p. 40-42.

¹¹ http://www.pkc.gov.lv/images/NAP2020%20dokumenti/NDP2020_English_Final.pdf

¹² Ekonomikas ministrija, Informatīvais ziņojums "Progresa ziņojums par Latvijas nacionālās reformu programmas "Eiropa 2020" stratēģijas kontekstā īstenošanu" 63.-64.lpp.; available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40283125&mode=mk&date=2013-04-29>

¹³ Ministru kabineta 27.01.2004. noteikumi nr.49 "Labklājības ministrijas nolikums".

The Ministry of Education and Science is in charge of educational policy formulation and it coordinates policy implementation¹⁴. The Ministry of Health formulates policies for the sectors of public health and health care¹⁵. The Ministry of Interior develops policies in such areas as individual and public security, combating crime¹⁶. Courts and the police ensure the security of the individual and the protection of rights of the individual.

Functions that are performed by the National Inspection on the Protection of Child Rights are subordinated to the Ministry of Welfare and include monitoring of compliance with normative acts regulating the protection of child rights, analysis of the situation in the field of the protection of child rights, submit recommendations to ensure and improve the protection of child rights and to inform the general public about issues of child rights. Besides, the National Inspection on the Protection of Child Rights supervises the operation of custody courts, provides recommendations to public and municipal institutions on safeguarding child rights, implements support measures for foster families. Specialised educational institutions provide educational services for children with various development disorders.

Two institutions – the Constitutional Court and the Ombudsman’s Office – exercise independent oversight over compliance with the legality of anti-discrimination issues. One of the Ombudsman’s lines of action is the promotion of the protection of children’s rights and the following priorities have been identified: respect for rights of vulnerable children (rights of disabled children, orphans and children deprived of parental care); ensuring the right of children to receive free primary and general secondary education; the right of children to state-financed health care; the promotion of the right of children to express their opinion and enhancement of the role of mass media in the protection of children’s rights¹⁷.

Likewise addressing child poverty and social exclusion – related issues is included in the agendas of several standing committees and sub-committees of the Parliament (Human Rights and Public Affairs Committee, the Education, Culture and Science Committee, the Demography Sub-Committee at the Budget and Finance (Taxation) Committee) when reviewing topical issues of the time and discussing required improvements in the operation of ministries, public and municipal institutions¹⁸.

Regional and local governments comply with the Law on Local Government in performing functions prescribed by the said Law in policy implementation and provision of public services. Social workers or social services and the staff of custody courts are directly involved in addressing child poverty and social exclusion at the local government level. Many local governments have established special entities or employ specialists to work with families with children.

In the context of reducing child poverty and social exclusion local governments have the following tasks¹⁹:

- to provide for the education of inhabitants (ensuring the specified rights of inhabitants to acquire primary and general secondary education; providing children of pre-school and school age with places in training and educational institutions;

¹⁴ Ministru kabineta 16.09.2003. noteikumi nr.528 „Izglītības un zinātnes ministrijas nolikums”.

¹⁵ Ministru kabineta 13.04.2004. noteikumi nr.286 „Veselības ministrijas nolikums”.

¹⁶ Ministru kabineta 29.04.2003. noteikumi nr.240 „Iekšlietu ministrijas nolikums”.

¹⁷ Tiesībsarga stratēģija 2011.-2013.gadam, available at http://www.tiesibsargs.lv/img/content/tiesibsarga_strategija_2011-2013.pdf

¹⁸ <http://www.saeima.lv/lv/par-saeimu/saeimas-darbs/komisijas>

¹⁹ Likums par pašvaldībām, 15.pants, available at <http://www.likumi.lv/doc.php?id=57255>

organisational and financial assistance to extracurricular training and educational institutions and education support institutions, and others);

- to ensure access to health care as well as to promote a healthy lifestyle among inhabitants and their engagement in sports;
- to provide social assistance to inhabitants (social care) (social assistance to low-income families and socially vulnerable individuals; providing places for the elderly at old people's homes, providing places for orphans and children deprived of parental care at educational institutions, providing overnight for the homeless etc.);
- to take care of guardianship, trusteeship, adoption and the protection of personal and property rights and interests of children;
- to provide assistance to inhabitants in addressing housing issues;
- to implement protection of children's rights in the respective administrative territory.

In local governments institutional cooperation is more or less developed among the social service, the educational institution, the custody court, the Employment State Agency and non-governmental organisations in addressing crisis situations of families with children, cases when children do not attend school, providing psychological support to children and their parents, promoting quality leisure activities etc. In local governments inter-institutional cooperation mechanisms are regulated in various ways – through cooperation agreements among various involved parties, internal bylaws on cooperation mechanisms in specific areas etc.

The assessment of the division of functions at various governance levels allows concluding that it is sufficient to be able to address issues of child poverty and social exclusion. The main failings that should be mentioned are as follows: the fragmentation of functions among various sectoral ministries; the absence of a single policy that obstructs the development of an integrated multi-dimensional strategy and constrains synergy between relevant policy areas and players. There appears to be a lack of a political will to address these issues. The insufficient assessment of the social impact of decisions taken during the crisis period and in particular the failure to forecast the negative consequences that these decisions might cause for the living standards of the population, including children, have led to the growth, prevalence and depth of poverty in Latvia. The neo-liberal approach that prevails in Latvia has determined the attitude of the government towards addressing social problems and the emergence of an opinion that it is up to the inhabitants themselves to assume responsibility for their situation.

2.2. The children's rights approach and an effective mainstreaming of children's policies and rights

Article 6 of the Law on Protection of Rights of the Child, stipulates that in all activities regarding a child, irrespective of whether they are undertaken by public or local government institutions, non-governmental organisations or other natural persons and legal persons, as well as courts and other law enforcement institutions, the rights and interests of the child must be ensured as a priority. The children's rights approach has been identified as one of the basic principles in the National Family Policy Basic Guidelines for 2011–2017. Rights and interests of the child serve as the basis for identifying children or families with children as priority target groups for the receipt of many services (for example, social services, services provided by local governments) or for including them in the categories of free service recipients (for example, a prescribed set of health care services, education, public transport). From the formal point a children's rights approach has been consolidated in the national regulation as one of the basic prerequisites to ensure respect for children's rights, however, in

practice compliance with this requirement depends on the financial possibilities of the state and local governments.

2.3. Balance between universal and targeted policies and focus on children at increased risk because of multiple disadvantage

Upon the assessment of various policy areas that are focused on reducing child poverty and social exclusion, it must be pointed out that the universal approach prevails, defining children as the primary target group in receiving various services, establishing free services for them, and envisaging financial support depending on the presence or absence of a child in the family. It is particularly prominent in the social benefit and tax policy area. Social services and specific benefits mostly are focused on children at an increased risk because of multiple disadvantage; in such cases the main support is provided to disabled children. The universal support is combined with targeted measures at the national and local levels, for example, social benefits and services in the case of functional disorders (the disabled childcare benefit, the disability pension, technical auxiliary devices, adjustment of housing, the assistant's service for disabled children, free transport for disabled children etc.), social and medical rehabilitation, social assistance of local governments. Unfortunately, the existing targeted policy measures are insufficient as concerns their accessibility, coverage and sufficiency. The effectiveness of the targeted measures is significantly influenced by the lack of financial resources allocated for the resolution of these problems. Insufficient support is provided to children with various addiction problems, victims of human trafficking, children – victims of violence (in particular in dysfunctional families), Roma children for acquiring education and integrating into the society, to children after institution care. No adequate assessment is made of the needs of these groups from the gender aspect.

2.4. Involvement of relevant stakeholders and an effort to support the involvement of children

The institutional and legal mechanisms established at the national level and the current practice in involving stakeholders can be assessed as appropriate and sufficient to ensure the representation of interests of all involved parties during the whole process - from the stage when policy initiatives are formulated to the policy implementation and monitoring stage. The participation of civic society, social partners, and other organisations in policy planning, evaluation and monitoring at the national level has been consolidated in several legal acts. The legal act regulating the operation of the Cabinet of Ministers prescribes the participation of the social partners, non-governmental organisations and local governments in the decision-making process²⁰. In order to strengthen the participation of the non-governmental sector at all decision-making stages and to stimulate the development of the civic society, on 15 June 2005 non-governmental organisations and the Cabinet of Ministers signed a Memorandum of Cooperation. The National Trilateral Cooperation Council has been established to ensure cooperation between employers' organisations, employees' organisations and the government. A special legal act has been passed prescribing cooperation between local governments and the central government.

Cooperation principles at the level of sectoral ministries are regulated by the Law on Public Administration Structure²¹. They prescribes that a public administration institution is to involve representatives of the general public (representatives of non-governmental organisations and other organised groups, individual competent

²⁰ Ministru kabineta 07.04.2009 noteikumi nr.300 "Ministru kabineta kārtības rullis", 63., 91., 146., 149.punkts; available at <http://www.likumi.lv/doc.php?id=190612>

²¹ Valsts pārvaldes iekārtas likums, VI nodaļa „Sabiedrības līdzdalība valsts pārvaldē”, available at <http://likumi.lv/doc.php?id=63545>

persons) in their activities, by including such persons in working groups, advisory councils or by asking them to provide opinions. They also impose the obligation on public administration institutions to organise in matters important for the society a public discussion. If an institution takes a decision that does not correspond to the opinion of a considerable part of the society, the institution must provide a special substantiation for such a decision. Alongside with the regulation of the participation of the society in policy planning and development the basic principles are prescribed for the delegation of public administration tasks.

The Ministry of Welfare has established a Committee on Social Inclusion Policy Coordination²². The committee reviews issues related to the poverty, income inequality and social exclusion situation in the country, it submits proposals for the drafting and improvement of policy planning documents in the social inclusion policy area; for example, the new legislative initiatives in various sectors, examples of the best practice etc. In view of the advisory character of the Committee it serves more as a channel for information and opinion exchange among stakeholders, rather than having any impact on decision making.

Relevant stakeholders can express their opinion concerning child poverty and exclusion related issues at the Council On Demographic Matters²³ chaired by the Prime Minister, which has among its key functions also the development of a uniform demographic policy, the implementation at all public governance levels and the coordination of the national demographic policy at all public administration levels. The agenda of the Council for 2012 included such issues as liquidation of waiting lists for municipal pre-school institutions, a set of measures aimed at improving the health of the mother and the child, as well as support measures that help families to reduce their expenses and/or to increase their income at present as well as in future²⁴.

Education is the sector with the most extensive involvement and participation of children in its processes. A widespread practice is the establishment of pupils' self-governing boards at schools and students' councils at higher educational institutions. Already for the third consecutive year the Parliament together with its cooperation partner – the society "Children's Forum of Latvia" – organise the Youth Parliament to raise awareness about children's problems and the resolution and to promote youth activity²⁵. In other areas children are mostly involved in decision-making through NGOs protecting children's rights, encouraging the participation of children in decision-making, NGOs that represent large families with children, families with disabled children, children with specific disorders etc. The Children's Forum of Latvia is a non-governmental organisations which has identified that one of its lines of action is to involve children and young people in decision-making and to promote respect for the child rights and child participation in the European Union, to ensure that children are involved in decision-making – in their family, at school, in local governments, at the government level and in the Parliament – in any matter that may affect their lives.

²² The Committee on Social Inclusion Policy Coordination includes representatives from sectoral ministries, regional local government development agencies and non-governmental organisations, the Latvian Association of Local Governments, the Central Bureau of Statistics, the Social and Employment Matters Committee of the Parliament, the Civil Police Headquarters of the State Police as well as social partners.

²³ The Council includes sectoral ministers, representatives of the Parliament, representatives of the academia, NGOs representing interests of children and families as well as social partners.

²⁴ Ekonomikas ministrija, Informatīvais ziņojums "Progresā ziņojums par Latvijas nacionālās reformu programmas "Eiropa 2020" stratēģijas kontekstā īstenošanu", available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40283125&mode=mk&date=2013-04-29>

²⁵ http://www.jauniesusaeima.lv/blog/par-jauniesu-saeimu_sp1/

Thus, in Latvia the problem does not lie in the absence of legal regulation but in its practical implementation. Involvement of stakeholders is influenced by the political will of stakeholders, their desire and interest to cooperate as well as the capacity and resources of the stakeholders. No mechanism for funding NGOs has been established at the national level and NGOs depend in their efforts to attract resources on the availability of foreign financial funds, their insufficient capacity proves to be a significant restricting factor.

2.5. Evidence-based approaches and an evaluation of the impact of policies introduced in response to the crisis on children

Although no comprehensive and regular research studies are undertaken in Latvia concerning the situation of children and families in the context of the impact that the government-implemented policies have had on their poverty and social exclusion risk, still there are statistics available (labour force surveys, EU SILC data, administrative data accumulated by various institutions) as well as comparative research studies conducted by international institutions that could be put to a more efficient use and on a much wider scale in policy planning that it has been done until now. Latvia should develop and apply a more evidence based approach to policy. Policy making is more shaped by political priorities and the influence of the ruling parties than by the topicalities of social problems. One of the most comprehensive and significant research studies describing the impact that policies introduced in response to the crisis have had on different social and demographic groups, including families with children, is the 2013 study of the World Bank "Scientific research: Latvia: Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options". Although the acquired findings are very significant and relevant for reducing poverty and social exclusion, and helpful in formulating social inclusion policies, the experience accumulated so far is that these findings have not been used which gives rise to justified concerns about the genuine interest of the government in formulating an evidence-based policy.

2.6. Sustained investment in children and families and an effort to ensure that children are protected from the impact of the crisis

Unfortunately, the absolute majority of austerity measures implemented by the government during the economic crisis had a negative impact on the situation of children and families. The social impact assessment was not at the basis of these decisions when they were taken. The major compensation mechanism for supporting children and families and reducing the negative impact of the crisis consisted of measures implemented within the frame of the Emergency Social Safety Net Strategy (raising the GMI level for children, payment for specific health care services for the poor population, providing school transport and public transport, implementing public works programme). In the case of Latvia it is not possible to speak of any sustained investment in children and families. And this had a direct impact on the demographic situation, it may have influenced the emigration of inhabitants capable of work (including families with children) in search of employment abroad.

2.7. Recommendations

In order to successfully implement an integrated multidimensional strategy it would be necessary to define a child poverty reduction target as one of the government priorities specifically in the field of social exclusion to embrace all social inclusion dimensions and to prevent focusing mainly on financial and demographic aspects. As a next step uniform policy needs to be implemented that describes in detail the responsibility of involved institutions and reduces the fragmentation of functions between the various sectoral ministries and agencies.

To strengthen the Latvian compliance with the children's rights approach policies must be applied in practice in a consistent manner and not be subordinated to the financial possibilities of the state and local governments as well as the priorities of the political parties.

To achieve an optimum balance between universal and targeted policies, it is necessary to develop better targeted policy measures for reducing child poverty, to increase their accessibility, coverage and sufficiency. One of the most essential tasks in this respect is the availability of adequate funding for this purpose.

In order to strengthen the involvement of stakeholders and their impact on decision-making, more attention should be paid to ensuring a good co-participation with the children themselves, not only in the field of education but likewise in other areas that concern child welfare. It is essential to strengthen the financial and human resource capacity of those NGOs that represent the interests of child to enable them to successfully participate in policy development, monitoring and evaluation. In order to resolve these issues a stable financial support system for NGOs at the national level must be provided. Only this will ensure the continuity of the operation of NGOs and reduce their sole reliance on accessible foreign financial instruments.

Latvia should develop and apply an evidence-based policy approach, the policies that have been implemented so far, appear to be more shaped by political priorities and the influence of the ruling parties than by the topicalities of social problems.

As concerns the reduction of the negative impact generated by the economic crisis on the situation of children and families, policy planning must move away from a formal social impact assessment to a more actual social impact assessment. The impact assessment should lead to policy measures that can ensure a sustained investment in children and families.

3. Access to adequate resources

3.1. Policies to support parents' participation in the labour market, especially those at a distance from the labour market and in households at particular risk

Until now neither in-work poverty nor child poverty has been singled out as priorities in policies implemented by the earlier governments and only very recently these issues were put on the agenda of the government. Therefore it is not surprising that in the policy area not many measures can be mentioned that support parents' participation in the labour market, especially those at a distance from the labour market and in households at particular risk. Policy measures undertaken by the government that are more or less directed towards stimulating parents' employment can be subdivided into three groups:

- proposals in the area of the minimum wages of employees and taxation policy that are planned to be implemented in future;
- services for the unemployed that stimulate their return to the labour market;
- proposals in the service provision area that would facilitate the reconciliation of family and working life for families with children.

The policies implemented by the government during the global financial and economic crisis, the negative social and demographic consequences it has brought about as well as the coming Parliament elections due to be held next year, have brought to the foreground the topical issue of reducing social inequality as well as the demographic challenge of improving the birth rate.

The most common source of the family income is remuneration earned at work and poverty largely depends on parents' employment. Although the Latvian government has declared in the Progress Report on Implementation of the National Reform Programme in 2013 that employment is the main means to evade poverty, it did not collect any statistical data collected or nor organised regular surveys to establish how many of the unemployed have underage children. Statistics collected by the Employment State Service provides a first but incomplete insight as the Agency maintains statistics on risks groups of the registered unemployed, singling out the group of individuals after childcare leaves. According to the data of the Employment State Agency, in 31 July 2013 2.9% of the unemployed were using childcare leave²⁶; however, it must be taken into account that parents of underage children are included also in other groups of the unemployed, for example, the long-term unemployed, unemployed youths, disabled people etc.

According to the EUROSTAT data, the unemployment rate in Latvia has been gradually declining. In 2012 it was 15.0% (in 2011 -16.2%; 2010 - 19.5%). The unemployment rate for men remains higher than for women. In 2012 the unemployment rate among women was 14.0% (in 2011 -13.8%; 2010 - 16.3%), while the unemployment rate among men was 16.2% (in 2011 -18.6%; 2010 - 22.7%)²⁷.

An analysis of EU data on the number of children who live in households with a low work intensity shows that among the EU member states the situation in Latvia is not favourable for children. In 2011, 8.8% of children in the EU lived in households with

²⁶ <http://www.nva.gov.lv/index.php?cid=6&mid=444&txt=454&t=stat>

²⁷ <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdec450&language=en>

very low work intensity²⁸. However, this proportion varied greatly across Member States, ranging from less than 4% in Cyprus and Luxembourg, to between 12% and 14% in Belgium, Bulgaria, Latvia, Hungary and the United Kingdom and up to 25.5% (2010 figure) in Italy. The situation has worsened with the crisis: between 2008 and 2011, the number of children living in (quasi-) jobless households increased substantially in a number of countries: Latvia (+7.9 pp), Lithuania (7.7pp), Spain (+6.3 pp), Estonia (+5.3 pp), Bulgaria (+4.6 pp) and Denmark (+4.6 pp). Children living in households with very low work intensity are also particularly vulnerable, with a risk of the poverty rate of 70.4% in 2011²⁹.

As the at poverty risk for single-parent families and families with 3 and more children is one of the highest, the minimum wages and tax policy measures are important instruments for reducing child poverty. The minimum wage policy implemented by the government is particularly important for low wage earners. In Latvia the minimum wage even though it was gradually raised (see Table 1) still remains one of the lowest in the EU.

Table 1

Minimum monthly wage by year in Latvia

	01.01. 2008	01.01. 2009	01.01. 2010	01.01. 2011	01.01. 2012	01.01. 2013	01.01. 2014
Minimum monthly wage in LVL	160	180	180	200	200	200	225

Data source: CSB Latvia

According to the data of the Central Bureau of Statistics, in December 2012 198.6 thousand people or 26.2% of the total number of employees received salaries under or at the level of the minimum wage (gross LVL 200 or net LVL 146.08), of whom 172.7 thousand people were employed in the private sector constituting 33.8% of employees in the private sector and 23.7 thousand people worked in the public sector - 9.8% of employees in the public sector³⁰.

However, only raising the minimum wage does not result in any significant changes in the situation as it is important to take into account also the taxation policy implemented by the government that had a negative impact on the situation of the working poor. Changes in taxation that the government implemented in 2009 and 2010 have considerably increased the personal income tax burden. The personal income tax was raised from 23% to 26% (flat tax rate). From July 1 2009 the personal income tax allowance was reduced from LVL 90 to LVL 35 per month (for comparison in 2010 in Estonia it was LVL 101.20 LVL per month, in Lithuania - LVL 95.88 per month). Some efforts were started in 2011 to improve the situation of low wage earners when the non-taxable minimum was increased from LVL 35 to LVL 45 and the tax relief for dependents was raised from LVL 63 to LVL 70 per month (see Table 2), while the personal income tax rate was lowered from 26% to 25%.

²⁸ People living in households with very low work intensity are people aged 0-59 living in households where the adults work less than 20% of their total work potential during the past year.

²⁹ European Commission (2013), Social Europe. Current challenges and the way forward. Annual Report of Social Protection Committee (2012), p.36.

³⁰ Labklājības ministrija, Informatīvais ziņojums „Priekšlikumi par minimālās mēneša darba algas apmēru 2014.gadā”, 5.lpp. Available at: <http://polsis.mk.gov.lv/view.do?id=4372>

Table 2

Non-taxable minimum and reliefs for dependents in 2008-2013

Year	Non-taxable minimum, in LVL per month	Reliefs for dependents, in LVL per month
As from 01.01.2008	80	56
As from 01.01.2009	90	63
As from 01.07.2009	35	63
As from 01.01.2011	45	70
As from 01.01.2012	45	70
As from 01.07. 2013	45	80

Data source: State Revenue Service

During the crisis the social fairness of the Latvian tax system was discussed. The economist A. Vanags concluded that internationally Latvia's direct tax system is in the lower end of the progressivity rankings, while Latvia's indirect tax system is at the higher end of the regressivity rankings. In other words taken together, the Latvian income and consumer tax system, although overall progressive, is not particularly so when compared internationally.³¹

According to Vanags, at the insistence of the international lenders, the government produced a policy paper on the medium-term developments in the tax system. The paper was published on 17th June as Finance Ministry (2010) "Nodokļu un nodevu sistēmas attīstības pamatnostādnes 2011-2015" (Basic Guidelines for the Development of the System of Taxes and Fees) and proposes four political goals for the development of the future tax system: 1) stable budget revenues; 2) a stable and predictable tax system; 3) improved competitiveness of the economy; 4) social fairness.

The paper also proposes:

- Abolishing the reduced rate of VAT;
- Introducing a tax on residential properties of up to 1.5% of cadastral value;
- By steps reduce the rate of income tax to 21% by 2015;
- Also by steps increase the untaxed personal income allowance (non-taxable minimum) to LVL 95 per month by 2015³².

From the point of social fairness, the new tax system, which is "further elaborated in the policy paper as "a more progressive tax system", seems to impose a "lower tax burden on lower wage workers and a higher tax burden on exclusive properties". This would represent something of an innovation in Latvian politics"³³. However A. Vanags comes to a different conclusion than the government. In his mind, the results of the progressivity calculations suggest that the proposals of the policy paper will do little to promote social fairness and will result in less revenue. This also suggests that perhaps the government should look elsewhere for creating more fairness in the Latvian tax system. One of the experiments conducted suggests that reducing the VAT on food would increase the progressivity of the Latvian tax system. However, the government prefers a single VAT rate³⁴.

The research undertaken by the World Bank with findings publicly accessible since May 2013 is one of the most comprehensive research studies in Latvia that analysing the benefit and tax policy changes during the crisis period, measures planned by the government in these areas and their impact on poverty and social exclusion reduction. One of the questions that the study of the World Bank "Scientific research: Latvia:

³¹ Vanags A., Tax Reform in Latvia: Could it be Fair? BICEPS. August 2010. p.17.

³² *ibid.*, p.2.

³³ *ibid.*, p.2.

³⁴ *ibid.*, p.21.

"Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options" sought answers for was: Does the current tax-benefit system "make work pay"? The experts of the World Bank conclude that work disincentives are unlikely to be the main employment barrier after a deep recession, however unemployed on means-tested benefit recipients face high marginal effective tax rates (for every LVL1 earned, a LVL1 of benefits is withdrawn) and financial incentives to take up employment can be improved for low-wage earners.

A significant problem in the view of the World Bank experts is that the "make work pay" principle does not work if the unemployed individual is forced to take a low-paid job. The current social assistance system stipulates that GMI (guaranteed minimum income) recipients lose all social assistance when accepting a job in Latvia.

Similarly the World Bank experts are reserved in their assessment of the government proposal to gradually increase the non-taxable minimum thus putting the principle - "make work pay" - into operation. From the perspective of increasing work incentives, the proposed reform on non-taxable minimum will not have a large enough effect on incentives to move from social assistance to jobs. For example, for a single parent with 2 children receiving social assistance benefits (GMI and housing), the average effective rate will decrease by a maximum of 3.8 percentage points if the parent in such a family takes a job at 73% of average wage. Still, the average effective rate in this case after the reform is about 67%, which means that the net income of the family will only increase by less than 33%. This does not increase the pay-off from work significantly, particularly, compared to policies existing in other countries to increase work incentives among the low-wage earners, as well as increase adequacy of incomes of the working poor³⁵.

Latvia is recommended to learn from policies implemented by the OECD countries to "make work pay" and to choose among the examples of the practice that is best suited to the situation in Latvia - gradual benefit phase-outs for individuals who manage to earn only limited amounts (the United Kingdom) or a tapered withdrawal of Social Assistance (France); employment-conditional ("in-work") benefits or tax credits that support the incomes of workers in non-marginal employment; reduced social security contributions and/or taxes for low-wage employment; temporary benefits ("back to work bonuses") or permanent benefits (periodic payments via the benefit or tax system). Although at the conference where the preliminary research findings were presented the Ministry of Welfare considered the possibility of gradual GMI benefit phase-outs for individuals as one of the potential measures, this proposal has not been discussed at greater length by the government, the Parliament and the society.

The Report of Social Protection Committee recognises, that households working at only half of their potential (typically, a one-breadwinner couple) face a risk of poverty that is four times higher than couples working at their full potential. This risk is significantly higher where there are children. The employment of mothers is recognised as an important element in the strategy to reduce child poverty. It is, therefore, important to facilitate full-time participation in the labour market of single parents and to allow for male-breadwinner couples (and one-and half male breadwinner couples) to become dual-earner couples. Affordable childcare is the key element that is needed for achieving this.³⁶

Notwithstanding the high proportion children who live in single-parent families, unfortunately, in Latvia no special policy measures exist and no special measures are

³⁵ The World Bank (2013), Scientific research: Latvia: "Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options". Analysis of the Incentive Structure Created by the Tax and Benefit System, p. 43.

³⁶ European Commission (2013), Social Europe. Current challenges and the way forward. Annual Report of Social Protection Committee (2012), p.49.

planned to support single parents, including the stimulation of their employment. Likewise there are no special policy measures concerning the second wage earner in the family and this issue has not been included in the agenda of politicians or the society.

To help individuals without jobs to enter the labour market the Employment State Agency offers a range of active employment measures that are attended also by unemployed parents: occupational training, retraining and upgrading of qualifications; paid temporary community work; measures for the improvement of competitiveness, subsidised employment measures for specific groups of people, measures to help start business activities or self-employment; on-the-job-training, complex support measures mostly intended for unemployed youths without any work experience to stimulate their integration into the labour market as well as a support measure for the long-term unemployed with addiction problems that provides an opportunity to undergo treatment for alcohol, drug and psychotropic substance addictions within the medical technology of the Minnesota 12 step programme, practical training in priority industries.

At present it is still too early to speak of ensuring access to affordable, quality early childhood education and care in Latvia, of adapting the design and eligibility of services to increasingly diverse working patterns and supporting parents in their job search. Accesses to kindergartens and waiting lists for this service still remain an unsolved problem that has been analysed in more detailed in the present Report in the Chapter "Access to affordable quality services". Some local governments provide round-the-clock kindergartens in view of the parents' employment in night shifts or longer absence from home due to their work. Still it must be pointed out that this is not a widespread practice. There are also specific private initiatives of employers that help employees to reconcile their family and work life by providing child-minding services at the enterprise. Such initiatives are more characteristic for the large enterprises; however, there is only a small number of the large enterprises in Latvia. To promote the development of a family-friendly environment and the participation and co-responsibility of businesses in supporting and enhancing family values, the Ministry of Welfare has been selecting the Most Family-Friendly Businesses already for several years. The annual report for 2012 filed by the Ministry of Welfare points out that in the framework of the given initiative an assessment is made of the focus of the enterprise on effective reconciliation of family and work life, health and safety of employees at work, provision of client-oriented services, providing support to activities dedicated to children and families, involvement in charity as well as the appropriateness of premises and equipment of the enterprise for children's needs.

In Latvia inclusive labour market measures do not fully take into account the quality of jobs, the services which can stimulate reconciliation of work and family life such as childcare facilities, day care services for old or disabled family members etc. For those furthest from the labour market social and economic integration measures, the quality of jobs proposed for unemployed social exclusion risk groups remain a major challenge³⁷.

3.2. Policies to provide adequate living standards through an optimal combination of cash and in kind benefits

The state and local governments provide material support to families with children in the form of various benefits. State benefits can be subdivided into two groups:

³⁷ Lace T., The 2nd 2012 Report. Assessment of Implementation of European Commission Recommendation on Active Inclusion. *Latvia*. p.15. Available at <http://ec.europa.eu/social/main.jsp?catId=1025&langId=en&newsId=1823&moreDocumentS=yes&tableName=news>

benefits of a universal character (the family state benefit, the childbirth benefit, the childcare benefit etc.) and benefits for specific categories of families (the benefit to a disabled child, the adoption benefit, the benefit for the performance of guardian's duties etc.), however, they are allocated irrespective of the family income level. As a large part of benefits are based on social insurance principles their amounts depend directly on the size of social insurance contribution payments that parents have made, i.e., the higher the salaried income the larger the benefit amount. Specific targeted benefits for specific groups (children suffering from the celiac disease, disabled children) are set at a constant amount irrespective of the income level and the composition of the family. Targeted or means-tested benefits are paid by the local government. Only one of the local government benefits – the GMI minimum amount is established by normative acts at the national level. Alongside with mandatory benefits that are to be paid (the GMI benefit, the housing(apartment) benefit, a one-off benefit in an emergency situation when due to a natural disaster or other unforeseeable circumstances the individual or the family is incapable of satisfying their basic needs) the municipalities may also establish other ways of assistance to support the low-income individuals and families, however, these benefits have more of a one-time character or they are based on the assessment of an individual application; likewise they depend on the financial resources and priorities of the specific municipalities³⁸.

In response to consequences generated by the economic crisis, during 2009 the GMI level was increased several times. As of 1 January 2009 the GMI level was raised from LVL 27 to LVL 37 per person per month. The decline of the economic situation in the country persisting, as of 1 December 2009 the GMI level was raised for all GMI benefit recipients – to LVL 40 for adults and to LVL 45 to children, irrespective of the time of the allocation of the benefit. The increase in the GMI level has expanded the range of those households with minimum subsistence who can apply for the GMI benefit which is very relevant in the conditions of crisis. As of 1 January 2013 the GMI level has been reduced from the LVL 40 and LVL 45 (benefit amount for a child) to LVL 35. The legislative changes were justified by the fact that the economic crisis is over and that people should be motivated to seek employment and to address their problems themselves.

As it has already been mentioned above, in Latvia the existing benefits to support families with children were already low during the pre-crisis period while during the crisis they underwent even a further reduction. Amount restrictions were imposed for a range of social benefits but these restrictions have been gradually removed since 2013. Amount restrictions were imposed also on benefits based on the state social insurance contributions thus affecting the more affluent families.

The family state benefit is one of the universal benefits. Restrictions on family state benefits were imposed during the crisis (as of 1 July 2009) when benefits for the second and following children were reduced, establishing a single benefit amount for all children – LVL 8 per month. In 2013 restrictions on the family state benefit have been retained. The government has planned to retain these restrictions until 2015. Starting with 1 January 2015 the family state benefit amount is to be differentiated depending on the number of children in the family. The Cabinet of Ministers will establish the family state benefit amount for the first child; the benefit for the second child will be two times than the benefit amount for the first child and the benefit for the third and following children will be three times higher than the benefit amount for the first child.

³⁸ Lace T. (2012), *Assessment of Implementation of European Commission Recommendation on Active Inclusion. Latvia*. p.8. Available at:
<http://ec.europa.eu/social/main.jsp?catId=1025&langId=en&newsId=1823&moreDocument=yes&tableName=news>

In 2013 the minimum parental benefit amount increased from LVL 63 to LVL 100. As of 1 January 2013 the child care benefit and the additional allowance for childcare until the age of one year and half were increased to LVL 100 per month. Earlier parents received a benefit in the amount of LVL 50 for taking care of a child until the age of 1 year and LVL 30 for taking care of the child from the age of one year until one year and a half. The benefit amount for taking care of a child from the age of one to one and a half is LVL 100 per month irrespective whether they have or have not worked earlier. In its turn, the benefit for taking care of a child from the age of one year and a half until two years of age is LVL 30 per month. As concerns twins or several children born during one delivery an additional allowance of LVL 100 is paid from each following child until they reach the age of a year and a half. This allowance is paid in addition to the basic childcare benefit amount or the parental benefit amount.³⁹

During the crisis the government established a threshold for the payment of maternity, paternity and parental benefits that are based on social insurance principles. As of 1st January 2013 the threshold for the payment of maternity, paternity and parental benefits has been doubled. It means that LVL 23.02 and 50% of the amount calculated in excess of LVL 23.02 are paid for each calendar day.

On 2004 the Alimony Guarantee Fund was launched. According to the data of the Alimony Guarantee Fund administration, in 2012 the Fund provided means of sustenance for 27640 children, attributing these means to 17873 parents⁴⁰. According to amendments to the Law on Alimony Guarantee Fund, starting with 2012 the alimony amount paid to children will be increased by LVL 5 annually. In 2013 the Alimony Guarantee Fund pays LVL 35 for a child from his/her birth until the age of seven and LVL 40 for a child of 7 -18 years, which is LVL 5 more than the payment in 2012. In 2014 these amounts will LVL 40 and LVL 45 respectively and in 2015 - LVL 45 and LVL 50 respectively.

As was indicated above, in 2013 the personal income tax relief amount for a dependent has been increased by LVL 10 (from LVL 70 to LVL 80).

As of 2013 families with 3 and more children have been granted a real estate tax allowance in the amount of 50% for a residential house or an apartment and the related land property if members of the family with at least three children have declared their official domicile in the said property. The given tax discount for families with many children will not exceed LVL 300 per year. Although such an approach can be supported, still it would be advisable to assess if single-parent families with two children do not need similar allowances.

The disabled childcare benefit is granted to provide state support to families with a disabled child with severe functional disorders. Since 1 January 2008 the benefit amount has been tripled and exceeds LVL 150 per month. Alongside with this disabled child care benefit (which could be received only in exceptional cases) the state grants also an allowance in addition to the family state benefit for a disabled child – LVL 75 per month. Thus the state support provided to these families in the form of benefits could reach amounts to LVL 225.

The study by the World Bank in 2012- 2013 points out that according to the literature cash family benefits alone are not likely to have a meaningful impact on fertility, while they do come at a significant cost since they are usually provided to all families

³⁹ 2012.gada 20.novembra Grozījumi Ministru kabineta 2009.gada 22.decembra noteikumos Nr.1609 "Noteikumi par bērna kopšanas pabalsta un piemaksas pie bērna kopšanas pabalsta un vecāku pabalsta par dvīņiem vai vairākiem vienās dzemdībās dzimušiem bērniem apmēru, tā pārskatīšanas kārtību un pabalsta un piemaksas piešķiršanas un izmaksas kārtību".

⁴⁰ Pārskats par Uturlīdzekļu garantiju fonda administrācijas darbību 2012.gadā. Available at http://www.ugf.gov.lv/lat/publikacijas_un_statistika/publiskais_gada_parskats/?doc=1068

regardless of income. Supporting services (such as free or affordable child care provision) are more likely to help boost fertility, than cash benefits alone.

Reflecting on the evolution of household types and ensuring redistribution across income groups the researchers of the World Bank point out that social assistance is mostly delivered in the form of cash transfers and is not targeted on the basis of need. Out of overall social assistance spending, about two-thirds are allocated to cash transfer programmes, mostly to universal family and child allowances. Taking into account transfers in cash, in-kind benefits and services, poverty-targeted programmes represent only 10% of the total spending on social assistance in 2009. This is relatively low, especially when compared to the EU average of 45%. Despite recent adjustments, spending on universal social assistance programmes continues to dwarf expenditures on poverty-targeted programmes. While in recent years real spending on categorical programmes, such as family and children allowances, has decreased, overall spending on such programmes remains significantly higher than spending on poverty-targeted programmes. Even after its recent expansion [*during the crisis years*], expenditure on the Guaranteed Minimum Income (GMI) programme, which is the main poverty-targeted programme in the country, remains very moderate compared to other EU countries (0.16% of GDP in 2011)⁴¹.

In the policy formulation when the government declares that the child poverty reduction is one of its priorities (the National Development Plan for 2014-2020) it is important to take note of the conclusion made by researchers that the distribution of social assistance benefits in Latvia is strikingly regressive. The share of all social assistance benefits going to the poorest quintile, or targeting accuracy, is under 20% in 2009, while the share of benefits going to the richest quintile is almost 27.5%. This is strikingly different from a typical progressive distribution of social assistance benefits in other EU countries, where, on average, the poorest quintile receives more than 40% while the richest - under 10%. This is largely due to the universal family and child benefits, which are the least targeted among all social assistance benefits in Latvia.

Analysing the benefit provisions for different family situations in Latvia the World Bank experts conclude that different low-income households fare quite differently under the current benefit system in Latvia. In 2010, a Latvian family with two children and no other income sources received GMI benefits at a level that put it less than 30% of median household income, or just under half of Eurostat's "at-risk-of-poverty" line. Family benefits contribute only a small additional income supplement. For families entitled to housing benefits, total income was higher at just under 50% of median household incomes – but still well below the Eurostat poverty threshold⁴².

The level of social assistance spending in Latvia is one of the lowest in the EU. Latvia is one of the EU countries with the lowest spending on social assistance (2.3% of its GDP). Only Estonia and Poland spend less (1.9 and 1.6% of GDP, respectively). Within social assistance, the share spent on cash benefits versus benefits in-kind differs across EU countries. Nordic countries deliver a large share of social assistance through social services (*benefits in kind*) compared to the new EU member states, such as Poland and Estonia, where the majority of social assistance is provided in form of cash transfers. During the last decade in Latvia approximately 60% of social assistance benefits were delivered as cash transfers. Among those social assistance programmes delivered in cash, EU countries primarily allocate spending to programmes benefitting families with children (about 50% of total spending on cash benefits). Latvia's

⁴¹ World Bank (2013), *Expenditure and Performance of Welfare Benefits and Employment programs in Latvia*, p. 6.

⁴² World Bank (2013), *Expenditure and Performance of Welfare Benefits and Employment programs in Latvia*, p. 26.

spending on family and children allowances is higher than in other EU countries, as it absorbs about 60% of its social cash benefits. On the other hand, among those benefits provided *in-kind* allocation of benefits across different categories greatly varies from country to country. For example, Poland allocates about 40% of in-kind benefits to social exclusion, while in Latvia distribution of in-kind benefits is much more uniform across various categories⁴³.

Social exclusion benefits in Latvia, and the GMI programme, in particular, do not appear to provide adequate income support. Whether social exclusion benefits such as the GMI programme provide an effective income support is a concern in Latvia. These benefits appear to contribute very little to incomes of those in the poorest quintile. Less than 10% of household disposable income of those in the poorest quintile comes from these benefits.⁴⁴ Those who rely on the GMI programme are at a high risk of poverty. Comparing benefit levels to the at-risk-of-poverty threshold also suggests that minimum income beneficiaries in Latvia are significantly worse off compared to people receiving such benefits in many other EU countries. In 2010, almost 75% of GMI beneficiaries were at risk of poverty compared to just 17.5% among non-beneficiaries (EU SILC 2011)⁴⁵. This is in part due to the fact that the GMI level is not tied to any indicators characterising the level of living standards such as the minimum wage or the subsistence minimum calculated by the Central Bureau of Statistics or the poverty line, such as the at-risk-of-poverty threshold.⁴⁶

During 2009-2012, the relative situation of the GMI beneficiaries has improved slightly, due to increases in the GMI benefits and simultaneous drop in average wages due to the economic crisis. In 2013, however, the GMI benefit levels was cut, which will further increase the gap between the GMI benefit and minimum and average wages and further exacerbate the risk of poverty among the GMI beneficiaries⁴⁷.

The GMI programme covers very few of the poor. In 2010 the GMI programme covered only 13.7% of the poor.⁴⁸ They are likely related to particularly low eligibility thresholds, which do not capture a significant share of the poor, but also could be due to restrictive criteria, such as ownership of particular assets which could exclude transitory poor. Alternatively, there may be administrative or other barriers such as stigma preventing potentially eligible beneficiaries from applying. Many EU Member States allow overlap of last-resort social transfers and child benefits in an effort to strengthen the support for families with children, which tend to be at a higher risk of being poor. Since the child poverty rate in Latvia emerges as one of the highest within the EU, options should be considered for full or partial disregarding of the state benefits for families with many children or families which fall within the category of 'needy' but have income (with state benefits) that exceeds the GMI eligibility threshold⁴⁹.

⁴³ World Bank (2013), *Expenditure and Performance of Welfare Benefits and Employment programs in Latvia*, p. 15-16.

⁴⁴ Benefits are calculated and expressed as a percentage of post-transfer income for beneficiary households in poorest quintile based on household survey data.

⁴⁵ World Bank, (2013) *Expenditure and Performance of Welfare Benefits and Employment programs in Latvia*, p. 38.

⁴⁶ Lace T. (2009), *Latvia: Minimum Income Schemes. A Study of National Policies*. Available at:
http://ec.europa.eu/social/main.jsp?catId=1025&langId=en&newsId=1416&moreDocument_s=yes&tableName=news, 2009.

⁴⁷ World Bank (2013), *Expenditure and Performance of Welfare Benefits and Employment programs in Latvia*, p. 38.

⁴⁸ *ibid*, p. 40.

⁴⁹ *ibid*, p. 41-42.

The low coverage and low generosity limits the poverty impact. As was noted earlier, coverage of the social exclusion benefits and generosity of benefits is low in many countries, raising a concern of whether they reach all those in need. A combined effect of these factors is that the impact of means-tested programmes on poverty is often limited. In 2010 in Latvia, the GMI programme had minor impact on the at-risk-of-poverty rate, which would have been only 0.37 percentage points higher in the absence of the programme. In contrast, this indicator increased by 3 percentage points (from 19.2% to 22.2%) in the absence of all social assistance programmes⁵⁰.

Until now an opinion prevailed in the society that the dependency of the poor population on social assistance benefits and their unwillingness to work was the main reason for poverty and social exclusion. This opinion was propagated by politicians as well as the mass media thus generating a stigmatising attitude towards social assistance recipients, including families with children. Data of the World Bank research study show that the evidence does not support widespread benefit dependency. 40% of people receiving GMI benefit have only one GMI spell in 2006-2012 and spell durations are normally very short (one to three months).

3.3. Recommendations

To stimulate parents' participation in the labour market and to provide the required support to families with children, the topicality of the in-work poverty problem in Latvia must be recognised at the political level and policy measures must be taken that focus on the development of "make work pay" initiatives, the development of new support mechanisms for the transfer from unemployment to the labour market, the reduction of the tax burden for low-wage earners and the raising of the minimum income level.

It would be necessary to develop policy measures aimed at providing support to single parents and stimulating their ability to reconcile their work and family life.

More attention should be paid not only to employment but likewise to such relevant poverty reduction aspects as the quality of jobs and decent jobs, especially for those at a distance from the labour market.

Taking into consideration the high child poverty level in Latvia, it is necessary to reconsider the balance between universal and targeted benefits to ensure that more support is provided to the needy families.

The coverage and generosity of targeted benefits should be increased to ensure that they are capable of providing adequate support to poor families with children and really reduce their at-poverty risk. In this respect the raising of the GMI level would be one of the most urgent measures, in particular for families with children, alongside with the review of sources of incomes that are taken into account when assessing the income of a poor family.

⁵⁰ *ibid*, p. 41-42.

4. Access to affordable quality services

4.1. Early childhood education and care

According to regulation⁵¹ local governments are responsible for providing children of pre-school and school age with places at training and educational institutions. It is the duty of each local government to make sure that children in their administrative territory have access to pre-school education and primary education at a place that is situated nearest to the child's place of. Irrespective of the responsibility prescribed for local governments in providing early childhood education and care, access to pre-school educational institution, also for disabled children, has been a topical problem in Latvia already for several years. In several local governments the demand for pre-school educational institutions still remains higher than supply, resulting in waiting lists for the pre-school educational programme⁵². In September 2012 there were a total of 8047 children on the waiting lists for municipal pre-school educational institutions. Although the situation has been gradually improving and since the end of 2011 the waiting lists have shrunk by more than 3000 places⁵³, still in Riga, Liepaja and 21 districts there are still children on the waiting list for the pre-school educational institutions.

To address problems related to shortage of places at municipal pre-school educational institutions, several local governments have volunteered with an initiative to compensate part or all of pre-school education costs to parents whose children attend private pre-school educational institutions because the local government has not been able to provide the child a place in a municipal pre-school educational institution. The regulation does not stipulate that parents have the right to receive equivalent funding from the local government if their child attends a private pre-school educational institution, thus parents have to cover part of the costs themselves. The size of the co-funding differs among local governments – in 2013 it fluctuated between LVL 50 to LVL 180⁵⁴; in the 2012/2013 study year the average price of services provided by private pre-school educational institutions situated in the Riga planning region was LVL 165.4 per month while the average price outside the Riga planning region was LVL 132.3 per month⁵⁵. A large part of parents do not use the co-funding provided by local governments as they cannot afford paying the own contribution.

In order to address the availability of kindergartens and to promote the reconciliation of family and work life alongside with support measures co-financed by the ERDF concerning the accessibility of pre-school education, as of 1 September 2013 co-funding is to be provided to local governments to enable parents to cover the costs of a private service provider if the local government is incapable of providing a municipal kindergarten for all children of 1.5 to 4 years of age and kindergarten waiting list had to be created. The size of the state support per child has been established at the rate of LVL 100 per month, besides the child-minding service can be provided at the child's place of residence, at the residence of the service provider or outside the child's and service provider's places of residence.

Although general education institutions implement special pre-school educational programmes they are not accessible in all local governments; thus the right of children to receive education appropriate to their abilities and at the pre-school educational

⁵¹ Likuma „Par pašvaldībām” 15.pants; Izglītības likuma 17.panta 1.daļa.

⁵² Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 37.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

⁵³ Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 38.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

⁵⁴ <http://www.mk.gov.lv/lv/mk/tap/?pid=40278948&mode=mk&date=2013-07-16>

⁵⁵ <http://www.mk.gov.lv/lv/mk/tap/?pid=40278948&mode=mk&date=2013-07-16>

institution closest to their place of residence is not always ensured.⁵⁶ In the 2011/2012 study year special pre-school education programmes were provided by 41 special pre-school educational institutions as well as institutions of general education that implement special pre-school education programmes; 15 of these educational institutions are situated in the Riga region⁵⁷.

4.2. Education systems' capacity to break the cycle of disadvantage

National budget consolidation measures have had a significant impact – several educational institutions have been closed, in particular in rural areas, and funding for the educational process was reduced. During the crisis years the remuneration of the teaching staff was considerably reduced and there is no evidence of any significant increases during the current period either.

Over the recent years one of the most topical issues in the public discussion concerning access to education is the right to free education as prescribed by legal acts. The high additional costs to parents have created in reality a very negative impact on the poor families. As a result there has been an increase in the number of children who do not attend school and in this study year 12 618 children of the compulsory age did not attend schooling. In 2011 school was not attended by 12 463 children while in 2010 the total number of children who did not attend school was 11 327⁵⁸. Poor parents lack the money to get the child ready for studies at school, i.e., they cannot buy the required clothes, footwear, textbooks and other things needed at school. Research⁵⁹ shows that the inability of poor parents to cover costs of education has a negative impact on the academic performance of schoolchildren and increases the dropout risk at primary schools.

In 2011, fully aware of the relevance of the problem, the Ombudsman established an advisory council - the aim was to assess the situation in the country concerning access to education, to examine the opinion of various social groups and experts on the range of problems regarding access and to submit recommendations. In this context an assessment was also made of the scale of the concept „free education”, what costs are covered by the state or the local government and what is to be paid by the parents. The Ombudsman's assessment found that the right to receive free education was not fully guaranteed as parents were obliged to buy textbooks themselves. In order to address the identified failings in 2012 the Law on Education was amended⁶⁰, clearly defining that study materials were to be purchased and provided by the state and redistributing funding and prescribing additional financial allocations for the purchase of study materials⁶¹. Provision of stationery, footwear, clothes etc. remains responsibility of parents. However, it must be pointed out that even with the current state support in purchasing study materials education-related costs for parents of children still remain high⁶².

⁵⁶ Izglītības iniciatīvu centrs, Bērnu ar speciālajām vajadzībām izglītības finansēšana un pārvaldība Latvijā: sistēmas izvērtējums. 2013.

⁵⁷ Ibid.

⁵⁸ Centrālās statistikas pārvaldes informatīvais apskats „Izglītības iestādes Latvijā”, http://www.csb.gov.lv/sites/default/files/publikacijas/zz_nr_23_izglitibas_iestades_2010_11_macibu_gada_sakuma.pdf

⁵⁹ Baltic Institute of Social Sciences, “Izglītības izmaksu ietekme uz skolēnu atbiršanu pamatskolās”, 2007, 14.lpp.; available at http://www.biss.soc.lv/downloads%5Cresources%5Cdropout/izmaksu_ietekme_dropout.pdf <http://likumi.lv/doc.php?id=258475>

⁶⁰ <http://www.mk.gov.lv/lv/mk/mksedes/saraksts/protokols/?protokols=2013-07-30>

⁶² <http://nra.lv/latvija/izglitiba-karjera/100930-viena-skolena-sagatavosana-nepieciessami-50-latu.htm>

In order to support children from low-income families, local governments cover various education-related costs from their own budget resources; however, the scale and types of this support depend on the financial possibilities and operational priorities of each local government. The most widespread types of support are free meals at schools in addition to the state-financed free meals for schoolchildren in the 1st and 2nd grade and one-off benefits at the beginning of the study year for the purchase of goods required for school, including the purchase of study materials. During the economic the possibilities of local governments to provide social assistance in addition to the compulsory benefits decreased. Some local governments resolve this problem in part by establishing a higher GMI level for children by singling out children of the school age who attend educational institutions. Unfortunately, only 28 local governments or 24% of the total number use this option. Higher GMI level have been established for various target groups, but most frequently for the disabled (17%), children (15%) and pensioners (11%)⁶³.

The Roma children are another at-risk-of-social exclusion target group for whom support to provide them with access to education can be assessed as insufficient. In order to stimulate their inclusion into the education, the Ministry of Education and Science undertook regular quality monitoring of education for Roma schoolchildren. 10.2% of Roma children drop out and do not acquire compulsory primary education. Support measures are undertaken at educational institutions and additional study activities are provided to 26.2% of pupils. Roma schoolchildren are encouraged and stimulated to acquire secondary education, and in the 2011/2012 study year 20% of Roma children continued their studies and acquired a general secondary education. Another successful measure is the programme „The teacher’s assistant – a Roma” which started in 2008 within the framework of the National Programme „The Roma in Latvia for 2007–2009”.⁶⁴ This programme has now expired and the national budget does not provide further financial support to the continuation the hiring new teachers’ assistants. Specific local governments and non-governmental organisations have tried to resolve this problem by seeking funding from various foreign financial instruments and have submitted projects for the continuation of teachers’ assistants.⁶⁵

Another significant target group that should be mentioned in the assessment of access to education is juvenile convicts. The government list the provision of education as a significant policy tool for the social rehabilitation of convicts. Under Article 4 of the Law on Education, general primary education is compulsory for juvenile convicts. Since 2011 each penitentiary with juvenile inmates has to have at least one primary education programme and at least one programme of vocational education. There has also been an increase in the number of activities organised for juvenile inmates: cultural activities (concerts, exhibitions), information events (lectures, discussions, quizzes, intellectual games) and sports events (football, volleyball, basketball matches, relay races, tournaments of athletes). Still, according to observations of

⁶³ Ekonomikas ministrija, Informatīvais ziņojums "Progresā ziņojums par Latvijas nacionālās reformu programmas "Eiropa 2020" stratēģijas kontekstā īstenošanu", 15.lpp.; available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40283125&mode=mk&date=2013-04-29>

⁶⁴ Lace T., The 2nd 2011 Report. Promoting Social Inclusion of Roma. Available at: <http://ec.europa.eu/social/main.jsp?catId=1025&langId=en&newsId=1407&moreDocuments=yes&tableName=news>

⁶⁵ In view of the general negative economic conditions in the country, in 2010/2011 only three local governments ensured the work of the Roma teachers’ assistants in inclusive classrooms after the end of the project. In its turn, the NGO „Centre of Educational Initiatives” has implemented a project within the frame of the Latvian-Swiss cooperation programme and has involved five Roma teachers’ assistants in work in inclusive classes (in Tails municipality, Jelgava, Jurmala, Jekabpils and Valmiera) during the period of 1 January 2011 – 30 June 2012 and two Roma teachers’ assistants were involved in inclusive classes from September 2011 with support of the Soros Foundation - Latvia.

specialists working in the field, due to the economic situation in the country and the fact that funding was reduced, it is not possible to achieve all policy targets set out in the Basic Guidelines for Implementing Prison Sentences and Detention of Juveniles for 2007-2013.

Under the Law on the Protection of Rights of the Child, the state guaranteed equal rights and possibilities for all children to acquire education appropriate to their abilities as one of the basic rights of the child⁶⁶. As was indicated in the draft „Basic Guidelines for the implementation of the UN Convention on the Rights of Persons with Disabilities for 2014-2020”, lack of education is the main cause why a disabled person cannot be competitive in the labour market. A low educational level increases both social exclusion and risk of poverty.

The assessment of the situation presented in the policy planning documents as well as conclusions drawn in a recent study⁶⁷ confirm the existence of obstacles in Latvia for disabled children to acquire education. A large number of children with special needs study at special educational institutions but not in an inclusive environment. According to the data of the Ministry of Education and Science, in the 2011/2012 study year there were 61 specialised educational institutions in the country. 76% of children of the school age who have been diagnosed as having special needs, study at special schools. In the 2011/2012 study year 22% of children diagnosed as having special needs studied according to the special education programme at general education schools. It has been pointed out in the study that the actual need for special support among pupils at the pre-school and compulsory education level is much higher than the officially diagnosed number of children with special needs⁶⁸. The study also found that 14% of children and youths with intellectual development disorders have never attended schools which mean that every seventh child with an intellectual development disorders is or has been left outside of the educational system.

In order to improve the integration of disabled children in the society and the educational system, since 1 September 2012 a new service of assistant was created which provides support in moving and self-care for 5 - 18 years old children and adults with the 1st or 2nd category disability at institutions of pre-school education, general primary education, vocational primary education, vocational education, general secondary education and vocational secondary education. According to the data of the Ministry of Education and Science for 1 April 2013, the assistant's services at schools were received by 213 pupils⁶⁹, of whom more than half or 55% study in grades 2-8 as well as grades 10 and 11, 22% attend the pre-school education programme, 12% study in the 1st grade, 8% study in the 9th grade, while 3 persons study in the 12th grade. Under the current legislation assistant's services cannot be received by disabled individuals (except individuals with impaired eyesight) who attend programmes of higher education and who would need it.

⁶⁶ Bērnu tiesību aizsardzības likums, II nodaļa „Bērna pamattiesības”, 11.panta „Bērna tiesības uz izglītību un jaunradi” 1.punkts.

⁶⁷ Labklājības ministrija, pamatnostādņu projekts „Pamatnostādnes ANO Konvencijas par personu ar invaliditāti tiesībām īstenošanai 2014.-2020.gadam”, available at http://www.lm.gov.lv/upload/2013junijs/lmpamn_040613_inv.pdf; Izglītības iniciatīvu centra pētījums „Bērnu ar speciālajām vajadzībām izglītības finansēšana un pārvaldība Latvijā”, 2013; Labklājības ministrija, pamatnostādņu projekts „Pamatnostādnes sociālo pakalpojumu attīstībai 2014.-2020.gadam”, available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40294031>; Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

⁶⁸ Izglītības iniciatīvu centra pētījums „Bērnu ar speciālajām vajadzībām izglītības finansēšana un pārvaldība Latvijā”, 2013.

⁶⁹ Data of Ministry of Education and Science on 01.04.2013.

Although the number of children with special needs who are integrated into the general education system has been increasing gradually, still at any rate the number remains small. In the 2010/2011 study year 117 children with special needs were integrated into the general educational institutions and studied according to the general education programme; in the 2011/2012 study year 187 children were integrated. In the 2010/2011 study year 1474 children with special needs were integrated into general education institutions and studied according to the special education programme while in the 2011/2012 study year already 2308 children were integrated⁷⁰.

Specialists⁷¹ claim that one of the reasons is that school premises and physical environment are not always suitable and adapted for children with motoric disorders. However, very often the ordinary schools reluctantly agree to enrol children with special needs as they are not convinced that they will be capable of providing an adapted quality educational environment and there is also a prejudiced attitude among teachers and parents. By the end of 2011 27 institutions of general education and 29 institutions of special education were adapted to needs of pupils with motoric disorders. In the 2011/2012 study year the upgraded 29 institutions of special education were attended and the new infrastructure was accessible for 40.8% of the total number of pupils with special needs⁷².

At the school level access to quality education for children with special needs is influenced by the understanding of the school administration and teachers about these issues as well as the availability of the special educational support staff⁷³. Insufficient attention is paid also to the development of the right attitude of children to disabled people, there is evidence of an intolerant and denigrating attitude at many schools and insensitivity and violence against weaker children. Children with functional disorders are mostly educated at isolated boarding schools which obstruct the development of skills needed for an independent future life.⁷⁴ Thus one of the problems analysed in the „ Basic Guidelines for the implementation of the UN Convention on the Rights of Persons with Disabilities for 2014-2020” is the creation of a respectful attitude to persons with functional disorders at all levels of the educational system, including all children since early childhood.

Regarding access to education, the main challenges that should be mentioned is the inclusion of disabled children in the system of general education, including pre-school educational institutions. This must be combined with the provision of an accessible study environment, a reduction in the negative attitude of the society to disabled children and an expansion of the social inclusion of these children so as to stimulate their individual development.

At the conference “Youth Employment - Obstacles and Solutions”, organised by the Ministry of Welfare in 25 July 2013, representatives of social services mentioned the lack of personalised support at schools as a significant problem of the educational system that results in a growth of truancy school dropouts. The optimisation of the school network, under which small schools are closed and the number of pupils in the classroom grows, has reduced the ability of teachers to provide personalised support. According to statistics in 2009 17.5% of males aged 18-24 were early school leavers

⁷⁰ Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 41.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

⁷¹ Ibid.

⁷² Valsts izglītības satura centrs: <http://visc.gov.lv/specizglitiba/vpmk.shtml>

⁷³ Report "Education and Disability/Special Needs - policies and practices in education, training and employment for students with disabilities and special educational needs in the EU", 2012.

⁷⁴ Latvijas ilgtspējīgas attīstības stratēģija 2030.,2010.gada jūnijs, Latvijas Republikas Saeima,29.lpp.

giving up education and training and 10.4% of females, in 2010 – 17.2% males and 9.4% females, in 2011 – 15.8% males and 7.5% females⁷⁵. According to the data of the Ministry of Education and Science, at the beginning of the 2010/2011 study year 5 471 pupils (2.53%) repeated the year (which is an increase compared to the preceding three study years). 882 pupils of the total number of pupils repeating the year were in the 1st grade. The following explanations are provided for the necessity to repeat the year: social conditions, discord in the family, absence of parents due to their employment abroad, various addictions and absence from school, health disorders, attitude and behaviour problems, lack of motivation. Teachers point out that one of the causes for poor academic progress is that there are children who lack the necessary abilities to gain success in studying the school curriculum⁷⁶. Alongside with the shortage of social teachers and psychologists at schools another problem that was mentioned was inadequate record-keeping that does not allow for accurate records regarding school attendance. The problem is particularly acute in the larger cities.

Children and youths who have interrupted their studies at institutions of general education have the opportunity of continuing their education at night/shift schools. During the economic crisis these schools have also experienced a decline in their number from 34 schools in the 2008/2009 study year to 25 schools in the 2012/ 2013 study year⁷⁷.

4.3. The responsiveness of health systems to address the needs of disadvantaged children

In Latvia the health and welfare of neonates, infants and pre-school children lags behind compared to other EU countries. Although many of the child health indicators are improving, still in comparison with the average indicators for EU member states, Latvia is still far behind and has not yet reached the desired standards. During the period since 2008 the economic situation and the growing sense of insecurity about income and retaining one's job in future have had a significant impact on the birth-rate indicators in Latvia. In comparison with the EU average maternal mortality is still high in Latvia. If, for example, the EU average is 6 per 100 000 live births, then in Latvia in 2012 the mortality rate is 20,5 per 100 000 live births (in 2009 - 46 per 100 000 live births).

According to the international UNICEF research study⁷⁸ the health dimension of children's well-being is based on three components:

- a) health at birth – as measured by the infant mortality rate and the percentage of babies born with low birth weight (below 2,500 grams).
- b) the availability of children's preventive health services – as measured by national immunisation levels for measles, polio and DPT3.
- c) child health and safety – as measured by the death rate of children and young people (aged 1 to 19) from all causes.

⁷⁵ http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=0&pcode=t2020_40&language=en

⁷⁶ Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 39.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

⁷⁷ <http://izm.izm.gov.lv/registri-statistika/statistika-vispareja/9576.html>

⁷⁸ UNICEF Office of Research (2013). 'Child Well-being in Rich Countries: A comparative overview', *Innocenti Report Card 11*, UNICEF Office of Research, Florence, p.11-15.

26 of the 35 countries have reduced infant mortality to 5 or fewer per 1,000 births. The only countries with infant mortality rates higher than 6 per 1,000 births are Latvia, Romania, Slovakia and the United States⁷⁹. The second indicator is used to measure health at the beginning of life is the proportion of babies who are born with low birth weights (below 2,500 grams).⁸⁰

The availability and effectiveness of preventive child health services has been measured by each country's immunisation rate (average vaccination coverage for measles, polio and DPT3). In this research study Latvia ranks fourth from below. The vaccination coverage against contagious diseases does not reach the necessary coverage level – 95% of the total number of children. The insufficient vaccination coverage may be related to the impact of social economic factors as well as the advertising of vaccination opponents in the society that is confirmed by the information provided by family doctors about written submissions of parents where they refuse to have their children vaccinated.⁸¹ At present state-paid vaccination is performed for 13 contagious diseases. Besides already for several years vaccination has been continued for orphans and children deprived of parental care against tick encephalitis in endemic territories⁸².

Differences between countries in the death rate for children and young people (1-19) may therefore be said to reflect overall levels of health and safety throughout childhood and adolescence. Unfortunately, in this case Latvia also holds the penultimate place.

Data on the assessment of the health condition of children in 2011 show that the trend persists that has been observed during the preceding years that the ratio of healthy children (adolescents - 1st health group⁸³) declines. Causes for this negative trend are, mostly, environment factors, the health condition of parents, their lifestyle and the unhealthy upbringing of their own children⁸⁴.

The law prescribes that state-paid health care services are to be provided to children under the age of 18 free of charge. According to Article 3 Part 2 of the Law on Medical Treatment, health care for pregnant women, children and individuals with potential disability is a priority. Although a set of policy documents have been formulated in the area of health care that envisage measures for improving the health of the mother and the child, to promote public health etc., still the most significant problems in the health care system is lack of funding, waiting lists for family doctors, specialists and various examinations as well as the high health care costs that are covered by the patient.

If health care services for children have been prescribed as free of charge then the purchase of medication causes considerable difficulties for parents. As of 1 September 2012 prescription medication is reimbursed in the amount of 50% for a child under the age of 24 months if the child's diagnosis has not been assigned a different

⁷⁹ UNICEF Office of Research (2013). 'Child Well-being in Rich Countries: A comparative overview', *Innocenti Report Card 11*, UNICEF Office of Research, Florence, p.11-15.

⁸⁰ According to statistical data in Latvia live births by birth weight below 2,500 grams (500-2499 grams) in 2012 was 4.6 %; in 2011 -4.7%; in 2010 – 4.8%; in 2009 – 4.4%; 2008 - 4.3%, The Newborn Register, Statistical Yearbook of Health Care in Latvia, 2012, p.260.

⁸¹ Imunizācijas plāns 2012.-2014.gadam (apstiprināts ar Ministru kabineta 2012.gada 22.maija rīkojumu Nr.232). Pieejams <http://polsis.mk.gov.lv/view.do?id=3979>

⁸² Latvijas Republikas konsolidētais (trešais, ceturtais un piektais) kārtējais ziņojums par Apvienoto Nāciju Organizācijas 1989.gada 20.novembra Konvencijas par bērna tiesībām izpildi Latvijā Republikā laika posmā no 2004.gada 1.janvāra līdz 2012.gada 30.jūnijam. Available at: <http://polsis.mk.gov.lv/view.do?id=4405>

⁸³ Children are divided into three health group where the first group includes healthy children.

⁸⁴ Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 5.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

reimbursement amount⁸⁵. After the child has reached the said age, all costs related to the purchase of medication are covered by parents unless the medication has not been included in the list of reimbursable medication. In the discussion organised by the Ministry of Welfare in the summer of 2013 about continuing the EU food programme for the poorest population during the next planning period, representatives of non-governmental organisations emphasised that the coverage of the medication costs was one of the most urgent problems for poor families with children.

Often a child has to wait excessively long for a specialist consultation financed by the state; this is not always compatible with achieving an efficient and timely treatment plan for the child's diagnosed disease. In view of the above, it is necessary to stimulate the accessibility of health care services for disabled children. According to a survey from 2010⁸⁶, after a child with development disorders has been diagnosed, very often no sufficient psychological and information support is provided to the parents. Almost every second parent (51,7%) was dissatisfied with the accessibility of health care services for his/her child. 63% of the parents of children with intellectual development disorders participating in the survey point out that they have not received rehabilitation at an early age – at the stage when early intervention is particularly effective and 41.8% of parents whose children have received rehabilitation at an early age stress that the service was provided quite late or even too late.

There are a large number of children in Latvia who have disabilities. In 2011 the indicator of new disability cases was 28.3 per 10 000 children under the age of 18. In 2011 2612 children under the age of 19 were granted disability. In 2011 most new disability cases among children were due to diseases of the nervous system or behavioural disorders – 21.6%, due to congenital deformities and chromosome abnormalities – 20.7%, due to diseases of the nervous system – 13.8%, as well as due to muscular-skeletal diseases – 11.3%. One of the problems that should be mentioned in this context is the development of congenital abnormalities in neonates and special measures have been included in the Plan for Improving the Health of the Mother and the Child for 2012-2014.⁸⁷ At the same time measures are taken to reduce the appearance of child disabilities due to external causes as well as to stimulate a timely detection of disability or potential disability.⁸⁸

It is necessary to continue to improve the life quality of children with disabilities. Families are given enough support to accomplish this purpose.⁸⁹ The support provided in the areas of emotional, physical and social welfare does not compensate for the impact of the special needs of children on the life quality of their families as the provided support is either inappropriate for the needs of these families or families encounter various obstacles in receiving the required support.

⁸⁵ Latvijas Republikas konsolidētais (trešais, ceturtais un piektais) kārtējais ziņojums par Apvienoto Nāciju Organizācijas 1989.gada 20.novembra Konvencijas par bērna tiesībām izpildi Latvijā laikā no 2004.gada 1.janvāra līdz 2012.gada 30.jūnijam. Available at: <http://polsis.mk.gov.lv/view.do?id=4405>

⁸⁶ „Bērnu un jauniešu ar intelektuālās attīstības traucējumiem situācija Latvijā”; <http://www.lkndz.lv/lv/>.

⁸⁷ Mātes un bērna veselības uzlabošanas plāns 2012.-2014.gadam: <http://polsis.mk.gov.lv/view.do?id=4010>

⁸⁸ Informatīvais ziņojums par pamatnostādņu „Bērniem piemērota Latvija” īstenošanu 2011.gadā (<http://polsis.mk.gov.lv/view.do?id=1232>), 6.1.5.1. apakšsadaļa.

⁸⁹ Jolanta Millere, „Bērnu ar invaliditāti ģimeņu dzīves kvalitāte Latvijā”, available at http://www.velki.lv/pdf/Jolanta%20Millere/promocijas_darbs_millere.pdf

4.4. Housing and living environment

In the UNICEF report⁹⁰ Latvia ranks 28th out of 29th countries, assessing children's housing and environmental well-being. In fact, in all of the indicators analysed (overcrowding, % of households with children reporting more than one housing problem, homicide rate (annual number of homicides per 100,000), air pollution (annual PM10 [$\mu\text{g}/\text{m}^3$])) Latvia is among the lowest ranked. The rate of multiple housing problems rises to more than 20% in Latvia and to almost 40% in Romania, which is the highest among the countries studied. Estonia, Latvia, Lithuania and the United States are the only countries in which the homicide rate rises above 4 per 100,000. Almost all other countries fall into the range of 0 to 2.5 per 100,000. The highest levels of air pollution are found in Greece, Italy, Latvia, Poland and Romania.

In 2011 the share of households, for which housing maintenance expenditure is a heavy burden, has increased noticeably. The rise in housing costs is related to the increase in heat and gas prices as well as rent. The share of households, for which such payments impose a heavy burden, continued to grow from 35% in 2009 to 44% in 2011. Such a high housing expenditure burden has not been observed since 2005. In 2011 23% of the households were in arrears for utilities during the last 12 months due to the lack of financial resources (22% in 2010). The highest share of such households was recorded among lone parent households. 48% of such lone parent families were in arrears for utilities (payments for water, gas, electricity and heating) due to the lack of financial means.⁹¹

Providing housing assistance to inhabitants is one of the autonomous functions of local governments. The Law on Assistance in Addressing Housing Issues and the Law on the Rent of Residential Premises stipulate that local governments provide assistance and lease accommodation, first and foremost, to those low-income individuals who have at least one minor as a dependent. If a low-income tenant is evicted due to failure to pay the rent or for basic services and if the person lives together and has at least one minor child as a dependent, the enforcement of the court judgment on eviction is postponed till the moment when the local government grants the tenant alternative accommodation suitable for living.

Likewise it is the duty of the local government to provide accommodation to orphaned children and children deprived of parental care who have been brought up in childcare and educational institution, in a foster family or in the family of a guardian after their stay has expired if it is not possible for them to live in the accommodation where they resided earlier. In its turn, the Law on Social Apartments and Social Houses identifies orphaned children as a priority target group.

Although legislation protects the right of children to housing, still in practice there are cases when families with underage children have been evicted from their accommodation due to insufficient means of livelihood⁹². However, the number of minors evicted has declined which should be viewed as a positive development (for example, in 2005 - 182 minors, in 2010 - 126 minors).

The economic crisis has created additional problems for families with children who have taken loans for the purchase of accommodation. Even if the large volume of loan obligations and debts accumulated by households and individuals has become a problem, there are no plans to provide support to the families with children that are incapable of paying their mortgage. Discussion about a better protection for borrowers

⁹⁰ UNICEF Office of Research (2013). 'Child Well-being in Rich Countries: A comparative overview', *Innocenti Report Card 11*, UNICEF Office of Research, Florence, p.29-33.

⁹¹ <http://www.csb.gov.lv/en/notikumi/burden-imposed-housing-maintenance-expenditure-increasing-33277.html>

⁹² Labklājības ministrija, Pārskats par bērnu stāvokli Latvijā 2011.gadā, 9.-10.lpp., available at www.mk.gov.lv/doc/2005/LMZino_050213_berni.2680.doc

started at the beginning of the economic crisis, however, no specific support measures have been offered. Although it has been recognised by policy makers that individuals who need to take a loan to purchase their first accommodation, are the least protected party to the loan agreement⁹³, until now discussions have tended to be more favourable for credit institutions.

In 2013 the question was raised in the public space about the liberation of the electricity market (initially the opening of the electricity market for households was planned for 1 September 2013) which could lead to a significant growth in tariffs. There are serious concerns about its impact on households, in particular the poor households⁹⁴. The issue of energy poverty has not been sufficiently discussed and solutions offered until now are mainly focused on the protection of energy producers than on support in the population.

A significant problem in Latvia is the insufficient size of the municipal housing stock which was renewed nor expanded since the restoration of the independence of Latvia due to lack of funds. The internal migration of the population is obstructed by high rental costs in the private sector because the public housing constitutes only a small share of the total stock.

4.5. Family support and the quality of alternative care

The right of children to grow up in a family or in an environment close to a family environment has been identified as one of the basic principles in legislation and planning documents. Under Article 4 Part 4 of the Law on Social Services and Social Assistance, orphans and children deprived of parental care must be provided care in a family environment – in a foster family, with a guardian and only if it is not possible care that is provided in a long-term social care and social rehabilitation institution.

Although over the recent years the number of children placed in out-of-family care, has gradually declined, it should still be assessed as high. As a result of information and education activities undertaken in 2010- 2011 to activate the foster family movement there is evidence of positive trends. If on 1 January 2009 there were 57 state, municipal and NGO social care centres for children where 2502 children stayed, then in 1 January 2013 there were 40 social care centres for children - state, municipal centres and centres of other organisations – and 1 956 children stayed there, of whom 364 children under the age of 3⁹⁵. According to the information provided by the State Inspection on the Protection of the Rights of the Child, in 31 December 2012 8095 children were in out-of-family care, of whom 1 155 children were in foster families, 5 051 children were with the families of their guardians and 1 889 children were placed in long-term social care and social rehabilitation institutions. During the reporting period 1876 parents have been deprived of their childcare right (as of 1 January 2013 – the custody right has been suspended) by custody court decisions. During the reporting period the childcare right (as of 1 January 2013 – the custody right) has been restored to 649 parents or one third against the number of parents who have been deprived of their childcare right.

Foster families and guardians are not provided the same financial support for taking care of the child. The Law on State Social Benefits prescribes a benefit for the guardian for taking care of the child in the amount of LVL 32 per month. In its turn,

⁹³ Tieslietu ministrija, Informatīvais ziņojums "Par hipotekārās kreditēšanas tiesiskā regulējuma nepilnību izvērtējumu un priekšlikumiem tā pilnveidošanai"; available at <http://www.mk.gov.lv/lv/mk/mkksedes/saraksts/s/darbakartiba/?sede=406>

⁹⁴ http://www.em.gov.lv/images/modules/items/09_04_2013_OIK_%20riski_MK.pdf

⁹⁵ Labklājības ministrija, pamatnostādņu projekts "Pamatnostādnes sociālo pakalpojumu attīstībai 2014.-2020.gadam", 22.lpp., available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40294031>

the minimum monthly benefit for a foster family for taking care of the child is 25% of the minimum monthly salary or LVL 50 per month for a child under the age of 7 and 30% of the minimum monthly salary or LVL 60 per month for a child from the age of 7 to 18. According to the information provided by the Latvian Association of Foster Families the said situation causes a lack of understanding in the society and in the mutual communication among carers and does not stimulate the development of a uniform alternative childcare system nor does it stimulate people to become guardians for children. According to research data⁹⁶, the majority of local governments have concluded that the current system for funding out-of-family care for children is not appropriate for the actual situation (71%) and only 18% have maintained that is suitable. According to representatives of local governments, the most significant changes that should be made to the funding system are the necessity to increase benefits for guardians (40%) and to increase the child allowance for children placed under guardianship (15%).

Specialists of the sector point out⁹⁷, that in practice, irrespective of what is prescribed by legislation⁹⁸, children are still mostly placed in care institutions rather than placed in foster families or families of guardians. This situation is caused by failings in the funding mechanism which does not motivate local governments to provide an alternative to institutional care – care for children under age of two in a family environment as costs for institutional care during this period are covered by the national budget. The draft Basic Guidelines "Basic Guidelines for the Development of Social Services for 2014-2020" include measures aimed at resolving this problem by reconsidering the distribution of responsibility between the state and local governments⁹⁹.

Research data show¹⁰⁰ that only 41% of children in an out-of-family care institution feel that they have been well prepared and have acquired skills that they will need for independent life after they leave the institution. In Latvia the number of youth houses (9 youth houses) where children are helped to acquire skills necessary for independent life is insufficient. Thus it is important to work on preparing the young people staying at institutions for their independent life outside the institution as well as to improve the assistance of social services for this particular target group when they leave the institutions.

Although the state provides certain guarantees for the orphan and the child deprived of parental care who is in out-of-family care as well as to the orphan and the child deprived of parental care after the child attains majority¹⁰¹, still the scale of support can be assessed as insufficient. For example, after the expiry of the out-of-family care services the child who has attained majority is given clothes and footwear as well as a

⁹⁶ SIA „Analītisko pētījumu un stratēģiju laboratorija” (2008), Ārpusģimenes, aprūpes (ārpusģimenes aprūpes iestādes, audžuģimenes, aizbildnība) un adopcijas sistēmas izpēte un ieteikumi tās pilnveidošanai”, Rīga, p. 89.

⁹⁷ Labklājības ministrija, pamatnostādņu projekts “Pamatnostādnes sociālo pakalpojumu attīstībai 2014.-2020.gadam”, 22.lpp., available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40294031>

⁹⁸ Article 4 Part 4 of the Law on Social Services and Social Assistance.

⁹⁹ Labklājības ministrija, pamatnostādņu projekts “Pamatnostādnes sociālo pakalpojumu attīstībai 2014.-2020.gadam”, 53.lpp., available at <http://www.mk.gov.lv/lv/mk/tap/?pid=40294031>

¹⁰⁰ Research „Ārpusģimenes, aprūpes (ārpusģimenes aprūpes iestādes, audžuģimenes, aizbildnība) un adopcijas sistēmas izpēte un ieteikumi tās pilnveidošanai”, 21. un 275.lpp., [http://www.bti.gov.lv/lat/arpusgimenes_aprupe/statistika_un_petijumi/?doc=1877&page=2005.gada_15.novembra_MK_noteikumi_Nr.857_„Noteikumi_par_sociālajām_garantijām_bārenim_un_bez_vecāku_gādības_palikušajam_bērnam_kurš_ir_ārpusģimenes_aprūpē_kā_arī_pēc_ārpusģimenes_aprūpes_beigšanās”_„Latvijas_Vēstnesis”_184_\(3342\)_2005.gada_17.novembris.](http://www.bti.gov.lv/lat/arpusgimenes_aprupe/statistika_un_petijumi/?doc=1877&page=2005.gada_15.novembra_MK_noteikumi_Nr.857_„Noteikumi_par_sociālajām_garantijām_bārenim_un_bez_vecāku_gādības_palikušajam_bērnam_kurš_ir_ārpusģimenes_aprūpē_kā_arī_pēc_ārpusģimenes_aprūpes_beigšanās”_„Latvijas_Vēstnesis”_184_(3342)_2005.gada_17.novembris.)

sum of money to start independent life (currently – LVL 90). The respective local government provides assistance to the child in resolving the housing issue and covers monthly rented accommodation costs until the child is given accommodation; the local government also grants a one-off benefit for the purchase of household utensils and the soft stock (not less than LVL 175). If the child who has attained majority continues studies at an institution of general or vocational education, a higher educational institution or college the local government pays the child a benefit for monthly expenditures (not less than LVL 45). The person retains the right to unused social guarantees until the age of 24. According to the information provided by the staff of social services, additional attention should be paid to this particular at social exclusion risk group.

4.6. Recommendations

Even though government initiatives in addressing the early childhood education and care availability problem helping parents to reconcile their work and family life should be assessed positively, at the same time it must be pointed out that more attention should be paid to the integration of disabled children in pre-school educational institutions in all regions of Latvia.

Access to the inclusive education must be improved for children at risk of social exclusion (disabled children, Roma children, juvenile offenders etc.). Measures are required to ensure not only access to the infrastructure for disabled children but also to improve the study process and the curriculum, taking into consideration various types of disabilities and needs of the various risk groups.

It is necessary to develop support mechanisms and measures to reduce the drop-out rate. This is of particular importance for boys (the share of io of boys in the total number of drop-outs is much higher than the share of girls).

The government should monitor the practical compliance of schools to the norms prescribed by the Law on Education concerning provision of free education, promoting access to education for children from poor families.

The best way to ensure access to health care for families with children is to increase funding for the health sector to comply with the principle of free health care for children. In practice that would allow for a reduction in waiting lists for services, improvement in health care services for the mother and the child as well as a reduction in health care costs for families with children.

Local governments must further develop the social housing stock and cover accommodation costs within the frame of social assistance to poor families with children and orphaned children when they leave orphanages and start their independent life.

One of the most urgent issues that should be addressed is the development of a support programme to protect people who have taken out loans to pay for their accommodation, in particular families with children.

De-institutionalisation measures and the development of alternative care must be continued, providing more psychological and financial support to the current and potential guardians, foster families and adopters.

It is necessary to develop a support system for orphaned children when they leave institutions at the age of 18 and to improve the existing measures to ensure that children who have been in institutional care are adequately equipped to start an independent life.

5. Addressing child poverty and social exclusion in the European Semester

5.1. Addressing child poverty issues in the NRP

The NRP and the NRP Progress Report for Latvia does not give a direct definition of any challenge in respect of the reduction of child poverty. Measures planned in the 2013 NRP are included for the following areas: – Reduction of labour force taxes, Provision of the accessibility of primary and secondary education, Reduction of income inequality, Stimulation of the birth rate and Social protection measures for families with children. The main priorities are to increase income from salaried employment, selecting families of working age with children as a particular target group.¹⁰² An assessment of the included measures reveals that these measures are not only directed towards demographic problems (mostly measures for families with children); they also help to reduce of child poverty or at least ensure that it does not increase.

An assessment of the implementation of CSRs in Latvia shows that progress was achieved in the unemployment reduction area. However, no significant progress can be observed in the implementation of recommendations for social exclusion and poverty reduction; some government decisions on social assistance benefits deserve criticism because of their negative impact on the most vulnerable and poorest groups of the population.

The most urgent problems according to the author's opinion that should be mentioned in this context are:

- An insufficient range of measures for genuinely tackling child poverty;
- A lack of adequate income support for families and children, particularly for those at risk of social exclusion such as single-parent families, families with 3 and more children etc.;
- Poor access to the labour market for parents (especially in rural areas).

Another significant challenge that still persists in Latvia is the need to reduce the number of early school leavers, paying particular attention to males whose dropout rate is considerably higher than that of females.

The NRP 2013 describes a range of measures related to taxation that may have a direct favourable effect on raising the salaried incomes of poor families with children. It is written in the NRP that as of 1 July 2013 the tax relief for a dependent is planned to be increased by LVL 10 (from LVL 70 to LVL 80), while the personal income tax rate has been reduced to 24% in 2013 (2012 – 25%), to be further reduced to 22% in 2014 and to 20% in 2015. However, it must be pointed out that the reduction of the personal income tax rate is regressive; it will have a stronger impact on the population with average and high incomes. One of the measures projected in the NRP 2013 for reducing income inequality is "the assessment of possibilities to introduce a differentiated non-taxable minimum for recipients of low wages to equalise the tax burden among recipients of low wages and recipients of average and high wages as well as to increase the tax relief amount for dependents that will be undertaken during the formulation of the draft budget for 2014 and taking into account the fiscal possibilities of the national budget ". During the discussions in summer 2013 regarding proposals for budget 2014 the Ministry of Finance recommended to retain the current non-taxable minimum at the level of LVL 45 for recipients of higher salaries while the non-taxable minimum for the population with lower salaries should

¹⁰² Ekonomikas ministrija, "Prograsa ziņojums par Latvijas Nacionālās reformu programmas "Eiropa 2020" stratēģijas kontekstā īstenošanu", Rīga, 2013, 64.lpp.

be raised to LVL 84. As concerns tax reliefs for dependents, the Ministry of Finance recommends raising the said amounts from LVL 80 per month to LVL 98 per month. In 2015 it could be raised further by LVL 14.¹⁰³ Another instrument for poverty reduction is raising the minimum wages. According to the agreement reached by the National Tripartite Cooperation Council in 25 April 2013, as of 2014 the minimum salary will be raised by LVL 225 per month.

5.2. Areas for improvement and recommendations in addressing child poverty issues in the NRP

The CSR for Latvia concerning the reduction of the high poverty and social exclusion level through the reform of the social security system is still highly relevant and topical. The CSR could be expanded by including a reference to the application of an integrated social inclusion perspective in policy planning in order to strengthen active inclusion in other sectors (such as tax and fiscal policy, housing, education, health care) and to plan more targeted measures for integrating and supporting the social exclusion risk groups.

In comparison with the NRP 2012, the NRP 2013 contains more direct and indirect measures aimed at reducing the poverty of families with children. However, it is evident that the NRP 2013 avoids discussing child poverty, preferring to substitute it by concepts such as *reduction of income inequality, social protection measures targeting families with children*. In view of the high number of children at risk of poverty, which has a direct impact on possibilities of families with children to receive services, including good education, and to investing in education and upgrading of skills, more attention should be paid to the integration of children at social exclusion risk in the educational system and to work with families in situations whose children have discontinued their studies at an educational institution. These children were identified in the NRP 2013 as a target group. It also mentioned that the contribution of EU funds to the infrastructure and attractiveness of education and that the planned measures correlate directly with the achievement of the poverty reduction target. However, it would be advisable to present a much more specific outline for the achievement of the given target indicator and to analyse the steps needed for developing an inclusive education system in Latvia.

No specific monitoring arrangements have been envisaged as in this area the NRP does not identify any specific targets for reducing child poverty and children are not singled out as a special target group for poverty reduction. As concerns the improvement of the NRP implementation process, Latvia could set specific targets as well as measures within the frame of the NRP for reducing child poverty.

The period available for preparing the NRP implementation report is not long so that non-governmental organisations are denied the possibility of full-fledged involvement in its formulation. Moreover, the participation of the society in this process is restricted to social partners and representatives of the Latvian Association of Local Governments. Consequently in Latvia children experiencing poverty and social exclusion organisations working with them were not consulted. One of the serious shortcomings that should be mentioned is the limited or actually non-existent possibility for civic society to discuss the CSR and its implementation in Latvia.

¹⁰³ http://lat.mixnews.lv/lv/ekonomika/4157_fm-piedava-ieviest-diferencetu-neapliekamo-minimumu-palielinat-minimalo-algu-un-atvieglotumus-par-apgadajamajiem

6. Mobilising relevant EU financial instruments

In view of the constrained budget of Latvia and in particular the cuts introduced during the economic crisis, funding from the EU is one of the main financial sources for social investment. To a large extent, it is the activities co-financed by the ESF that have helped to soften the negative impact of the economic crisis on the living standards of the population.

The support provided by the EU Structural Funds in 2007-2013 and the support planned for 2014-2020¹⁰⁴ to reducing child poverty and social exclusion can be subdivided as follows: 1/ activities that are directly focused on the integration of children exposed to the social exclusion risk (socially excluded children and youths are the target recipient group of this direct support); 2/ activities which have a positive impact on the social inclusion of children (universal support, for example, improvement of the educational process, increasing access to IT, development of vocational education), 3/ activities stimulating the social inclusion and competitiveness of parents in the labour market (employment promotion measures). In the context of this report more attention will be paid to the first group of activities.

During the period of 2007-2013 child poverty and social exclusion were mostly addressed through activities of the educational sector (co-financed by the ESF as well as the ERDF), ensuring the improvement of the study process and content, access to education and access to the infrastructure of educational institutions for disabled children. The most important activities are as follows:

- Sub-activity 1.2.2.4.1 "Development of inclusive education and support system for young people at risk of social exclusion, training of the required staff and improvement of competence" that envisages support to the development of methodologies, programmes and textbooks, including provision of the basic pedagogical correction skills and development of Professional rehabilitation programmes, the development of e-resources and e-learning environment solutions, provision of pedagogical, methodological and psychological advisory support to teachers working with target groups, to training teachers and support staff, for the strengthening of inclusive education and the capacity of institutions involved in the support system for youths at social exclusion risk. The total funding of the activity: LVL 6 000 000;
- Sub-activity 1.2.2.4.2. "Implementation of support measures to reduce the social exclusion risk of youths and to integrate youths with functional disorders in education" that covers the implementation of measures aimed at reducing the social exclusion risk and stimulating inclusive education as well as the promotion of innovative approaches and solutions by providing the required pedagogical and support personnel, additional training in school subjects (including studies of the state language), providing an opportunity to receive appropriate pedagogical correction, vocational education (with pedagogical correction), equalising and vocational education programmes, by supporting prolonged school day groups and social correction classes at educational institutions, by introducing the position of a teacher's assistant and widening the role of the support personnel – psychologists, social teachers – in the study and educational process and ensuring the inclusion of pupils with special needs in the educational system, by promoting the acquisition of work and life skills by youths in social exclusion risk groups, young people with special needs and functional disorders, by providing support measures to youths from poor families. The total funding of the activity: LVL 8 550 000;
- Sub-activity 3.1.3.3.1 "Improvement of the infrastructure and equipment of special educational institutions" envisages support to pupils with special needs, including

¹⁰⁴ www.esfondi.lv

functional disorders (motoric disorders, impaired eyesight and hearing as well as others) in improving their possibilities of acquiring education by improving and upgrading the infrastructure of special educational institutions, by undertaking the necessary renovation and reconstruction of buildings and utilities, adapting premises to the needs of pupils with functional disorders, by improving the material backup and equipment of studies, including the purchase of appropriate information technology equipment and software as well as providing vehicles for the transportation of pupils. The total funding of the activity: LVL 8 223 247

- Sub-activity 3.1.3.3.2 "Improvement of the infrastructure of general educational institutions for pupils with functional disorders" covers the adaption of the infrastructure of general secondary education institutions for pupils with functional disorders, including construction works to adapt the premises, classrooms and labs to provide Access to the institution of general secondary education and stay in its premises for pupils with functional disorders. The total funding of the activity: LVL 4 717 064.
- Sub-activity 3.1.4.3. "Development of the infrastructure of pre-school education institutions at national and regional development centres" includes support for the renovation, reconstruction or expansion of the existing pre-school education institutions as well as the construction of new pre-school education institutions, including providing access for people with functional disorders and parents with children. The total funding of the activity: LVL 35 160 288.

Another set of activities that targets children at risk of social exclusion is the development of social services. These activities (Sub-activity 1.4.1.2.2. "Development of social rehabilitation services for individuals with eyesight or hearing disorders", Sub-activity 1.4.1.2.4. "Development of social rehabilitation and social care services as an alternative to institutional care in regions", Sub-activity 3.1.4.4. "Support to developing Access to alternative care services") envisage the improvement of current and the development of new services as well as the improvement of the accessibility of services for disabled children and children in crisis situations. As children constitute only one of the target groups it is not possible to establish the accurate amount of funding for this group alone. The total funding for both sub-activities is LVL 22 378 153.

As regulations of the EU Funds for the new planning period have not yet been enacted and the planning documents are in the unofficial harmonisation stage with the European Commission, information about measures planned in 2013-2020 for reducing child poverty and social exclusion may change also in the course of the official harmonisation of the documents. An indicative assessment shows that in the new planning period more emphasis is put on the integration of youths into the education system or the labour market in the context of the new initiative of the European Commission concerning Youth Guarantees, plus the development of social services at the place of residence and in a family environment as an alternative to institutional care. On the whole, the trends remain the same as in the preceding planning period; namely, child poverty and social exclusion are reduced through support to the system of education and further improvement of social services. In all these measures the main target groups are the NEETs, youths who do not study and have no employment (15-24 years old), including the unemployed youths, with a low educational level and poor skills, children and youths in out-of-family care, children with behavioural disorders, child victims of domestic violence, families with children who have mental or physical disorders, disabled children, pupils of pre-school, general and vocational educational institutions, in particular children and youths from low-income and poor families, children and youths at poverty risk.

Alongside with the funding from the Structural Funds Latvia has also used the support provided by the EU's "Food Distribution programme for the Most Deprived Persons of

the Community” (MDP). As of 12 of March 2014 the Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived came into force. Latvia during a new planning period (2014-2020) is planning to allocate 41 million EUR of EU funding for non-financial support for the most deprived.

