

**Latvian National Action Plan  
for Reduction of Poverty and Social Exclusion  
(2004-2006)**

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**Abbreviations**

PCCSA	Professional Career Counselling State Agency
COM	Cabinet of Ministers
CSB	Central Statistical Bureau of Latvia
EAGGF	European Agriculture Guarantee and Guidance Fund
EC	European Commission
EU	European Union
ESF	European Social Fund
GDP	Gross Domestic Product
ICT	Information and Communication Technologies
JIM	Joint Memorandum on Social Inclusion of the Latvian Government and the European Commission
CSB LFS	Labour Force Survey of the Central Statistical Bureau of Latvia
MoA	Ministry of Agriculture
MoCFA	Ministry of Children's and Family Affairs
MoC	Ministry of Culture
MoE	Ministry of Economy
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoH	Ministry of Health
MoRDLG	Ministry of Regional Development and Local Governments
MoW	Ministry of Welfare
NAP	National Action Plan for Reduction of Poverty and Social Exclusion (2004-2006)
NEP	National Employment Plan
NGO	Non-Governmental organizations
SEA	State Employment Agency
SME	Small and medium enterprises
SPD	Single Programming Document (the Development Plan of Latvia)
ULRGL	Union of Local and Regional Governments of Latvia

## Introduction

In March 2000 the Lisbon European Council adopted a strategic goal of European Union (hereafter – EU) development – “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” by 2010 (“the Lisbon strategy”). To achieve this goal, one of the key objectives is to considerably reduce poverty and social exclusion in all EU Member States.

To better coordinate the social inclusion policies of the EU Member States and in accordance with the European Social Inclusion Strategy, the Open Method of Coordination has been established. Besides the Community Action Programme to Combat Social Exclusion (2002-2006), the Member States’ national action plans to reduce poverty and social exclusion defining national strategies, measures and institutional arrangements to implement the measures, is one of the key elements of this method of coordination. In 2004 Latvia along with the other new Member States is elaborating its first National Action Plan for Reduction of Poverty and Social Exclusion (further – NAP).

The NAP of Latvia has been elaborated considering the EU’s common objectives approved by the Nice European Council in December 2000, including the promotion of employment, facilitating access to resources, rights, goods and services, preventing the risks of exclusion, support for the most vulnerable groups, as well as mobilization of the bodies involved. By using both common EU and national indicators, the implementation of the objectives defined in the NAP will help to assess Latvia’s progress in achieving the common European objectives and to exchange examples of good practice in developing social inclusion policy with other Member States.

Reducing poverty and social exclusion is an important long-term goal of Latvian social policy. In 2003, in order to prepare for the work on the first national action plan and Latvia’s full participation in the EU’s social inclusion process the Government of Latvia together with the European Commission elaborated the Joint Memorandum on Social Inclusion (hereafter – Memorandum).

An integrated and multidimensional approach to tackle poverty and social exclusion problems has been used already in working out the Memorandum, and was also made use of in the elaboration process of the NAP. The NAP is elaborated taking into account the Single National Economy Strategy, the Single Programming Document (2004-2006), the National Employment Plan (2004) and other policy documents.

Although reducing poverty and social exclusion is the responsibility of each particular Member State, the implementation of the national social inclusion policies and the national action plans is evaluated in accordance with the EU’s common social inclusion process, the goal of which is to make a substantial impact on the diminishing of poverty in Europe by 2010.

## CHAPTER 1. MAJOR TRENDS AND CHALLENGES

### 1.1. Definition of Poverty and Social Exclusion

**Poverty** is a multi-dimensional term. For the purposes of this document, persons are considered to be poor if their income and resources (economic, social and cultural) are so inadequate as to preclude them from having a living standard considered acceptable in the society in which they live<sup>1</sup>.

**Social exclusion** is a wider term than poverty. Social exclusion is understood as a process whereby an individual because of poverty, insufficient education, discrimination or other reasons is fully or partly excluded from society and cannot participate in its economic, social and cultural life<sup>2</sup>. Socially excluded persons have difficulties in partly or fully realizing their potential to obtain sufficient income and receive different goods and services essential for living.

**Social inclusion** is a process which ensures that persons at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in society's economic, social and cultural life, to ensure a standard of living and well-being that is considered normal in the society in which they live, as well as greater participation in decision making and access to persons' fundamental rights<sup>3</sup>.

### 1.2. Economy

Between 1996 and 2003 Gross Domestic Product (GDP) in Latvia increased by an average of 6.1% a year and the rapid economic development is continuing. In 2001 GDP increased by 8.0%, in 2002 by 6.1%, and in 2003 by 7.5%. The level of inflation is one of the lowest among the countries of Central and Eastern Europe. During the last four years average inflation has been between 2 and 3%. The average inflation of consumer prices in 2003 was 2.9%.

The potential of economic growth is also characterised by the increase in investment. Between 1996 and 2002 the amount of investment in fixed assets every year increased on average by 18%. The increase in investment was promoted by several factors: a stable macroeconomic environment, low-interest rates, consolidation of the banking sector, etc.

Along with the economic development salaries and pensions increase on a regular basis. Between 1996 and 2003 the net income of employees increased by 76% (by 11% from 2002 to 2003) and pensions - by 70% (by 3.5% from 2002 to 2003).

Even though the economic indicators are relatively high, the increase in the level of public welfare is still too low. The increase in the income of inhabitants is very uneven. The polarisation of welfare is growing; there are a large number of persons receiving a low income.

There is a relatively large proportion of employees whose income is not officially declared. Social insurance and income tax payments are often made from the minimum wage. According to data from Ministry of Finance (hereafter - MoF), in 2002 the shadow economy accounted for 14-20%<sup>4</sup>.

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<sup>1</sup> Joint Report on Social Inclusion, European Commission, 2003, p.9

<sup>2</sup> Joint Report on Social Inclusion, European Commission, 2003, p.9

<sup>3</sup> Joint Report on Social Inclusion, European Commission, 2003, p.9

<sup>4</sup> Joint Assessment Paper, p.6.

One of the main problems of the Latvian economy is the high current account deficit. One of the causes of this is high internal demand, and especially the rapid growth of investment. The current account represented 7.8% of GDP in 2002 and 9.2% in 2003.

### 1.3. Demographic Situation

The demographic situation in Latvia in 2003 is characterized by the following data:

<b>Total population</b>	<b>2.33 million</b>
Of which:	
• Men	46%
• Women	54%
Division by age groups:	
• Under working age (0-14 years old)	16%
• Of working age (15-64 years old)	62.4%
• Over working age (65 and elder)	21.6%
Nationalities:	
• Latvians	58.5%
• Russians	29%
• Other nationalities	12.5%

In 2003 the population of Latvia continued to decrease, but the number of newborn children per 1 000 residents increased. The decrease in the demographic burden is mainly taking place because of the decrease in the number of children. In 2003 the demographic burden in Latvia is 603 children and persons of pension age for every 1000 people of contributing age. Like Europe as a whole, Latvia faces the problem of population ageing.

### 1.4. Employment and Unemployment

In 2003 overall improvement was observed in the employment and unemployment situation. The economic activity of residents in the 15-64 age groups increased, reaching 69.2% in 2003. Economic activity among women in the year 2003 reached 64.7% and 74.0% for males. The participation rate of young people in 2003 was 38.6% of the total number of young people. Although the economic activity of people at the age of 55-64 has increased, reaching 47.9%, it is 22.3% lower than for the age group of 15-64. Differences in the economic activity of residents between regions are observable: it is highest in the Riga region – with 73.7%, but in the Latgale region it is 11.9 percentage points lower.

In 2003,<sup>5</sup> 61.8% of persons in the 15-64 age group were **employed**. The level of female employment was 57.8%, and the level of male employment was 66.0%. Even though female employment in Latvia reached the Lisbon objective – 57% by 2005 - average salaries for females are still lower than for males.

The education level of the employed in Latvia is comparatively high. In 2003, 20.3% of those employed in main work had higher education, while 65.7% had secondary education, including vocational education.

<sup>5</sup> Data of the Central Statistical Bureau from the Labour Force Survey (CSB LFS)

There are significant regional differences in employment levels. For example, in the 15-64 age group the average employment level in Riga region in 2003 was 66.0%, but in the Latgale region it was only 52.1%.

The level of unemployment (according to the ILO methodology) continues to decrease gradually (about 1.4 percentage points in comparison to 2002), in 2003 reaching 10.7%<sup>5</sup> (in the 15-74 age group), however it is 2.6% higher than in the EU<sup>6</sup>. However, there is still a great difference between the unemployment level registered by the State Employment Agency (hereafter – SEA) and the data of the unemployment rate (according to the ILO methodology) from the Labour Force Survey (hereafter – LFS) of the Central Statistical Bureau (hereafter – CSB). It indicates the insufficient motivation of the unemployed to be registered at the SEA. A positive aspect is that the difference in comparison to 2002 has decreased. In 2003 the average unemployment level in Latvia among men was 10.7 % (a decrease of 2.6 percentage points in comparison with 2002), but the level of female unemployment was 10.5% (lower by 0.5 percent points than in 2002).

At the end of 2003 on average 67.5% of the unemployed had secondary education or secondary vocational education, 7.2% higher education and 25.3% primary or lower education. According to CSB LFS data, the unemployment level (according to the ILO methodology) in the Latgale region in 2003 was on average 15.5% but in all the other regions of Latvia it was between 10.3% and 8.8%.

According to the CSB LFS data, in 2003 out of all job seekers aged 15-64, 43.9% looked for work for longer than 12 months. In comparison to 2002, the proportion of **long-term unemployed** (according to the ILO methodology) of the total number of unemployed has significantly decreased. The proportion of long-term unemployed in the age group 55-64 (according to the ILO methodology) is higher than in other age groups. There is also a significantly high level of unemployment (according to the ILO methodology) among young people aged 15-24, however in comparison to 2002 it has decreased by about 2.3 percentage points, reaching 18.5% in 2003.

### **Groups at High Risk of Unemployment**

There is still a low level of employment among **disabled people**. The inclusion of disabled people in the labour market is hindered by a lack of motivation among employers, an unsuitable environment (including the working environment) for the special needs of the disabled, as well as relatively low levels of education and skills amongst disabled people.

The inclusion of **ex-prisoners** in the labour market is hindered by their low education level, unsuitable skills demanded in the market and a lack of motivation among employers. Survey data<sup>7</sup> shows that, more than other groups, ex-prisoners use informal networks in organizing their life after imprisonment, they are less motivated to get information about opportunities offered by the state and local authorities and they are more passive than other groups of the population in using active labour measures.

**Women after the child-care leave** are hindered in returning to the labour market because of out-of-date qualifications and skills after the child-care leave. Employers believe that caring for children will lower labour productivity and at the same time they are not motivated to allow female employees to work part-time and to do work at home (using ICT, etc.) However

<sup>6</sup>[http://europa.eu.int/comm/eurostat/newcronos/queen/display.do?screen=detail&language=en&product=STRIND\\_EMPLOI&root=STRIND\\_EMPLOI\\_copy\\_520479662742/emploi\\_copy\\_934568948015/em071\\_copy\\_16487242664](http://europa.eu.int/comm/eurostat/newcronos/queen/display.do?screen=detail&language=en&product=STRIND_EMPLOI&root=STRIND_EMPLOI_copy_520479662742/emploi_copy_934568948015/em071_copy_16487242664)

<sup>7</sup> “Social Exclusion for Groups Endangered by Unemployment, Incidence of Risk and It’s Causes”, Institute of Philosophy and Sociology, 2003



research<sup>8</sup> data shows that women after the child-care leave are significantly more active than other groups, using the opportunities for finding jobs and active employment measures offered by the SEA. Another reason for the increased risk of unemployment for women after the child-care leaves is insufficient provision of public transport in rural regions. This significantly increases the time needed for getting to the work place and also decreases the possibility of using pre-school services for children.

*Policy objective: Formation of an inclusive labour market and promotion of employment*

### 1.5. Territorial Differences

Material inequality between cities and rural areas remains. In 2002 the average income at the disposal of household members in Riga was 104.53 Ls (179.30 EUR), but in the countryside it was 63.93 Ls (109.66 EUR).

Significant differences are also seen between the regions. This is shown by the following indicators<sup>9</sup>:

	year	Riga region	Vidzeme	Kurzeme	Zemgale	Latgale
Area (% of the total territory)		5.3	30.7	21.1	20.4	22.5
Number of inhabitants (% of the total number)	Beginning of 2003	40.3	15.2	13.5	14.9	16.1
Percentage of urban population, % of the total number of inhabitants in the region	Beginning of 2003	90.3	44.8	61.9	46.7	57.5
GDP (EUR per capita)	2001	5442	2060	3478	2099	2057
GDP share in the national GDP	2001	60.6	8.6	12.9	8.5	9.1
Level of registered unemployment	2002 (15+)	5.2	8.4	9.8	9.8	18.1
Percentage of job seekers	2003 (15-74)	10.3	8.8	9.5	9.4	15.5
	2003 (15-64)	10.4	9.0	9.6	9.5	15.7
Number of economically active enterprises in the private sector per 1000 inhabitants	2002	27.8	11.6	13.0	10.3	9.2
Level of education (percentage of inhabitants with secondary and higher education of the total number of inhabitants in the region)	2000	51.1	43.3	41.8	42.2	45.0

<sup>8</sup> "Social Exclusion for Groups Endangered by Unemployment, Incidence of Risk and It's Causes", Institute of Philosophy and Sociology, 2003

<sup>9</sup> The Single Programming Document (Development Plan of Latvia), Objective 1 Programme 2004-2006

The highest number of problems is concentrated in the Latgale region. The lowest number of economically active enterprises in the private sector per 1000 inhabitants and the lowest GDP per capita, as well as the lowest economical activity of inhabitants and the highest unemployment level are observed in this region. The problems of Latgale region are intensified by the flow of economically active residents from the countryside to the largest cities. This problem is also observed in other regions of Latvia.

It should be noted that significant differences in terms of income and unemployment levels between the countryside and cities are also seen within the regions.

According to Latvian legislation, territories where unfavourable trends in economic and/or social development persist for a long time can be given the status of “specially supported region”. In 2003, 5 districts, 16 towns, 1 area and 113 parishes had this status. 15% of the whole population of Latvia lived in these territories, which are mostly located in Latgale.

*Policy objective: Cohesive regional development / Populated, socially and economically developed Latvian countryside*

### 1.6. Social Expenditure

To ensure the comparison of data at the international level, the analyses of expenditure for social security in comparison to the other EU countries is given according to the ESSPROS classification<sup>10</sup>: sickness/health care; disability; old age; survivors; family/children; unemployment; housing; social exclusion, not elsewhere classified. As today there is ongoing work to introduce the ESSPROS classification and to improve the Latvian statistical system, the data given in this section might be clarified in the future.

Table 1  
**Social Protection Expenditure, % of GDP**

	2000	2001
Sweden	30.7	31.3
France	29.8	30
Germany	29.6	29.8
Denmark	29.2	29.5
Austria	28.4	28.4
Netherlands	27.4	27.6
<b>EU-15</b>	<b>27.3</b>	<b>27.5</b>
Belgium	26.8	27.5
Greece	26.3	27.2
Great Britain	27.1	27.2
Finland	25.5	25.8
Norway	24.6	25.6
Italy	25.2	25.6
Portugal	23	23.9
Luxemburg	20.3	21.2
Iceland	19.8	20.1

<sup>10</sup> Classification “European System of Integrated Social Protection Statistics (ESSPROS): general principles, classification of benefits in the basic system”

Spain	20.2	20.1
<b>Latvia</b>	<b>15.2</b>	<b>15</b>
Ireland	14.2	14.6

Although the expenditure on social protection in absolute numbers continues to increase, its percentage in GDP has not increased. In 2000 social protection spending was 701.3 million Ls or 15.2% of GDP. However in 2001 spending for social protection measures was 714.9 million Ls - 15% of GDP. As statistics show, Latvia has the lowest funding for health care and sickness benefits not only among the EU countries, but also among the Baltic States. The funding allocated for health care in Latvia is about 4% of GDP, in comparison to the EU countries 7-10%.

In Latvia the provision of social benefits in cash, material benefits and social services in case of old age risk make the largest percentage of social protection expenditure as in many other EU countries. More than 90% of the total expenditure consists of expenditure for periodical cash benefits (old-age pensions and state social security benefit to persons at the age of retirement), under the function: "Old age". In Latvia the largest differences in funding allocation are observed among the functions: "Health care/sickness" and "Unemployment", which is the lowest among all the EU countries.

The lowest funding is provided for social protection expenditure, which is connected to the function: "Housing and Social Exclusion". This function mainly consists of municipal social assistance and institutional care and services for particular groups of population (asylum seekers, refugees, service apartments, rehabilitation of addicted persons etc.)

Considering the relatively high indicators of unemployment in Latvia as well as the fact that unemployment is one of the main factors impacting on social exclusion and poverty, it is vital to promote the development of new active employment measures, their compliance with the particular needs of target groups and possibility to allocate additional resources.

Table 2

**Division of Social Protection Expenditure by Functions**  
(% of total expenditure)

	<b>Sickness/ health care</b>	<b>Disability</b>	<b>Old age and survivors</b>	<b>Family/ children</b>	<b>Unemployment</b>	<b>Housing and Social Exclusion</b>
2000						
EU-15	27.3	8.1	46.4	8.2	6.3	3.7
Latvia	16.4	10.3	58.1	9.8	4.1	1.3
2001						
EU-15	28.2	8.0	46.0	8.0	6.2	3.6
Latvia	19.2	10.1	56.5	9.3	3.6	1.3

## 1.7. Access to Resources, Rights, Goods and Services

### 1.7.1. Ensuring an Adequate Income

Using the monetary poverty indicators<sup>11</sup> approved at the Laeken European Council in 2001, it is clear that Latvia has relatively high levels of income inequality and risk-of-poverty index. In 1999 the Gini coefficient characterising the inequality in income distribution in Latvia reached 31% (EU 15 – 29%) and in 2002 it was 34%. The income distribution (income quintile share ratio) between the top 20% and the bottom 20% was 5.1 in 1999 (EU15 – 4.6%) and 5.5 in 2002.

In 2002, 16% of the population were at risk of poverty (EU15 in 2000 - 15%). Social transfers play a significant role in poverty reduction. If household members did not receive any social transfers, the risk-of-poverty index in Latvia would have been 43% in 2002 (EU15 average 40% in 2000). It is important to note that the actual value of the risk-of-poverty threshold in Latvia is very low. In 2002 it was 59 Ls per household member or 706 Ls per year. In 2001 the risk-of-poverty threshold was 3.6 times lower than in the EU15 countries<sup>12</sup>.

Salaries are the main sources of income. In 2003 the average net salary was 138 Ls. On January 1, 2003 the minimum wage in Latvia was 70 Ls per month, while on January 1, 2004 it was 80 Ls per month. The minimum wage defined by the state has been regularly increased in the last three years, but the untaxed income minimum of inhabitants has stayed unchanged for the last 10 years. In Latvia income tax of inhabitants is applicable to income that is gained on the basis of work relationship according to the general tax rate of 25%. The untaxed income minimum is 21 Ls per month or 252 Ls per year. However for each dependant (including for every child) tax relief is applied to the amount of half the untaxed income minimum, i.e. 10.50 Ls per month or 126 Ls per year.

Additionally, every person has the right to subtract expenses for health care services and education of their own and their family members from the taxed annual income. These expenditures include expenses for the higher and all level vocational education, expenses for obtaining speciality (profession, metier and craft) from educational institutions accredited by the Latvian state, as well as expenses for the broadening of professional knowledge and expenses for raising qualifications.

In the event that a person cannot receive income from work, partial compensation is regulated by the social insurance, state benefits, and social assistance and social services systems. The social insurance system is based on the principle of solidarity and the amount of services according to contributions. The average amount of the pension in 2002 was 61.10 Ls, and in 2003 – 63.40 Ls.

In spite of the comparatively high level of female employment in Latvia, the trend of feminization of poverty is observed. Owing to their lower average remuneration (in 2002 the average salary of women in proportion to the salary of men was 81.5%), poverty tends to be sustained throughout their lifetime, as the amount of future material security or the amount of pension depends on the amount of social contributions made previously.

Analysing the material situation of households according to the demographic structure, two main types of households can be singled out as being at risk of especially low income – households with three or more children and single-parent households with one or more dependent children (these households are mainly supported by a woman). In 2002 the risk to

<sup>11</sup> Sources for poverty indicator calculations are the calculations of the CSB and the publications of the Eurostat “Statistics in Focus, theme 3-8/2003” and “Draft of Statistics in Focus, theme 3 - 03/2003”

<sup>12</sup> In one-person households in EU15 countries the poverty threshold in purchasing power standards was PPS 8253, while in Latvia it was 2301

become poor (risk-of-poverty index) was for 35%<sup>13</sup> for households with single parents and one or several children and 22% for households consisting of two parents and three or more children.

Comparing the average income of households, it is evident that in 2002 the lowest income level per household member - 54.37 Ls (93.26 EUR) - was in single parent households with one or more dependent children aged up to 18 and in households with couples with children – 75.74 Ls (129.91 EUR). At the same time, the average income in one person households was 92.17 Ls (158.10 EUR), but in those of childless couples it was 108.74 Ls (186.52 EUR). According to Household Budget Survey data, in 2002, 39% of the total number of children lived in the poorest 20% of Latvian households<sup>14</sup>.

*Policy objective: To ensure an adequate income for everybody through systems of remuneration, tax policy and social protection*

### **1.7.2. Education**

In Latvia the level of education among the employed is comparatively high. In 2003, 20.0% of those employed in main work got higher educations (24% in the EU) and 66.4% had secondary education, including vocational education (correspondingly 46% in the EU). However the lack of skills and professional qualifications for part of the employed bars them from working in the professions most demanded in the labour market – information technologies, communications, marketing and entrepreneurship. Also insufficient knowledge of the state language increases the risk of unemployment. In 2003, 8.6% of unemployed in the age group 15-64 had higher education, 67.1% secondary or vocational education and 24.3% primary education or lower.

People with insufficient material resources (the unemployed, people with insufficient professional qualifications, disabled people, people, whose professional educations do not meet the current needs of the labour market, people in the pre-retirement age who have lost their jobs) cannot afford lifelong education.

In Latvia 340,000 children studied in general education schools in 2002/2003 (327,000 in 2003/2004). The registration data show that in 2002 school was not attended by 2,512 children of those who have reached the age of compulsory education in the age group 5-15 (0.8%), including 1,755 children in the age group of 7-15.

There is relatively high number of vocational school drop-outs who do not receive professional qualifications. For example, in 2001/2002, 12,692 students graduated from vocational education institutions (including 5,943 girls), while 7,001 students were discharged, including 2,736 girls.

The number of vocational education institutions, where students can get the basic level of vocational education is comparatively small (2.7% of all vocational education institutions in 2002/2003). Vocational education in Latvia mainly focuses on receiving those with secondary educations (97.3%). Therefore students, who do not get primary educations, have limited possibilities to get professional qualifications.

At the present there are 64 special schools in Latvia with more than 10,000 children with special needs. Usually these schools are boarding schools, specialized on the concrete type of disability. This means that children are forced to be separated from their families for a long time.

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<sup>13</sup> Calculations based on the Eurostat methodology, which regards 60% of the equivalent income median as the poverty threshold. Calculations based on Household Budget Survey data.

<sup>14</sup> Household Budget Survey data

In Latvia there are disparities in the quality of general education between urban and rural areas. These disparities are observed in the material provision for schools as well as in the provision of teachers and teaching aids. Children with functional disorders face the problems of environmental accessibility in urban as well as in rural areas. Besides the problems of environmental accessibility there are problems connected with the opening of special classes for children with intellectual disorders, deaf and partially-deaf, poor sighted and blind children. These children cannot obtain qualitative educations because of the insufficiency of additionally trained teachers, necessary supplementary aids and specialized teaching aids. Schools are not motivated to open specialized classes, get accreditation for special training programmes or to employ special teachers as this is not supported financially. Accessibility to all kinds and levels of qualitative education is connected with the location of educational institutions and financing, as well as with the possibilities of social partners to get involved in the provision of education.

At the present the student division according to the subject groups does not reflect the needs of the national economy and changes in the labour market. Despite the lack of a qualified labour force in the science and technology intensive branches, there are fewer students wishing to study engineering and technology than business, social and legal sciences.

Students from low-income families have limited possibilities to receive the higher education for charge.

The higher education institutions practically do not offer any additional possibilities for people with different kinds of disabilities. There is no support programme for disabled people (paid interpreters for deaf persons, preparing of information in Braille writing, additional expenses for transport and assistants, ensuring of accessibility to environment, etc.), and the possibility to adapt the curricula to individual needs is not available.

*Policy objective: To increase the quality, accessibility and cost efficiency of education, and to achieve greater suitability of education and training to the modern labour market*

### **1.7.3. Housing**

In 2002 the housing stock of Latvia was 54.9 million square metres; 65% of all the housing stock was located in cities. A little less than a half of the housing stock was in apartment blocks. The housing stock in Riga is 16.5 million square metres or 30% of total national housing.

The transition period in the early 1990s also included changes in the ownership structure of the housing stock in Latvia. Denationalisation of house ownership and privatisation of municipality-owned dwelling houses in 2003 resulted in 82% of the housing stock being private property, 14% municipality-owned, 2% state-owned and 2% owned by cooperative companies of flat owners.

In Latvia, in comparison with the other EU countries, housing is of a lower grade; dwelling houses are comparatively old and of low quality, particularly from the point of view of chargeable heat. 31% of all houses were constructed before 1940. 57% of all dwellings were built in the period from 1958 to 1992, when ferroconcrete constructions in building were used.

Ensuring the adjustment of the housing environment for people with movement disorders is unsatisfactory.

Low-income levels and comparatively high rental and utility charges are the cause of the majority of housing related problems. In 2002, 13% or 11.92 Ls of household expenditure per one household member was spent on housing and public utility payments. The housing market has been distorted by the low purchasing power of the population and the varied level of economic activity in the various Latvian regions. In the regions with low economic activity, the demand for apartments is low, while in economically developed regions it many times exceeds availability. The low purchasing power of the population is still the cause of high demand for inexpensive (partial amenities with firewood heating) municipality-owned housing, which is still in short supply. After the denationalisation of house ownership and return to the previous owners, there are a total of 29,084 apartments in Latvia used by tenants based on rental agreements signed for the cession of the property to the ex-owners. These tenants are approximately 3% of the total population of the country. The cost of rent in private rental houses mainly depends of the general economic situation in the respective territory, which simultaneously influences the demand for housing and the purchasing power of households. Persons with low incomes renting apartments in denationalized houses are facing the problem of being turned out of their apartments due to necessary capital renovations on the apartments or the accrual of debt for rental and public utility payments. These persons are at risk of homelessness, because they are unable to obtain housing from the housing market. In its turn municipal housing benefits are limited in time and amount. These of housing benefit as a lifelong subsidy is not an acceptable solution to the debt problem.

Families with children are the most vulnerable in this particular market situation in Latvia. Other vulnerable group are pension age residents and disabled people living in large cities, who are able neither to pay the rental charges nor to find housing matching their own financial resources. It is difficult for persons with low income to get mortgage loans for housing purchases or for extensions and improvements of their existing housing. Moreover, the construction of municipality-owned apartments in the course of the last decade has declined significantly – 0.4 apartments per 1,000 inhabitants in 1999 (in 2001 there was no construction of municipality owned apartments at all). At present the building of apartments, mainly in Riga, has been initiated. There is an insufficient number of social apartments in Latvia. In 2003 in Latvia there were 930 social apartments and 74 social houses, including 36 in cities. In comparison to 2002 the number of social houses has increased by 12% and the number of social apartments by 6%.

Persons with low incomes who are renting apartments in denationalized houses, mainly in Riga, are facing the problem of being turned out of apartment due to necessary capital renovations of apartment or the accrual of debt for rental and public utility payments. In particular cases these persons are at risk of homelessness because they are unable to obtain housing from the housing market. In its turn municipal housing benefits are limited in time and amount. These of housing benefit, as a lifelong subsidy is not an acceptable solution to the debt problem. Due to the decrease in their housing stocks resulting from privatization, municipalities are unable to provide accommodation at short notice to all persons who apply for renting municipal accommodation.

*Policy objective: To provide access to adequate housing for each inhabitant*

#### **1.7.4. Health**

Compared to the EU countries, the general health condition of the Latvian population is unsatisfactory. The average life expectancy remains low – in 2002 it was 65.4 years for men and 76.8 years for women (in 2001 in EU countries it was 75.3 years for men and 81.4 years for women<sup>15</sup>).

<sup>15</sup> World Health Organization Regional Office for Europe „The Atlas of Health in Europe”

Morbidity and mortality rates for the most prevalent diseases are higher in Latvia than in other EU countries. For example, according to the Atlas of Health in Europe, in 2001 Latvia was in the first place amongst EU25 countries in mortality rates among persons up to 64 years (539.4 per 100,000 people), in the first place for mortality rates in cardio-vascular diseases in the age group 25 to 64 years (290.5 per 100,000 people), following Estonia and Lithuania in mortality rates for men in cases of injury and poisoning (246.3 per 100,000 men), in the first place regarding mortality rates in road accidents (23.48 per 100,000 people), and following Estonia in the number of newly diagnosed cases of HIV/AIDS (34.3 per 100,000 people).

The most prevalent diseases ending with death are cardio-vascular diseases, with women dying more from these causes. In 2002 these diseases were mentioned less as the cause of death than in the previous year (777.8 versus 782.9 in 2001 per 100,000 people). There was a slight decrease in the number of death cases caused by cancer – from 246.4 (per 100,000 people) in 2001 to 245.0 in 2002. However, cases of malignant tumours increased in the last three years by about 3.4% per 100,000 people. The third most mentioned cause of death – impact of external forces (4.7 times more often for men) - was observed slightly less in 2002. Death rates decreased from 3,703 in 2001 to 3,666. Significantly 67% of the death cases were of people in the working age.

Neither significant improvement, nor catastrophic decline has been observed in the sphere of mental health. In 2003 the number of patients under the care of psychiatrists has increased by 2.1%. The morbidity rate for initially ill patients has increased by 3.7%. During last five years the number of suicides has tended to decrease, although Latvia is still in fourth place in the world as to the number of suicides.

The most significant problems in mental health care are caused by the decline of the social situation of patients, which in turn limits the possibilities for them to receive adequate treatment. There is a tendency of increasing social exclusion and isolation for mentally sick persons. According to the data of the State Register of Psychic Disorders and Psychic Diseases, for example, in 2000 threats to health from social environment and social circumstances in the family were observed in 3,131 in-patients, while the figure in 2001 was 4653, and in 2002 - 5163. In this group, the diagnosis of social isolation was given to 531 patients in 2000, 836 in 2001, and 722 in 2002. A tendency was observed to use hospitals not only to receive medical treatment but also for social support. The lack of effective mental health personnel, work skills as well as the lack/ non-existence of work creates a situation where patients are treated as an burden for the family and decreases the chances of patients to be integrated into society, resulting in a risk of social tension (homelessness, crime) and increase of expenses in the social sphere (benefits, disability pensions).

In recent years, morbidity from tuberculosis has decreased, however the ratings are still high. In 2003 morbidity from all kind of tuberculosis was 63.7 per 100 000 people. Death cases from tuberculosis and its consequences continue to decrease.

In 2002 the indicator was 9.0 per 100,000 people. Unfortunately the given data show dissatisfactory work at the level of primary health care and the late diagnosis of tuberculosis. The morbidity rate among men is 2.5 times higher than women, men mainly falling ill in the contributing age from 25 up to 54. People without a permanent place of residence, the unemployed and prisoners face higher risk of tuberculosis. Ex-prisoners without jobs and permanent living places also face high risks. At the moment there are seven consulting-rooms for tuberculosis in Latvia and treatment from tuberculosis is covered by the health care budget. Every year people must undertake fluorography tests free of charge.

In 2003, in comparison to the previous year, morbidity from syphilis increased by 15.5%.



Registered morbidity from other sexually transmitted infections (gonorrhoea, urinary genital chlamydiosis, and anogenital herpes virus) is decreasing year by year. The registered morbidity rates do not show the full picture as mainly poor people do not turn to doctors for treatment, since they are afraid of the cost of services and the high prices of medicine. Among the groups at risk are young people in the age of 15 to 24, people without a steady occupation and means of support. In Latvia morbidity from contagious skin diseases remains high (in 2002 morbidity from dermatomycosis was 21.1 per 100,000 people), and the number of unregistered cases could be higher than the registered ones.

HIV/AIDS infection continues to spread in Latvia. Although HIV infection rates have decreased by 32.3% (23.2 per 100,000 people in 2002), morbidity from AIDS increased by 31%, and the mortality rates from HIV/AIDS also went up. It is forecast that over the coming years the mortality rate from AIDS will increase. HIV infection is higher among men in all age groups. The trend for HIV infections to increase among young people in the age group 11 to 19 is disturbing, with the number of cases reaching 468 or 17% of the total number of cases. In 2001, of all persons examined in places of imprisonment, 4.4% (295 persons) had positive HIV tests, but in 2003 the figure was 3.6% (222 persons).

According to legislation, several groups of people are freed from patient payments: children up to 18 years old, pregnant women and women after the birth of child for a period of 42 days concerning medical services connected with pregnancy, post-natal examination and the process of pregnancy, politically repressed persons and victims of cleaning up the consequences of the Chernobyl Nuclear Power Plant accident, people that according to the normative acts are acknowledged as poor, tuberculosis patients and patients who undergo examination for tuberculosis, persons in state specialized and municipal social care institutions, and people being vaccinated according to the order set out in normative acts.

Under the state immunization programme, free of charge vaccination is provided for children (tuberculosis, diphtheria, tetanus, whooping-cough, poliomyelitis, measles, German measles, epidemical parotitis, B type of infection caused by Pfeiffer bacillus (bacterium of influenza), and B virus hepatitis). Adults are given free vaccinations against diphtheria and tetanus. Adults and children, who have been in contact with animals or people that are sick or suspected of being sick with rabies, receive free vaccinations against rabies.

The legislation states that people recovering from defined illnesses have the right to obtain the necessary compensated medicine for treatment. However the full compensation for the diagnosis as set in the compensation system is not always provided, nor are new diagnoses included, therefore some patients with serious and chronic illnesses are denied the necessary medicine. By not receiving the appropriate treatment in time, the overall health condition of patients decreases and the number of untreated illnesses increases. Pensioners, disabled people, large families and the unemployed face a higher risk of not being able to cover the costs of treatment.

*Policy objective:*

*To ensure minimum state guaranteed health care and adequate access to necessary medicine.*

### **1.7.5. Social Services**

The social services system has clearly defined services reception criteria and order, and the principles of service quality standards have also been developed in Latvia. Nevertheless, the supply of social rehabilitation and social care services does not satisfy the needs of different groups of the population. Alternative care services near the place of residence for elderly people and persons with mental disorders (home care, day centres) are not sufficiently available. As a result, family members have limited opportunities to participate in the labour market and the financial position of the family worsens. Access to professional rehabilitation

services for disabled people to help them learn the professions demanded in the labour market is deficient. Although the provision of technical aids available to inhabitants is being enlarged on a regular basis, it is necessary to enlarge the supply and to improve the accessibility of the service.

Though the state provides financial aid for the training of professional social workers and there are social work education programmes in several universities, the number of professional social workers working in municipalities is still insufficient. According to legislation, one social worker per every 1,000 inhabitants will be required starting from January 1, 2008. In 2003 there were only 57% of all the necessary professionals according to the planned norm (683 of the necessary 1195) working in the municipalities. The number of municipal social services is still insufficient; therefore more rapid development of the network of social services would be necessary.

*Policy objective: To ensure access to social services in accordance with the needs of people as close to the place of residence as possible*

#### **1.7.6. Culture, Sport and Leisure**

Culture is one of the main indicators of the life quality of societies, individuals and environments. Diversity and accessibility of cultural and educational institutions and cultural events serve as the engines of intellectual development of a society, stimulating the development of creative and contributing personalities. Theatres, concert halls, museums, libraries, cultural institutions, and the national opera ensure the dynamism of the cultural life in Latvia, offering a wide choice of various cultural events that are open to society. However these are mainly located in the capital and the largest cities. Access to cultural events is also restricted for less well off people (the unemployed, pensioners, large families), people living in the countryside and disabled people, especially those with movement and eyesight disorders due to the technical provision of existing buildings and premises and ticket prices .

At the present people with movement disorders and eye sight problems are the most radically set apart from access to cultural events and cultural services. Entrances, staircases and doors to the majority of cultural buildings and premises are not adapted to disabled persons with wheelchairs or with eyesight problems to enter the buildings and fully use the services by themselves. Due to limited financial resources, up to now there was no possibility to build special ascents, lifts and do other reconstruction works for people with movement and eyesight problems to help them enter the buildings and attend interesting cultural events and services.

Due to modern technological development and the concentration of cultural information in the global computer network less well off people have limited choices to spend their leisure time.

In order to promote the development of culture and cultural education in the countryside, every year the Ministry of Culture subsidizes the managers of folk art groups and municipal music and art schools, thereby promoting a more active cultural life in the regions. (In 2004 the amount of subsidies to municipalities for cultural and educational purposes was 6,606,809 Ls, to managers of folk art groups 349,874 Ls).

Every year the Ministry of Culture earmarks financial resources in its budget for the publishing of literature in Braille in order to ensure access to literature for people with eyesight disorders (in 2004 – 21,948 Ls).

Sport is one of the most essential forms of activity promoting the physical and social activities of individuals; therefore sport has a significant role in the solution of social exclusion problems, especially for those groups at risk of social exclusion such as young people and disabled people.

Although sport in Latvia as a separate branch has existed already for many years and therefore should be looked upon as an essential part of state development, the main obstacles to the solution of many problems are insufficient financing and disorder in sporting structures.

The most significant problems in the sphere of sport in Latvia, all of them being priorities, are the following: no united system in the country to promote sports activities for young people; an insufficient number of sports buildings countrywide and especially a lack of sports premises or bad technical condition of sport premises in schools – in urban as well as rural regions; the lack of highly qualified sports specialists at schools, sports schools and sports organizations; insufficient cooperation among private, state and local authority sectors in sports issues; insufficient state support for sports clubs and state acknowledged and registered federations, unions and associations; insufficient social guarantees for outstanding sportsmen, sports specialists and coaches; insufficient understanding in society about sport for disabled people and limited access to sports premises for people with special needs.

*Policy objective: To provide access to cultural and sport life and productive leisure time for everybody*

#### **1.7.7. Legal Assistance**

In Latvia at the present the state does not provide legal assistance free of charge for less well off people. In criminal cases legal assistance is provided by barristers whose salary is paid from the national budget as stated in law. Every year the state assigns 400,000 Ls. However the law does not envisage free legal assistance in civil cases.

*Political objective: To provide the possibility for every person to realize their rights and to receive necessary legal assistance*

#### **1.7.8. Transport**

During the last three years the amount of public transport services has increased. In 2003 the amount of regular bus traffic reached 2,550 million passenger kilometres, that is, about 189 million passenger kilometres more than in 2002.

The intensity of public transport in different regions of Latvia depends on the density of population and the location of working places and education institutions in the populated areas. At the present the average reach of public transport in rural regions of Latvia is 2-3 km. The reach of transport in the areas with low density of population is even 5-7 km.

In many places of Latvia the routes and timetables of public transport are oriented to provide access to educational institutions. One of the characteristics of orientation is seasonality – in some routes no public transport access is provided during summer holidays for children.

The depreciation of the rolling stock is still a pressing issue. In 2003 the average age of busses used for regular passenger transporting exceeded 12 years, and for trains 22 years. This increases the amount of resources needed for the repair works and raises the price of transportation; furthermore there are no appropriate transport vehicles for people with functional disorders. Significantly, the problem of depreciation is most pressing in rural areas, especially in territories with low density of population, where the average age of vehicles sometimes exceeds 15 years. The reconstruction of such vehicles for people with special

needs is not profitable, as the reconstruction will exceed the value of the vehicle several times. However the time left for the use of these vehicles will not be long.

In 2002 the tariff for long distance busses was on average 1.6 santims per kilometre, but on local routes the average tariff was 2.0-2.2 santims per kilometre, covering only about 70% of the real transport costs.

State budget subsidies to transport give the possibility to organize traffic on routes not profitable for transport companies. In 2003 state budget subsidies for passenger busses was 8.7 millions Ls. In 2003 the passenger transportation by train received 0.6 millions Ls in state subsidies.

To provide access to public transport for people with serious disabilities, some parts of the transportation costs of these people are covered by the state in the form of subsidies, providing disabled people with the possibility to use transport services free of charge. In 2003, 4 million Ls were spent by the state to compensate the transportation of disabled people.

The majority of bus and railway stations do not have adjusted environments and access to appropriate information for disabled people.

Children up to 6 years old can use public transport free of charge. In rural areas municipalities cover the transportation costs to the amount of 100% for pupils in grades 1-9, and 50% for pupils in grades 10-12. In urban areas municipalities cover the costs of transport companies to the amount of 50% of the price of monthly tickets (for pupils and students).

*Policy objective: To provide access to public transport services for everybody*

### **1.8. E-inclusion**

Latvia falls behind the EU in the use of information and communication technology (hereafter - ICT). The number of Internet users and skills to use the Internet falls behind the EU indicators. In 2003 the Internet in Latvia was used by 24% of people. In Riga in the second half of 2003 the Internet was used by 39% of the population; however in other regions of Latvia the number of Internet users was more than two times lower, as stated in the TNS BMF survey "e-Track". According to the TNS BMF survey analyses, in Latvia the Internet is reachable mainly for people with high income as well as for pupils and students, who can get access in their study places.

However the percentage of Internet users has not increased among groups of people with average or low incomes. Low Internet access is a serious problem in the more distanced and poor rural areas. The provision of IT at schools, libraries and municipalities has been improved, however it is still unsatisfactory. Municipal and state institutions are still not connected in one network. A small number of municipalities can provide services in electronical form. Poor and socially excluded people do not have sufficient information about the processes of society and possibilities given by new technologies; the knowledge of computers is low. Only 20% of municipalities have Internet home pages, mainly in the regional centres and big cities, providing information for people. Computer training is carried out on average in 47% of municipalities. In five regions of Latvia (19%) computer training is organized in less than one third of local municipalities. Only seven regions (27%) provide computer training in more than 50% of municipalities<sup>16</sup>.

In Latvia computer speech synthesis used for blind people is not provided in Latvian, denying them the possibility to work with computers.

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<sup>16</sup> Research on the Process of Information Society Building in Latvian Local and Regional Governments, Ltd „ADati”, 12/2003

*Political objective: To provide the possibility for everyone to use ICT and participate in the information society*

## **1.9. Gender Equality**

Although in the Single Programming Document gender equality is set as a horizontal priority, at the present the government does not have enough instruments to achieve actual rather than formal implementation of gender equality. Incomplete observance of political documents and norms set by law and the realization of documents in real life is the main problem hindering the ensurance of gender equality in the labour market.

Looking at the situation in the country from the point of view of gender equality, the most essential problems are observed in the difference of economic activity indicators between women and men (men have higher indicators in Latvia than women; however in comparison to the EU, the activity of women even exceeds its average indicators). The difference in salaries of women and men is the second essential issue (in 2002 the proportion of the salary between women and men was 81.5%). This is connected with the concentration of women in certain spheres of the labour market and the choice of a particular education. Women mostly choose the spheres of education, health care and culture, which in general have lower wages but include social guarantees. These spheres are financed from the state or municipal budgets. Some obstacles are observed in the reconciliation of work and family life, with women usually being responsible for housework and men rarely taking part in childcare or upbringing<sup>17</sup>. Violence in families against women is a significant issue, according to the data of the State Police; during 2002, 588 women suffered from violence in families<sup>18</sup>. According to a survey carried out in Latvia, 29% of the women suffered from physical violence by their partner and 22% of men confessed that they used violence against their partners<sup>19</sup>. The population of Latvia has little information about the scale of this problem and its solution possibilities.

*Policy objective: To integrate the principle of gender equality in all spheres of life, to ensure and promote equal possibilities for women and men.*

## **1.10. The Situation of Social Exclusion Risk Groups**

In Latvia, a few groups are subject to the risk of poverty and/or social exclusion to a larger extent than others or are subject to several risks simultaneously.

### ***1.10.1. Large Families and Single-parent Families with Children***

The incomes of families with children are below the level of the state average income. The majority of families with three or more children (large families) and single-parent families with one or more children are subjected to risk of poverty and thus to the risk of social exclusion. Low incomes for these families hinder their access to adequate housing, i.e. to make rental and public utilities payments (see 1.7.3.). Often these families are dwelling in less comfortable apartments or in apartments in which dwelling-space per family member is under the state average. This risk group for social exclusion has limited chances to take part in cultural life (see 1.7.6.). Also the care services for preschoolers are developed insufficiently; as a result the inclusion of parents in the labour market is hindered.

<sup>17</sup> Essay on Latvian population / No 4: Time for Work and Leisure in Post-Awakening Years in Latvia. Ed. by P.Eglite. Riga: LSA Institute of Economy, 1999

<sup>18</sup> Web site of the Information Office of the Ministry of the Interior ([www.ic.iem.gov.lv/statistika/12.php](http://www.ic.iem.gov.lv/statistika/12.php))

<sup>19</sup> "Human Security", Human Development Report of Latvia 2002/2003

A high risk of unemployment and therefore poverty is for women after child-care leave (see 1.4.).

### ***1.10.2. Disabled People***

An important group at risk of social exclusion are disabled people. This social group is subject to several risk factors depending on the particular type of disability. Disabled people have difficulties in obtaining qualitative education (including vocational and higher), since the majority of educational institutions of all levels are not adapted to persons with functional disorders. Although there are 64 special schools in Latvia, the number of special educational programmes where children with mental and functional disorders can obtain education without separating them from family is insufficient (see 1.7.2.).

One of the risk factors of social exclusion for disabled people is the low employment level (see 1.4.). The greater part of their incomes are pensions, therefore their income level is below the state average income level. This restricts their resources to discharge by themselves expenses necessary for health maintenance and preservation. In 2002 there were 77,900 persons receiving disability pensions; the size of the average disability pension was 54.15 Ls. In 2003, 75,900 persons received disability pensions; the average amount of these pensions was 55.79 Ls.

The number of social services for people with disabilities and their families aimed at the compensation of disability (assistants, attendants, interpreters for people with impaired hearing, etc.) is insufficient. The factor, which creates the social exclusion of these groups, is an unadapted physical and informative environment.

### ***1.10.3. Old People***

When dealing with the financial situation of aged inhabitants (above the contributing age), it is evident that their households are slightly below the average income level. Pension age people would need additional support to access health care services, as coverage of health services is the third priority after expenses for food and housing maintenance in the budget of their households (see 1.7.4.). Inhabitants of pension age living in large cities are able neither to afford the rental charges nor to find by themselves housing matching their own financial resources (see 1.7.3.).

Old people have insufficient access to alternative care services to long-term social care institutions that would enable those old people who are not able to take care of themselves to stay at home (see 1.7.5.). This group is at risk of exclusion because low incomes have limited their possibilities to take part in cultural life (see 1.7.6.).

In 2002 there were 496,900 recipients of old age pensions in Latvia and the average level of the old age pension was 62.81 Ls, while in 2003 there were 487,900 recipients of old age pensions and the average level of the old age pension was 65.21 Ls.

One has to consider that the state average wages are increasing more rapidly than pensions, and the increase of pensions is mainly based on the changes in the consumer price index<sup>20</sup>. Evaluating the actual income dynamics of these categories of inhabitants, it is evident that the real increase of average old age pensions<sup>21</sup> paid between 2000 and 2003 was 11%, running behind the changes of the real wages index of employees<sup>22</sup> that was 18.3%.

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<sup>20</sup> According to the Law „On State Pensions” from 2002 pensions which do not exceed threefold the amount of state social insurance benefit (about 95% of old age pensioners) till 2004 were indexed with the consumer price index and 25% of the real increase of sum of salaries, from which the social insurance payments are made. Before that pensions were indexed only with consumer price index.

<sup>21</sup> Proportion of average monthly *paid* pension index against the consumer price index.

<sup>22</sup> Proportion of average *net* salary index against the consumer price index.

#### ***1.10.4. Children and Youth***

Children and youth is the group of the population most sensitive to the social and economic changes in the society. Education not sufficient and/or not applicable to the current needs of the labour market (drop-outs from primary education) and the lack of practical work experience are the reasons for the high unemployment rate for youth aged 15-24 (see 1.4.), as a result this group has no chances to get an adequate income.

Youth is one of the groups that are subjected to an increased risk of getting sexually transmitted infections (see 1.7.4.). In the last years the addiction to psychoactive substances among children and adolescents has increased substantially (by 37.14%). The use of these substances causes mental and behavioural disorders of children and adolescents. The number of children with diagnosis of alcoholism continuously increases; 21 children were registered at the end of 2002.

In the last years the problem of violence against children and leaving children unattended is being updated. In 2002 the number of children who were victims of criminal actions increased in comparison with 2001 by 67 cases. The number of children at the age 0-14 who are victims of misdoings increased by 17 cases. Also, the number of cases of children from cruelty and ill treatment continues to increase. There were 1,077 children in 2001 and 1,144 children in 2002 who suffered from such treatment.

Unfavourable situations in numerous families with children caused by social problems, limited incomes and other circumstances are the reasons for the increase in the number of street children. Planning of measures targeted at this group is complicated by the fact that there are no explicit data about the street children. Working with this group involves solving a whole series of problems simultaneously.

#### ***1.10.5. Persons Released from Prisons***

A notable group at risk of poverty and social exclusion is ex-prisoners. In 2002, 2,517 persons, including 129 women, were released from places of imprisonment. In 2003, 2,578 prisoners were released.

Social integration of those people is hindered by the negative attitude of society because of their criminal record and because they have lost the social skills required for organisation of their daily life. The majority of former inmates face difficulties in integrating in the labour market on account of low educational level; inadequate professional competency and negative attitude of employer (see 1.4.). 5.5% of all convicts were involved in vocational training.

Ex-prisoners do not turn to state and municipal institutions to solve their social, employment and dwelling-place problems; therefore, in order to find livelihoods, they repeatedly commit transgressions of the law.

A serious problem is the comparatively high morbidity rate from HIV infection amongst prisoners (see 1.7.4.). In 2003 there were 468 prisoners with positive HIV tests and 20 prisoners with combined infection of AIDS and tuberculosis in Latvia. The state of health of persons released from the places of imprisonment is on average worse than that of other groups of population.

#### ***1.10.6. The Unemployed***

Analysing the population that is most affected by unemployment as one of the risks of social exclusion, three main target groups can be distinguished – long-term unemployed, young unemployed people and pre-retirement age unemployed people. The latter two groups because of the lack of skills and inadequate education are at greater risk than other inhabitants to becoming long-term unemployed.

Besides the groups mentioned before, there are three more groups of the population - disabled people, former prisoners and women after child care leave - who are not taken on by employers lacking motivation because of different reasons. Therefore these groups have higher unemployment risk and reduced possibilities to get an adequate income from work (see 1.4.).

#### ***1.10.7. Homeless People***

Homeless people are one of the most vulnerable groups whose appearance is related to the consequences of rapid economic changes. The planning of measures targeted at this group is complicated by the fact that there are no clear data about homeless people. Only the data of municipalities about homeless people who have received the services of night shelters can be used. In 2003, 2,123 homeless people used these services, the majority of them in Riga - 1,343. This is considerably more than in 2002 when 1 552 homeless people used these services, including 932 in Riga.

The main problems of homeless people are lack of competences of social functioning, lack of housing, lack of a stationary source of income (work), and protection. Homeless people never have just one single problem therefore the work with this group of inhabitants is complicated and needs greater investments of work and means to achieve results. At present, homeless people are able to solve their problems only up to a certain level but in the majority of cases are not able to maintain the gained level. The main reasons for not achieving the results of provided assistance are the following: lack of inexpensive housing, insufficient qualifications of these people to work, addiction problems, poor health, as well as the stereotypes dominant in society furthering the exclusion of this group of people.

#### ***1.10.8. Ethnic Minorities***

Research and statistical data show that there are no substantial differences in poverty and social exclusion indicators between Latvians and non-Latvians, except for a very small minority of Roma. However, according to the statistics some differences between the unemployment rates in the age group 15-64 could be observed in 2002 (for Latvians - 9.2% and for non-Latvians 15.2%). In 2003 the improvement in the situation for non-Latvians can be seen – the unemployment rate in age group 15-64 decreased, reaching 14.5%.

In 2000, according to the Population Census there were 8 205 Roma which is 0.3% (0.4% in 2002) of the population of Latvia. A high proportion of Roma children have not attained even a primary education. It is reasonable to consider that the representatives of this ethnic group have a lower level of education – 40% have only four grades or lower education and many are illiterate. As a result they have limited access to the labour market – fewer than 5% of Roma of working age have official employment, only 10% of Roma of working age were officially registered as unemployed. Roma have lower incomes and poorer health than average. The low competitiveness of Roma in the labour market, unlike in the case of members of other ethnic groups, is not related to the insufficient knowledge of the Latvian language.

#### ***1.10.9. Victims of Trafficking***

A new social group - victims of trafficking - has formed in recent years whose problems society has to take into account. According to the data of the Office for Combating Organized Crime of the Criminal Police Department of the State Police of the Ministry of the Interior, 1,000 persons a year are victims of trafficking in Latvia. This number is tending to increase. According to the data of the International Organization of Migration, every year approximately 2,000 inhabitants of the Baltic States become victims of trafficking. At present the victims of trafficking have no possibilities to receive social rehabilitation services; as a result the chances of these persons for social reintegration into society are hindered. Without



receiving psychological, social, legal and other assistance, the victims of trafficking cannot overcome the after-effects of trauma.

## **CHAPTER 2. STRATEGIC APPROACH, MAIN OBJECTIVES AND TARGETS**

### **2.1. National Strategy to Reduce Poverty and Social Exclusion**

The social situation of the groups at risk of social exclusion, identified in the JIM, will improve simultaneously by multifactor developing and improving the systems of assistance and services of the state, municipalities and non-governmental organizations, by making these systems and services more accessible to all inhabitants.

To ensure adequate resources for each inhabitant of the state and possibilities to enjoy their full rights for maintaining human dignity and becoming part of society, the main attention should be paid to

- Measures aimed at eliminating the causes of poverty and social exclusion for various population groups and diminishing the dependency of the poor from the social benefits;
- Support measures for the inhabitants of the groups most subjected to the risk of poverty and social exclusion;
- Strengthening awareness of inhabitants about the role and responsibility of a person for the improvement of their situation.

Development of these measures will require an adequate resource base that can be insured by:

- Development of economy, including the cohesive development of the regions;
- Development of the tax system;
- Reduction of the scale of the shadow economy and overcoming the prevailing tax evasion problem.

#### **The key long-term policy objectives are:**

1. Overcoming problems related to access and quality of education.
2. Formation of an inclusive labour market and promotion of employment.
3. Ensuring an adequate income for all through a combination of wages, tax policy and the social protection system.
4. Provision of access to an adequate housing.
5. Ensuring a state-guaranteed health care minimum and access to required medicine.
6. Strengthening family solidarity and protection of children's rights by building a healthy and favourable social and economic environment for family development.
7. Developing social services providing an opportunity for people to receive social services according to their needs and as close to their place of residence as possible.
8. Building networks of cooperation between institutions and non-governmental organizations and increasing the capacity of organizations.

#### ***2.1.1. Promotion of Rural and Regional Development***

By implementing the objectives included in the NAP for various sectors, it is necessary to promote and ensure cohesive and sustainable regional development thus promoting the evening out of the living standard of inhabitants in the regions and less prosperous rural territories. To realize this, the implementation of the administrative territorial reform is necessary.

#### ***2.1.2. Integration of Gender Equality Principles***

While implementing the objectives of the NAP, the gender equality principles should be integrated and equal opportunities for women and men in all spheres of activities and areas of

decision-making of different level should be insured. In order to integrate principles of gender equality in the society, the targets are the following:

I. To increase the level of public awareness of the gender equality issues, to form the view of society on the women and men roles at work and home corresponding to the gender equality principles.

Indicators:

- The number of informational methodology materials published
- The number of seminars and other educational measures organized and the number of participants
- Data on changes of the average wages of women and men and on changes of financial (including the social) guarantees

II. To promote effective cooperation between the state administration and municipal institutions and other involved parties to integrate the aspect of gender equality into the development and implementation of sector policies.

Indicators:

- The number of employees of state administration and municipalities who participated in training courses
- Compliance with the principles of gender equality in the process of elaboration and assessment of the laws and regulations

III. To enhance the understanding of society about the problems of violence in the family.

Indicators:

- The number of seminars organized and the number of informative materials published
- The number of specialists trained.

## **2.2. Development of Economics**

Facilitation of economic development is an important precondition to improve the living standard and to reduce unemployment.

To facilitate the economic growth, the Single Strategy of National Economy defines the following targets for 2004-2006:

I. To ensure stable and sustainable growth of the economy in order to approach the average level of the EU-15.

Indicators:

- The GDP level per capita 41%-42% of the average level of the EU-15 (52% in 2010)
- Increase of the employment level to 64% (in the age group 15-64 years)
- Decrease of the unemployment level to 9.0%

II. To ensure macroeconomic stability.

Indicators:

- To prevent the deficit of the combined budget running over 2% of GDP
- To decrease the current account deficit to 7.5% of GDP
- To prevent the inflation rate exceeding the level determined in the Maastricht criteria

III. To ensure more rapid entrepreneurial activities, particularly the increase of the number of innovative enterprises.

Indicators:

- To increase the number of enterprises to 25 per 1000 inhabitants
- To achieve the increase of the number of innovative enterprises to 40% of the total number of enterprises.

### 2.3. Qualitative and Accessible Education

In order to overcome educational problems involving problems related to accessibility and quality of education that limit the ability of particular groups to compete in the labour market and participate in society, it is necessary to ensure education and training become more relevant to the needs of the modern labour market, to develop a focused and integrated approach addressing the problem of drop-outs and those graduating school with low marks or results, to deal with obstacles to full participation in education for children from low-income families and children with disabilities, to strengthen accessibility of lifelong learning opportunities for adults, especially through development programmes at local level which target the most excluded groups of people.

To achieve the long-term policy objective – to enhance quality, accessibility and cost efficiency of education – the implementation of the following targets is necessary:

I. To create possibilities for continuation of education interrupted at the basic level not depending on the level of knowledge and age, thus enabling to get professional qualification.

Indicators:

- The number of students in the evening classes increased
- The number of educational correction classes and social correction classes increased
- The number of young people with unaccomplished primary or vocational education decreased
- The number of students training professional skills by the employer or master craftsman increased
- The number of educational programmes for students with unaccomplished primary education increased
- The number of illiterates decreased

II. To promote quality and accessibility of vocational education and its relevance to the needs of the labour market.

Indicators:

- The number of students receiving professional qualifications yearly increased.
- The number of elaborated standards of professions increased
- The number of accredited vocational educational institutions and programmes increased
- The number of training places offered by employers increased

III. To ensure quality and accessibility of higher education that meets the demands of the labour market of Latvia and the EU.

Indicators:

- The number and proportion of students using credits for studies yearly
- The number and proportion of the study places financed by the state budget in the technical and natural sciences programmes
- The number of the courses of e-studies offered by Latvian universities
- The number of students in the technical and natural sciences programmes increased

IV. To expand opportunities of education for adults ensuring the offer of vocationally orientated lifelong learning.

Indicators:

- The number of developed and accredited further educational programmes for adults
- The number of persons involved in further educational programmes
- The number of persons who found a job after finishing the further educational programmes

V. To promote multiple choice interest education and to enlarge its accessibility to all the children and youth without reference to their place of residence and financial resources.

Indicators:

- The number of pupils and young people involved in interest education increased
- The laws and regulations and policy documents elaborated in the area of youth policy
- The number of transgressions of law committed by juveniles decreased

VI. To ensure equal opportunities, including for disabled people, to access qualitative education of all types and levels considering the regional aspects, the needs of the labour market and the needs of students.

Indicators:

- The number of teachers' assistants increased compared to the number of the students with special needs integrated into general educational institutions
- Provision with transport and the number of places in boarding-schools and service hotels accordant with the requirements
- The proportion of students with special needs integrated in general and vocational educational institutions increased
- The number of educational institutions adapted to persons with movement disorders
- The proportion of educational institutions with permanent internet connection increased
- The number of educational courses available on the internet
- Access to qualitative education in boarding schools or schools with service hotels (with fully paid food, clothing, and teaching aids) for children from poor families and families at social risk ensured.

#### **2.4. Formation of an Inclusive Labour Market and Promotion of Employment**

Promotion of employment is the best means to diminish the risks of social exclusion. By creation of a favourable economical environment, promotion of entrepreneurship, creation of new jobs and implementation of active employment measures, the improvement in the labour market thus approaching the Lisbon goals is to be achieved by 2010: the employment rate – 70%, including employment rate for women - 60%, as well as approaching the intermediary objectives set for 2005 by the European Council in Stockholm: the employment rate – 67%, including for women - 57%, and the employment rate of 50% of persons aged 55-64 to be achieved by 2010.

To achieve the objectives of Lisbon, a coordinated and integrated action is required to attain the three common objectives of the Employment Guidelines: full employment, quality of working conditions and productivity at work, social cohesion and prevention of social exclusion.

To achieve the long-term policy objective of Latvia – formation of an inclusive labour market and promotion of employment – the implementation of the following targets is necessary:

I. To promote self-employment and creation of new jobs, ensuring a favourable environment for the development of entrepreneurship, especially for SME, and in particular supporting persons with disabilities.

Indicators:

- The number of enterprises increased to 25 per 1,000 inhabitants
- Changes in numbers of employed inhabitants (total numbers)
- The number of disabled people who become entrepreneurs and the number of self-employed disabled people
- The number of self-employed persons increased

II. To facilitate more active participation of society and longer remaining in the labour market.

Indicators:

- The actual pension age increased
- The average age of leaving the labour market
- The employment level in the group at pre-retirement age (55-64)
- The level of economical activity increased

III. To develop the infrastructure and to ensure the geographical mobility of the labour force.

Indicator:

- Increase of the employment rate in regions where the employment rate is lower than the state average.

IV. To enlarge the choice of the offered training and retraining programmes and to improve the quality of the programmes.

Indicators:

- The number of unemployed who are involved in the training and retraining programmes increased
- The number of people who found jobs within 6 months after finishing the training and retraining programmes

V. To enable reconciliation of work and family life

Indicators:

- The number of preschool educational institutions increased
- The number of play and developmental centres for children
- The number of day care institutions increased

## **2.5. Ensuring an Adequate Income through Systems of Remuneration, Tax Policy and Social Protection**

In order to ensure an adequate income for maintaining human dignity for each inhabitant of Latvia, it is necessary to develop the systems of payment, tax policy and the social protection and other support systems.

While implementing these tasks, attention should be focused on measures that will help to improve the situation of families with children and single families, as well as the situation of receivers of low pensions.

To achieve the policy objective – an adequate income for all – the following targets should be implemented:

I. To increase regularly the minimum salary determined by the state.

Indicator:

- The minimum salary increased, achieving 50% of the average salary in Latvia.

II. To improve the tax policy ensuring an adequate income to inhabitants by revising the amount of the untaxed minimum income of inhabitants and tax relief for dependent persons (including children).

Indicators:

- The untaxed minimum income of inhabitants increased in 2005 to 26 Ls, in 2006 to 32 Ls
- The tax relief for dependent persons increased in 2005 to 18 Ls, in 2006 to 22 Ls.

III. To get a more rapid increase of pensions by providing additional payments to the state old-age pensions for the standing insurance accumulated until 1996 and to carry out the indexation of pensions twice a year, continuing the indexation of small pensions with the consumer price index and 50% of the pay-in salary real increase index.

Indicators:

- Increase of the average amount of pensions 2004-2006
- Increase of the average amount of old-age pension 2004-2006

IV. To increase state social benefits.

Indicators:

- The child-birth grant corresponds to the cost of layette in actual prices
- Increase of the child-care allowance level
- The proportion of the state social allowances for families with children as a proportion of GDP increased

V. To facilitate that the municipal social benefit system provides adequate support to inhabitants with low incomes.

Indicator:

- According to the Law on Social Services and Social Assistance, the GMI (guaranteed minimum income) level and the amount of GMI benefit is reviewed yearly

VI. To ensure that children get provisions in case the father (mother) refuses to maintain the child.

Indicator:

- 95% of children whose parents according to the courts' decision must provide provisions get the provisions adjudged by the court.

## **2.6. Ensurance of access to adequate housing**

The provision of adequate housing is a very significant sphere where special attention should be paid to support measures to assist people who are unable to obtain housing from the housing market or do not have enough income to pay for the housing in which their family lives and for public utilities, as well as to carry out special measures for people with functional disorders to adjust housing to their needs.

To achieve the long-term key policy objective – to ensure access to adequate housing for each inhabitant – it is necessary to implement the following targets:

I. To promote the development of municipal social housing, especially in Riga and other big cities.

Indicator:

- The number of families or single persons with low incomes who receive municipal assistance to solve housing problems by renting a dwelling-space.

II. To offer support to inhabitants for constructing new housing by ensuring the possibility to receive mortgage loans with the easement of provisions.

Indicator:

- Establishment of the Housing Guarantee Fund and commencement of its functions
- The number of guarantees handed out and the number of projects realized by the use of the Housing Guarantee Fund

III. To offer support to enhance the quality of housing.

Indicator:

- The number of apartment houses and the number of apartments renovated within the framework of the particular programme

IV. To develop an individualized calculation system for public utilities.

Indicator:

- A calculation system for delivery of public utilities ensuring that inhabitants pay only for real services consumed.

## **2.7. Ensuring a State-guaranteed Health Care Minimum and Adequate Access to Required Medicine**

Ensuring a state-guaranteed health care minimum and adequate access to required medicine while at the same time taking preventive measures is an essential factor to promote social inclusion.

I. To set clear policy procedures for the financing and organization of outpatient and hospital health care services; rational, qualitative and cost effective access to health care for people.

### Indicators:

- Improved infrastructure and equipment in the primary health care system;
- The programme of development for outpatient and hospital health care service providers is implemented;
- The planning and training of health care personnel resources ensured

II. To improve the infrastructure of the emergency medical health care system.

### Indicators:

- The united State Emergency medical aid dispatcher service is implemented
- Primary emergency medical aid is provided in 75% of cases: in cities – in 15 minutes, in the rest of the country – in 25 minutes from the receiving of call.

III. To provide a legitimate, long term medicine acquisition plan of national budget resources and effective control over the use of funds to improve the receiving of state remunerated medication for patients suffering from complicated and chronic diseases.

### Indicators:

- The State financing for remunerated medication increased up to 20% of the total health care sector budget
- An additional 39 diagnoses are included to the list of remunerated diagnoses.

IV. To improve health promotion by developing healthy life styles, as well as to decrease the use of alcohol, drugs and psychoactive substances in the country.

### Indicators:

- The level of social awareness of the principles of healthy food and life style increased, as well as the patterns of eating and health changed, and healthy life style promoted
- The use of alcohol per person in the country has decreased and the negative influence of alcohol on persons and society in general is limited
- The dissemination of the use of drugs and psychoactive substances and mortality of the use of these substances decreased
- The dissemination of HIV/AIDS is limited
- The morbidity of contagious diseases (diphtheria, sexually transmitted diseases, tuberculosis etc.) decreased
- Mental health of population improved.

## **2.8. Access to Social Services**

To ensure the social inclusion of elderly and disabled people, families with children and other people at risk of social exclusion, it is important to provide an opportunity to receive social rehabilitation and social services according to their needs and as close to their place of residence as possible and in the shortest time possible.

To reach the long term political objective – to provide an opportunity for people to receive social services according to their needs and as close to their place of residence as possible – it is necessary to carry out the following targets:

I. To develop social service networks in local municipalities, and increase the number of professionally educated social work specialists in social services and institutions of social service institutions.

Indicators:

- The number of municipalities providing social services increased by 10%
- The number of qualified social work specialists in social services and in social service institutions for work with people at risk of social exclusion increased.

II. To improve social work in municipalities with at-risk families to provide rights for children to grow up and develop in the biological family.

Indicators:

- Decrease in the number of children without parental care
- Increase in the number of children returned to biological families from long-term social care and social rehabilitation institutions and from alternative care institutions.

III. To ensure appropriate, alternative care services for children without parents with no possibility to return to biological families according to their needs.

Indicators:

- Increase in the number of support families and foster families
- Increase in the number of adoptees

IV. To expand the choice of social care and social rehabilitation services, at the same time improving the required infrastructure for the realization of the services.

Indicators:

- Increase in the number of concrete social rehabilitation programmes among groups of social exclusion
- Increase in the number of people receiving concrete social rehabilitation services in the corresponding social rehabilitation programmes.

V. To expand access to professional rehabilitation services for disabled people.

Indicators:

- Increase in the number of professional rehabilitation programmes
- Increase in the number of people with access to professional rehabilitation services
- Increase in the number of disabled people returning to the labour market after professional rehabilitation.

VI. To improve the supply of technical aid, providing the aid according to the needs of people and as close to their places of residence as possible, at the same time increasing the number and choice of technical aids.

Indicators:

- Increase in the number of the Technical Aids Centre regional branches
- The Technical Aids Centre branches provided with adequate and qualified specialists, including ergo therapists
- Increase in the number of people getting service in their places of residence
- Increase in the number of available technical aids.

## **2.9. E-inclusion**

To ensure the inclusion of all groups in the information society in order to take advantage of it and improve the quality of life, it is necessary to make it possible for everybody to get



knowledge and work with new information technologies, by developing e-services in the state, in municipalities and in private services, and improving long-distance study and telework possibilities.

To reach the objective, it is necessary to reach the following targets:

I. To provide broadband Internet access to state institutions, schools, high schools, municipalities, libraries and hospitals in 2005 and to improve the level of computerization.

Indicators:

- Increase in the number of institutions with internet connections
- Increase in the number of computers at schools from 5-15 computers per 100 pupils in 2005
- Increase in the number of computerized libraries.

II. Increase in the number of municipalities and state institutions with the possibility to obtain services electronically.

Indicator: Increase in the number of municipalities and state institutions where services can be obtained electronically.

III. To envisage Internet inclusion in general services package of the Public Services Regulation Commission and determine the Internet user range.

Indicator:

- Increase in the access for all people to Internet services for a reasonable price.

## **2.10. Development of Transport**

Public transport services are essential for ensuring the mobility of people. Public transport services are needed to reach workplaces, educational institutions, state and municipalities as well as institutions providing health care and social services.

To ensure access to public transport services for everybody, the following targets are to be reached:

I. To develop new public transport networks and improve access to existing services (regularity of transport, intensity, price of service, physical access to transport vehicles and infrastructure).

Indicators:

- Increase in the number of new public transport lines and routes
- Increase in the number of public transport vehicles adjusted for persons with movement disorders.

## **2.11. Use of Culture and Sports to Reduce Social Exclusion**

To enable the development of a socially integrated society and to maintain and develop cultural values typical for Latvia, it is necessary to make it possible for every person to take part in public cultural and sport life and spend their leisure time productively.

To achieve the inclusion of society in cultural and sporting life, it is necessary to meet the following targets:

I. To develop cultural life in the regions of Latvia, outside Riga.

Indicators:

- The number of implemented projects in regions in the framework of the special purpose programmes of the State Culture Capital Fund
- Growth of funds allocated to public libraries
- Increase in the number of folk art groups

- Increase in the number of road shows and concerts in regions

II. To publish literature in Braille and ensure access to it in the Latvian Library and its branches for blind people.

Indicators:

- The number of publications in Braille.

III. To make it possible for every person to get involved in sporting activities.

Indicators:

- Increase in the number of participants in regular sporting activities
- The number of disabled people involved in adapted sporting activities in various types of sports – 1,200 people
- The number of pupils involved in sporting groups in general education institutions - 49,840
- The number of students involved in sports in interest educational programmes – 35,369
- The number of students involved in sports groups in higher education institutions – 10,407.

### **2.12. Access to Legal Assistance**

Since today people with low incomes cannot defend their rights, they need legal assistance free of charge. It is necessary to develop a state-funded legal assistance system in civil and criminal cases to ensure this.

Indicator:

- Number of people getting state funded legal assistance in civil and criminal cases.

## **CHAPTER 3. POLICY MEASURES**

This chapter describes measures to be taken to fulfil the targets set in Chapter 2.

### **3.1 Measures of Economical Development**

To facilitate economic growth in Latvia, a unified national budget program has been established encompassing improvement of the entrepreneurial environment and promoting the development of small and medium enterprises and innovation that indirectly improves the situation of socially excluded and poor people.

#### **Improvement of the Entrepreneurial Environment**

The policy *Improvement of the Entrepreneurial Environment* envisages enabling the environment for entrepreneurship, motivating entrepreneurs to take initiative and lower the general risk, eliminating barriers to entrepreneurship, promoting stability and effectiveness in the financial system and capital markets, and raising the competitiveness of Latvian enterprises.

#### **Development of Small and Medium Enterprises**

The *Latvian Small and Medium Enterprise Development Programme 2004-2006* has been created and approved. The arrangements to implement the programme will be closely related to the plans for EU Structural Fund acquisition - the majority of entrepreneurship support arrangements envisaged in the Programme are planned to be attracted with the cofinancing of EU Structural Funds. Within the framework of the Programme, state funded consultations to the amount of 50% are envisaged for beginner entrepreneurs and broadening the crediting programme for SME development.

To establish new workplaces, the procedures for starting new enterprises (especially SMEs) must be simplified to eliminate the barriers to the commercial activities of existing enterprises.

### **Promotion of Innovations**

As set out in the *National Innovation Programme 2003-2006*, the main task is to start the targeted action enabling the economical, social and cultural environments for innovative actions and promoting the creation of a new, knowledge-based economy in Latvia. The purpose of the Programme is to promote the growth of national innovative capacity. Within the framework of the Programme, market research to develop innovative activities will be carried out and the number of innovative enterprises will increase.

## **3.2. Arrangements to Promote Rural and Regional Development**

It is envisaged to promote voluntary administrative territorial reform with state support to ensure a qualitative living environment for everybody and to eliminate the disadvantages for borderlands. The Government has approved the State Support Programme for the development of regional infrastructure. The purpose of the Programme is to adjust and modernize the infrastructure needed for regional municipality function fulfilment in order to increase the quality of locally provided services and service accessibility to people. Within the framework of the Programme, support for the arrangement and modernization of regional infrastructure is envisaged; the programme will be implemented by 2009 and financed from the national budget.

Within the framework of the *Rural Development Plan (2004-2006)* it is envisaged to stimulate the taking over and development of farms by changing and improving their management and involving new and/or economically active people, to stimulate partly natural farms to rearrange their activities and develop commercially and economically competitive activities to maintain population density in rural areas.

Within the framework of EU Structural Funds, several measures will be carried out to promote the development of rural territories and their restructuring, and to increase the skills and knowledge of farmers and forest-guards.

To promote regional development, a regional development programme has been worked out for each region, with the main regional development directions and the most actual regional problems stipulated.

The realization of the territorial entrepreneurship development program for specially supported territories will be continued, which cofinances the projects of commercial enterprise development to promote the development of these territories and diminish unfavourable differences between the state territories.

## **3.3. Formation of an Inclusive Labour Market and Promotion of Employment**

Every year the National Employment Plan (hereafter - NEP) is worked out and approved, defining the main activities to be carried out to reach the three objectives of the common Employment Guidelines. The NEP also provides measures promoting employment, developing human resources and lifelong learning, and encourages the employed to stay longer in the labour market.

To promote the reconciliation of work and family life, pre-school child-care and baby-sitting services as well as the network of day-care institutions will be developed.

The increasing of the pension age will be continued as determined in the "Law On State Pensions," encouraging the employed to stay longer in the labour market.

The development of infrastructure and accessibility to housing will be continued in all regions of Latvia, promoting mobility of the labour force.

The PCCSA conducts preventive work to decrease the level of unemployment and to provide professional orientation and consultancy in the choice of profession, education and career making for the Latvian population. It is planned to establish seven branches in different regions of the state to make the PCCSA services available throughout the territory of Latvia.

The SEA organizes the following active employment measures for the unemployed:

- 1) Professional training, retraining and raising of qualifications,
- 2) Paid temporary public work,
- 3) Activities to increase competitiveness,
- 4) Activities for certain groups, especially persons aged 15 - 25; persons with disabilities; persons after child-care leave, persons who will reach the age of the old-age pension as determined by state not later than in five years; people who are in the SEA register for more than one year (hereafter – the long-term unemployed); people after leaving places of imprisonment and other target groups according to the NAP.

The training programmes for the unemployed organized by the SEA are made according to the actual demands of the labour market, identified through employer research results. Special attention will be paid to organizing training groups, analyzing the skills and abilities of unemployed people before involving them in professional training, retraining and raising of qualification courses to create more appropriate training programmes and promote the return to the labour market as soon as possible.

Measures for special groups at risk of exclusion – young people, disabled people, pre-retirement age people, the long-term unemployed and ex-prisoners - will be organized. Projects such as “Labour Practice for Young Unemployed People with Employers”, “Subsidized Workplaces for Unemployed Disabled People” and “Social Enterprises in the Labour Market for Ensuring Work for less Competitive Unemployed People” will be continued, and a new project will be started “Subsidized Workplaces for Pre-Pension Age Unemployed People”. There will also be separate training programmes for ex-prisoners and the long-term unemployed.

To ensure long-term economic growth, the adequacy of the skills and abilities of the labour force and its ability to adjust to the changeable demands of the market, long- and short-term labour market development forecasting will be conducted on the basis of statistical analyses.

ESF funding will be allocated to realize active employment measures to increase the number of people involved in the measures mentioned above and to work out and implement new programmes.

### **3.4 Improvement of Education Quality and Accessibility**

The Government has approved and is implementing the following concepts – *Concept of Education Development (2002-2005)* and *National Concept of Higher Education and High School Development of Latvia*. In the framework of these concepts the following activities are to be carried out.

Young people, drop-outs from the primary mandatory educational system, will be given possibility of earning professional qualifications. Pedagogical and social corrections will be worked out as well as vocational education programmes for persons with incomplete primary educations. The number of classes of pedagogical and social correction will increase.

The possibilities to gain professional skills with employers or master craftsmen will be provided, especially supporting children and young people with physical, mental and social problems as well as people from low-income families; it is planned to add two new programmes every academic year, increasing the number of students by 180 in 2006.

The number of educational institutions adapted for disabled people with movement disorders will increase.

The integration of students with special needs (persons with movement disorders, various somatic affections, eye, hearing disorders etc.) into vocational education programmes will be continued.

The number of teacher–assistants in general education institutions able to work with people with special needs (persons with movement disorders, various somatic affections, eye, hearing disorders etc.) integrated into the education system, will increase.

Targeted adult lifelong education policy will be carried out, ensuring that adult education programmes are developed in connection with employers and professional associations, and the number of higher education and vocational educational institutions will increase, providing diverse programmes of continuing education and professional development in all regions of Latvia.

Accessibility to educational institutions will increase, with municipalities providing transport and hostels as necessary.

By providing permanent Internet connections to educational institutions, courses and long-distance learning will be provided and developed via the Internet.

New professional education programmes will be prepared and implemented. Starting from September 1, 2004, pupils from grade 7 will be able to obtain the specialities of locksmith of installation works, assistant carpenter, and assistant seamstress through the programmes of professional primary education with pedagogical corrections, while pupils from grade 8 will be able to learn the trades of locksmith, bricklayer, plasterer and turner under the programmes of vocational training with pedagogical correction.

The higher education crediting system will be improved, the number of e-learning programmes in educational programmes will be increased and the number of study places will be optimized by increasing state budget places in natural sciences, engineering and technologies.

A long-term strategy will be worked out for the development of young people, their upbringing and integration into society.

Municipalities will increase access to interest education, especially for children and young people living in rural territories. Children and young people with special needs and children and young people of risk groups (street children, children from poor and disadvantageous families etc.) will be encouraged to get involved in interest education programs.

ESF resources will be attracted to organize enterprises of educational and continuing education development.

### **3.5. Ensuring of an Adequate Income**

Measures ensuring adequate income are to be developed to help improve the material situation of families with children and single parent families as well as the material situation of small pension receivers.

According to “The Concept Paper on the Minimum Wage”, every year the Government, having agreed with social partners, revises the state determined minimum wage, increasing the level of the minimum wage in connection with average work payment.

During 2004 the Government will evaluate the optimization possibilities of untaxed minimum income for residents and tax relief for dependent persons (including children).

While maintaining the financial stability of the pension system to fulfil long term commitments, a faster increase in pensions will also be promoted. To ensure accumulation of pension scheme resources for levelling the impact created by demographic fluctuations, changes in legislation will be prepared allowing for a target oriented reserve fund in the first level pension scheme based on the principles of solidarity. Amendments to the “Law On State Pensions” are being prepared that envisage additional payment to state old-age pensions within the limits of state pension budget possibilities, starting from 2005 for the insurance standing accumulated until 1996.

Pension indexation will be continued twice a year, small pension indexation being applied to the consumer price index and 50% of the real wage growth percentage.

The Government has approved “The Concept on State Social Benefit Increase for Families after Child-Birth”, which envisages that starting from January 1, 2005 there will be an increase in the level of the child-birth grant and child-care allowance. Within the framework of the concept it is envisaged that employed persons taking care of a child up to the age of one will receive child care allowance to the amount of the average insurance payments of the previous wage but not lower than 90 Ls per month and not higher than 450 Ls per month. However unemployed persons will receive the allowance to the amount of 90 Ls per month. Persons taking care of a child aged 1 to 2 years will receive 30 Ls per month. The child-birth grant is envisaged to increase up to the amount allowing the purchasing of all the goods necessary for the baby (“layette”, currently 296 Ls).

According to the Law on Social Services and Social Assistance the Government, following agreement with the Union of Local and Regional Governments of Latvia, will review the level of state defined GMI and the level of the GMI benefit every year.

The Government has approved the draft “Law on the Guarantee Fund of Provisions”. The Fund is envisaged to be established to provide the amount of state defined minimal provisions for children when their parents are not able to provide it. The Fund is envisaged to start working in the second half of 2004.

### **3.6. Ensurance of Access to Adequate Housing**

A significant precondition to reduce the risk of social exclusion is accessibility to adequate housing.

State support to municipalities will be provided for the development of social housing, by providing subsidies from the national budget. This measure will allow to solve issues connected with housing provision for socially vulnerable groups with low incomes, including the tenants of denationalized houses – especially families with children and single old people.

The state support Programme “On Promotion of Renovation of Apartment Houses” is being worked out to renovate the houses (for renovation and heat insulation of apartment houses) to partially subsidize and promote apartment house renovation measures in the regions of Latvia, to ensure activities for effective use of energy and to lower the costs of utilities. This Programme will ensure an equally high quality of housing in all regions and will allow households to save on utility payments.

By establishing the Housing Guarantee Fund, specific groups of inhabitants with average incomes wanting to purchase homes will be provided with preferential terms for receiving mortgage loans. The Fund was established in December 2003 and its activities are to be started in the second half of 2004.

To ensure the rights of people to pay only for the water supply services actually consumed, in 2004 the establishment of utility supply calculation system was started to promote the installation of water use measuring equipment and starting from 2007 also thermal energy calculation measuring equipment in all apartment houses in Latvia.

Regulations are stipulated in the legislation to protect the groups endangered by risk of social exclusion against the loss of housing. From 2002 the law in force does not allow the eviction of families with children for debts connected with rent and public utilities without providing them with other accommodation. From October 2003 local authorities have rights in the order defined in their binding regulations to register tenants of denationalized houses to get the support in accommodation issues.

A possible support instrument has been introduced for persons residing in denationalized houses who have had court actions taken against them over the termination of rental agreements in cases where the owners do not have the obligation to provide such persons with equivalent alternative accommodation. This is the only group of inhabitants granted the rights to take part in the first round of auctions for living space by using privatization vouchers or lots.

### **3.7. Ensuring a State Guaranteed Health Care Minimum and Adequate Access to Required Medicine**

The strategic objective of health policy envisages measures promoting the reduction of exclusion and increasing support for the most vulnerable groups.

Several policy documents have been elaborated to solve the existing problems in health care.

*“Health Care Development Strategy of Latvia”* (1996) includes health promoting measures with the objective of prolonging the life span of the Latvian population, ensuring a healthy and safe environment as well as prevention and treatment of diseases.

The main objective of the *“Public Health Strategy”* (2001) and *“Public Health Strategy Implementation Action Programme 2004-2010”* (2004) is to achieve the improvement of health conditions approaching the best health indicators of the European states. It is envisaged to broaden the state immunization programme (to implement adolescent vaccination against B virus hepatitis, to ensure children’s vaccination against tick-bone encephalitis in highly endemic territories), to continue developing syringe exchange points for drug addicts (to establish 2 syringe exchange points in Riga and 8 in the regions), to train health care, municipal and other specialists on health promotion issues (3200 trained health promotion specialists), and to elaborate and implement the *“Cautious Use of Antibiotics Programme 2004-2008”*.

The aim of the “*State Outpatient Treatment and Hospital Health Care Structure Plan (Master plan)*” (2002) is to ensure development of the health care system, to optimize the structure of service providers, to achieve their consolidation and increase the quality of the health care services provided and cost efficiency and rational access for patients, as well as to establish the basis for integrated health care system development in every region and in the state in general.

The “*Mother and Child Health Care Strategy*” (2003) and “*Action Plan for the Implementation of Mother and Child Health Care Strategy 2004-2007*” (2004) have been elaborated. The main objectives of the strategy are to ensure that the next generation is strong and healthy, to diminish the number of inherited pathologies and child morbidity, to increase life quality during the whole lifetime of a person, giving everybody the possibility to obtain knowledge and social support, self-help for personal health and welfare and that of children, as well as increasing the average birthrate by about 5% per year and decreasing the mortality of children to the average level of Europe (in 2002 the average indicator in Europe was 9.67; EU15 in 2000 was 4.74). There are 21 sub-objectives and 43 activities dependant on these objectives.

The aim of the “*Human Immunodeficiency Virus (HIV) and AIDS Restrictive Dissemination Programme 2003-2007*” (2003) is to decrease the number of new cases of HIV infection and limit its dissemination in Latvia, as well as to reduce its impact on individuals, risk groups and society in general. Within the framework of the programme training on prevention of HIV virus is envisaged for employees as well as persons in places of imprisonment. At the same time it is planned to carry out epidemiologic researches among the population of Latvia about HIV/AIDS issues (knowledge, attitudes, conceptions, behaviour models connected with infection risk).

The aim of the “*Reduction of Alcohol Use and Limitation of Alcoholism Programme 2004-2008*” is to significantly reduce the negative impact of alcohol on the health of the population, as well as to decrease the use of alcohol up to the level suggested by the World Health Organization (i.e. not more than 6 litres per year). Within the framework of the programme it is envisaged to organize several informative campaigns, publish educational materials, establish specialized stationary departments for children under the State Narcology Agency, and ensure state financed social rehabilitation for juvenile persons depending on alcoholism and other activities.

It is envisaged to work out several policy planning documents and legislative acts: the Law on Organization of Health Care, the Law on Patient Rights, the Basic Approach to Mental Health, the Law on Psychiatric Assistance, the Basic Approach to Emergency Medical Aid and Accident Medical System Development, as well as to start implementation of the Public Health Strategy Action Plan and realization of the Human Immunodeficiency Virus (HIV) and AIDS Restrictive Dissemination Programme 2003-2007. The Government should approve the action and development strategy for 2004-2008 of the State Narcology Agency, State Drug Addiction Control Programme 2004-2008, as well as the financial concept of medical accessibility ensuring outpatient treatment for the next five to ten years, and the state’s role and responsibility in this process.

Within the framework of the National Health Care Programme it is planned to improve infrastructure and equipment of emergency medical aid (EMA) and primary health care until 2006 that will allow improving the work effectiveness in pre-hospital care and in the receiving rooms of conglomerate hospitals. It is planned to establish regional EMA controller and management centres and EMA brigade localization points, to obtain EMA transport to ensure the reach of service throughout the country and shorter waiting times for medical aid.



It is planned to establish primary health care centres that will give doctors the possibility to offer high quality services throughout Latvia.

It is planned to continue doctors' primary care training in the diagnosis and treatment of tuberculosis and lung diseases, open new tuberculosis educational centres, promote the implementation of new diagnostics and methods of treatment in the sphere of lung diseases, as well as carry out other measures to reach the defined goals – reduced determination time of tuberculosis diagnosis, as well as to achieve an 85% cure rate for tuberculosis patients.

The provision of state remunerated medicine for patients with severe and chronic diseases will be continued. Based on the therapeutic and economical analyses of medicine, the elaboration of the Rational Pharmacotherapy Recommendations will be continued.

### **3.8. Development of Social Services**

To reduce the risks of social exclusion and to improve the choice and quality of social services provided to inhabitants, the following policy documents have been elaborated:

The main policy approach for the system of social services and social assistance is formulated in the *White Paper* (1998), where the directions for further improvement of the system and development of in-time and effective municipal social services are defined. The document anticipates a sufficient supply of professional social work specialists to improve the situation of groups at risk of social exclusion.

The Concept Paper "*Equal Opportunities to All*" (1998), which uses an integrated approach, anticipates the implementation of a full-scale range of measures to promote full integration of disabled people into society.

The Concept Paper "*On Development of Provision of Social Care Services*" (2002) anticipates promoting the development of new and multiform social care services in order to create an alternative to the long-term social care services provided by state institutions. The Conception anticipates support to municipalities and changes in the principles of financing, as well as the changes in the receipt terms of social care services, especially for persons with mental disorders.

The Concept Paper "*On the State Probation Office*" (2003) anticipates coordinated and combined assistance to persons released from imprisonment.

The "*State Programme to Prevent Human Trafficking 2004-2008*" (2004) anticipates a range of measures to prevent human trafficking in Latvia. The programme anticipates the development of social rehabilitation services for victims of human trafficking.

The following measures are included in the policy documents mentioned above:

Continuation of the development of municipal social services and provision of professional social work specialists to municipal social services and social services providers, by attracting financing from the national budget and the ESF for the training of these professionals.

The municipalities will continue to broaden the supply of social care and social rehabilitation services for inhabitants in their places of residence or as close to their places of residence as possible (home care, day-care centres etc.).

The existing state social rehabilitation programmes (for child victims of violence, children who are misusers of psychoactive substances etc.) will be further improved and the new state and municipal social rehabilitation programmes will be further developed and implemented.

The social rehabilitation of victims of human trafficking will be started in 2006, providing access to information and support services.

Access to professional rehabilitation services for disabled persons will be broadened by the development of qualitative and multiform professional rehabilitation services and by introducing new, progressive training programmes and methods.

The availability of technical aids will be improved by increasing the supply of technical aids. Three new regional branch offices will be established to ensure receipt of technical aids as close to the place of residence as possible. Society will be further informed about the possibilities to receive technical aids.

To improve the quality of services provided to persons with mental disorders who live in social care institutions, 6 institutions in five regions of Latvia will be renovated. To facilitate the reintegration of the clients living in these institutions into society, municipal alternative care services (group-homes, day centres, special workshops) will be improved by attracting the financing of the national budget, budgets of municipalities and the EU funds.

Complex service centres in the municipalities will be developed providing different social services for persons with mental disorders – “half-way houses” in long-term social care institutions, group-homes/apartments, day-care centres etc.

Work on elaboration of the new “Law on Social Protection for Disabled Persons” will be started.

Short-term social care services for homeless persons and persons in crisis situation will be improved and developed.

*The State Programme for Drug and Narcotic Control 2004-2008* that includes measures for dealing with problems of social rehabilitation and resocialization of drug addicts is under elaboration.

Funding of the ESF will be attracted for implementing various measures.

### **3.9. Development of the Information Society**

In 2004 the *Social Economic Programme “e-Latvia”* was updated, setting the main directions for the use of modern information and telecommunication technologies. The programme envisages improving the possibility of connecting to the internet, providing access to global and local information for every inhabitant.

In connection with the objectives of the *Programme “eEurope2005”* the following activities to promote e-inclusion will be realized:

A united information system of municipalities will be implemented.

The level of computerization in state institutions, municipalities, schools, libraries and other institutions will be increased.

It is envisaged to provide services electronically in municipal and state institutions (according to “eEurope2005” there will be 20 e-administration services) in order to make basic public services interactive in full functionality, including payment for the service.

The possibility to be included in the united information system will be provided for every person for a reasonable price.

The above-mentioned activities will be carried out by also attracting the ESF funding.

### **3.10. Improvement of Transport Accessibility**

The *Basic Approach of Public Transport Development* is being worked out, which will determine state policy on public transport development for the next 10 years, ensuring qualitative, stable and accessible public transport services.

It is necessary to elaborate new legislative acts (including amendments in existing legislative acts) to implement public transport administration models protecting the interests of passengers.

It is envisaged to establish a new, effective public transport administration system (institutional model).

To ensure long-term development of the public transport industry, the state support programme for public transport will be realized.

A united and rational public transport network will be developed to satisfy the transportation needs of people.

### **3.11. Ensuring Access to Legal Assistance**

The concept of a state funded legal assistance system has been approved for development in Latvia. The concept envisages broadening state financed legal assistance in criminal cases and to establish a state financed legal assistance system in civil cases. Realizing this concept, work on the draft law on state financed legal assistance has started.

### **3.12. Development of Cultural and Sporting Activities**

In connection with the *National Programme "Culture"*, in 2001 special purpose programmes were developed to provide possibilities for a more active cultural life in all regions and broader access to culture. Special purpose programmes providing support for cultural infrastructure maintenance and development in the regions are important for reducing social exclusion (see Annex No 2).

To ensure free and many-sided access to the information of the global computer network in regions, the project "*State Unified Library Information System*" has been realized. The implementation of the project will last till 2007. The aim of the project is to establish an integrated state and public library information system, ensuring not only the collating, storage and systematization of national cultural and scientific assets and providing access to them, but also using modern information technologies for information services such as searches for information, and the delivery of necessary books, publications and documents from Latvian and international information sources.

State subsidies will be continued for the managers of municipal folk art groups and municipal music and art schools.

State subsidies will be continued for the publishing of literature in Braille writing.

The main policy documents regulating sports policy are "*The Basic Approach to Sport Policy*", "*The Concept on Sport Development*" and "*The Concept on Latvian Youth Sport*".

One of the policy objectives included in “*The Basic Approach to Sport Policy*” is state support for the sports development of disabled people, as a result of which disabled people will be able to take part in sporting activities according to their wishes and potentials. The second essential objective of sports policy is to provide opportunities for every youngster to participate in sports, defining the state responsibility about obligatory physical education for children and youth, promoting the development of new, talented sportsmen, ensuring resource planning and use for children’s and youth sports, as well as giving them the possibility to spend leisure time valuably, promoting healthy lifestyles for young people.

Within the framework of the “Basic Approach to Sports Policy”, the National Sport Development Programme 2005-2012 will be developed, setting as a task to arrange the planning system in the sphere of sport, making it more effective and establishing its connection with the national budget planning.

The “*Concept on Latvian Youth Sport*” determines the main sport policy directions for Latvian young people.

The main tasks for the “*Concept on Sport Development*” are to define the basic goal of state sports policy and its main objectives, perspective directions for sports development, function division and coordination of activities among state institutions, municipalities and public sport organizations and their unions.

### **3.13. Promotion of Gender Equality**

The Programme for the Promotion of Gender Equality has been elaborated, anticipating various measures for the promotion of gender equality. One of the measures is the organization of public information campaigns on gender equality issues and the stereotypes prevailing in society, as well as on the development of the labour market in relation to gender equality issues. The second group of measures is aimed at the successful reconciliation of work and family life. The third important group of measures is aimed at informing and raising the level of understanding of experts and society about domestic violence and violence related risks. The fourth essential group of measures is competence building of the state and municipal institutions on integration of the gender equality aspect into the sector policies, and training of employees of the state administration and municipalities.

It is anticipated that the principle of gender equality will be taken into account while developing and assessing laws, regulations and policy documents.

In the National Employment Plan, measures for public information to promote society’s understanding about the gender equality issues in the labour market are anticipated.

To reduce the gender gap in the labour market, measures will be also implemented under the framework of the EQUAL programme.

### **3.14. Special State Support Measures for Groups at Risk of Social Exclusion**

#### ***3.14.1. Large and Single-parent Families***

The Concept on State Family Policy anticipates the implementation of various measures aiming to improve the situation in families with children, especially the situation of large families and single parent families. Starting in 2007 special support measures through the Housing Credit Development Programme are planned for families with five or more children.

The establishment of the Guarantee Fund of Provisions, which will provide provisions from the state budget to children whose parents do not provide provisions at all or do not provide them according to the decision of the court, is in process.

In the course of 2004 possibilities to optimize the untaxed minimum income for inhabitants and tax relief for caring of dependent persons (including children) will be considered. It is anticipated that the untaxed minimum income for inhabitants will reach 26 Ls in 2005, 31 Ls in 2006, and the tax relief for caring of dependent persons (including children) will reach 13 Ls in 2005 and 16 Ls in 2006.

A consistent Government policy will be realized to increase state social allowances. Starting in 2005 the amounts of the child-birth grant, child-care allowance for persons who care for children up to one year, and child-care allowance for persons, who care for children aged one to two years, will be increased. The amount of the child-care allowance will be set closer to the average salary received during the previous period of time by the parent who will take care of the child, but a maximum amount of the allowance will be set.

Starting in 2006 resources to also increase the family state allowances for second, third and the following children will be evaluated.

Resources to prolong the period of social insurance payments from the national budget for persons who do not work and take care about child up to the age of 2 will be evaluated.

Starting in 2005 state co-financing for purchase of teaching aids in schools for the needs of 1st to 9th grade pupils will be gradually increased.

To ease the entry of parents into the labour market, play and development centres for part-time (up to four hours a day) care of children will be organized starting in 2004.

To ensure access to adequate housing and possibilities to make payments for such a housing for families with children whose income is below the state average income, the following measures will be carried out: state assistance to municipalities to develop social housing, the "Promotion Programme for Renovation of Apartment Houses" to restore housing, and establishment of a utility supply calculation system. Providing them with municipal housing benefits will further support families with low incomes.

### ***3.14.2. Disabled People***

The Concept Paper "Equal Opportunities for All" will use an integrated approach and intends to implement an overall set of measures to eliminate barriers for the independent living of disabled people and their full participation in social life. The Concept Paper includes an Action Plan for 2010 having in view the implementation of the following measures:

- Development of special programmes for the involvement of persons with special needs in the labour market, by increasing the number of the state subsidized jobs and stipulating that employers employ persons with special needs;
- Improved adjustment of transport and the environment for persons with functional disorders;
- Preparing of information in a form, which is understandable to persons with seeing, hearing and mental disorders.
- Increase of support for the integration in society of persons with mental disorders in the fields of education, employment, social, leisure and culture, including support for the improvement of living-space, as well as promoting greater public awareness of public and fighting prejudices.

The "Law on Social Protection of Disabled Persons" will define the main principles for the prevention of disability, widely used criteria in international practice for the determination of disability, and responsible institutions involved in assessment of persons' state and decision-

making. The law will also define the main principles on how assistance to disabled persons in the fields of services, material assistance and employment will be provided.

To ensure that education for disabled people is of a good quality, it is intended that the adaptation of educational institutions to the needs of persons with movement disorders will be brought forward. It is planned to carry out measures to integrate persons with special needs (the blind, the deaf, the retarded, persons with movement disorders) into vocational education programmes. In order to successfully integrate pupils with special needs into general education institutions, it is necessary that teachers have assistants who will provide help to these pupils to access materials and will provide, if necessary, physical assistance.

To promote the integration of disabled persons into the labour market, the implementation of the project “Subsidized job for disabled unemployed persons” will continue.

The possibilities of vocational education for disabled people will be broadened, by increasing the number of receivers of rehabilitation services and developing new programmes of professional rehabilitation required in the labour market.

The choice of technical aids will be broadened and three new regional branches will be established to ensure that persons can receive technical aids as close to their places of residence as possible. The measures of information provision to the public about the possibilities to get technical aids will continue.

The system of alternative social cares services in municipalities for persons with mental disorders will be further developed – five new day centres will be opened and home care services will be provided.

The Government will continue to support disabled persons with movement disorders to adapt their housing by discounting the interest rates on credits taken for this purpose.

In order to ensure access to adequate housing and possibilities to make payments for such housing, various measures will be implemented – support provided by the state for the development of social housing in municipalities, the “Promotion Programme for Renovation of Apartment Houses”, and establishing a system of utility supply calculation. The municipal housing benefits will be further provided.

The state will continue to provide subsidies from the national budget for disabled persons to use public transport free of charge for disabled persons.

### ***3.14.3. Old People***

To ensure access to adequate housing and possibilities to make payments for such housing, various measures will be implemented – support provided by the state for development of social housing in municipalities, the “Promotion Programme for Renovation of Apartment Houses”, and establishing a system of utility supply calculation. Municipal housing benefits will continue to be provided.

In order to give assistance to pensioners with low incomes, it is intended to make amendments to the law, foreseeing that as of 2005, additional payments to the old-age pensions for the insurance standing accumulated till 1996 will apply.

The indexation of pensions twice a year will continue, applying the consumer price index and 50% of the percentage of the pay-in salary real increase to the indexation of small pensions.

For old people unable to care of themselves and to help them stay in their habitual living environment, the municipalities will continue to develop and provide home care. Simultaneously, day-care centres, interest groups, old-people's clubs and other possibilities will be developed to facilitate the socialization of old people.

The choice of technical aids will be broadened and three new regional branches will be established to ensure that a person can receive technical aids as close to their place of residence as possible.

#### ***3.14.4. Children and Young People***

The "State Programme for Improvement of the Situation of the Child and the Family for 2004" envisages various measures. To facilitate social integration of children who are victims of violence, training to 250 professionals on the working methods with children-victims of violence will be provided, as well as provision of the specialists with methodical materials. The implementation of social rehabilitation programmes for children who are victims of violence will be continued.

The social rehabilitation programme for children who are misusers of psychoactive substances will be further implemented. The programme includes a range of educational, psychological, social, and legal and occupational therapy measures aimed at the re-adaptation, re-socialization and reintegration of children into society, by motivating the child not to use psychoactive substances, which create dependency. The task of the rehabilitation is to help the child give up the use of psychoactive substances, thus improving the physical and mental health of the child and promoting the return of the child to healthy life.

To better prepare children and youngsters for working life, the pilot project "Training of working skills during the summer holidays for persons who are learning in the institutions of general secondary education or vocational secondary education" will be commenced in 2004. Approximately 2000 children and young people will be involved in this project.

The possibility of getting consultations on the subject of professional career planning will be expanded and consultation on the issues of education and vocational education provided.

The implementation of active employment measures for unemployed youngsters and the project "Working practice for unemployed youngsters with employers" will continue.

Youngsters, who leave the system before obtaining the obligatory initial education, will be given a chance to attain professional qualifications. For this purpose, several education programmes for students with unfinished initial educations will be developed.

#### ***3.14.5. Ex-prisoners***

To provide support to ex-prisoners for the renewal of their social skills, territorial branches of the State Probation Office in all the regions of Latvia will be established by 2006.

The teaching of primary professional skills for persons released from places of imprisonment will continue by involving them in the active employment measures organized by the SEA. A range of activities will be offered – psychological rehabilitation, assistance by psychologists, vocational orientation and consultation, vocational training, providing living quarters in hostels during the training, working practice etc.

To renew social skills and to give an opportunity to obtain knowledge and skills for former prisoners, including for young people with low or/and unfinished education, the development of three social correction programmes is intended in 2005 and 2006. In 2004 the guidelines for the elaboration of the social correction programmes will be developed.

The establishment of social rehabilitation centres for ex-prisoners will be promoted. It is anticipated that former prisoners with no place to live, professional knowledge and skills will get support in dealing with social problems, including housing problem, trained for a profession and then set up in work.

#### ***3.14.6. The Unemployed***

To ensure consultations on professional career planning, the number of branches of the PCCSA will be increased.

The active employment measures for the unemployed will be continued, including: vocational training of unemployed people, retraining and raising of qualifications; paid temporary public work; competitiveness raising measures; and support measures for groups of persons such as youth aged 15 to 25, persons with disabilities, persons after child-care leave, persons who have no more than five years until receipt of the state old-age pensions, the long-term unemployed, persons released from places of imprisonment and other groups in accordance with the NAP. More than 18,000 persons will join the labour market after completing the training and retraining courses. The proportion of the number of long-term unemployed in relation to the total number of unemployed will decrease to 45%.

The amount of scholarships for unemployed persons who participate in training and retraining measures will be revised.

Youngsters who drop out of institutions of primary education will get a chance to obtain professional qualifications, thus reducing the risk that these persons become long-term unemployed.

Measures to promote access to the labour market and measures to promote employability will also be implemented within the framework of the Community Initiative Programme EQUAL.

#### ***3.14.7. Homeless People***

To deal with the problems of homeless people the network of the night shelters and shelters will be expanded. Social work with this target group to reintegrate homeless persons into society will be improved.

Within the framework of the Community Programme EQUAL, the policy for re-socialization of homeless people will be improved.

The state will start to provide assistance to municipalities for the development of social housing, giving subsidies from the central budget. This measure will give a chance for some homeless people to get cheap living places.

#### ***3.14.8. Victims of Human Trafficking***

The State Programme to Prevent Human Trafficking for 2004-2006 anticipates the training of professionals to work with victims of trafficking as from 2005. As of 2006 social rehabilitation measures to victims of human trafficking will be provided.

### **3.15. Use of the EU Structural Funds to Reduce Social Exclusion**

The EU Structural Funds in the period of 2004-2006 will be used for promotion of employment, enhancement of competitiveness of the employed, prevention of risk factors of social exclusion and reintegration of inhabitants (those at risk) into the labour market.



For the objectives mentioned above, funding from the European Social Fund, the European Regional Development Fund, European Agriculture Guarantee and Guidance Fund, and the Community Action Programme EQUAL will be used.

Within the framework of the priority “Development of Human Resources and Promotion of Employment” of the Single Programming Document, the following measures will be implemented: “Promotion of Employment”, “Development of Education and Continuing Training” and “Combating Social Exclusion”. The European Social Fund will finance these measures.

Total funding planned for the activities mentioned above in 2004-2006 is 118.9 million Ls.

Activities planned to promote employment anticipate:

Re-training and raising the qualifications of the employed.

Promotion of active employment measures for the unemployed, including re-training and continuing training, ensuring first work practice for the young unemployed, enhancement of competitiveness of unemployed and job seekers.

Consultations and training to start entrepreneurships and self-employment including training and consultations for the employed, unemployed and job seekers to develop the skills and knowledge necessary to start entrepreneurship and self-employment.

Support for capacity building of the institutions responsible for implementation of labour market and gender equality policies to disseminate information and increase understanding.

Promotion of research, including

- Support to research on labour market issues which are necessary for human resources and employment policy-makers, for example, labour market monitoring, impact of policy on employment, human resources development, regional aspects of employment, entrepreneurship, causes and length of unemployment, assessment of illegal employment etc.;
- Support for research on the developmental tendencies and aspects of the labour market, valuation of demand and supply of the labour market, support to other state and municipal institutions, as well as research necessary for NGOs, social partners and enterprises;
- Support for research on the situation of the groups at risk of social exclusion in the labour market.

Total funding planned for the activities mentioned above in 2004-2006 is 51.8 million Ls.

Measures for the development of education and continuing training anticipate the implementation of the following activities:

1. Improvement and development of study programmes in the technology and science intensive sectors.
2. Improvement of teaching quality in natural science, technology and mathematics in secondary education.
3. Improvement of study programmes and training in the initial vocational education in economically relevant branches.
4. Development of the adult education and training networks.
5. Widening of the supply and opportunities for adult education in the system of education, development of courses and modules.
6. Support for educational institutions and agencies involved in the enhancement of educational and training quality.
7. Support for the involvement of social partners in education and training.
8. Development of measures and programmes of vocational orientation in educational institutions.
9. Co-financing of masters and doctoral studies.

Total funding planned for the activities mentioned above in 2004-2006 is 44 million Ls.

Activities planned for diminishing social exclusion anticipate:

1. Provision of training to people representing groups at risk of social exclusion, including ICT support for disabled persons, inter alia:
  - Motivation programmes for people endangered by risk of social exclusion to motivate them to participate in proposed training activities and join the labour market;
  - Training and continuing training to groups at risk of social exclusion ensuring retraining or raising of qualification according to the needs of the labour market.
2. Provision of subsidized or supported working places for socially excluded groups.
3. Development of businesses and self-employment, including ICT support for disabled people, providing training and consultation services to socially excluded groups to develop skills and knowledge necessary for start-up businesses and self-employment, and capacity to start business.
4. Training of social work professionals.
5. Widening of the scope of social rehabilitation programmes including ICT support to disabled people, inter alia: development and implementation of professional rehabilitation programmes, including distance learning; development and implementation of programmes of social rehabilitation and basic skills' development which are oriented toward employment;
6. Development and implementation of educational correction programmes ensuring the development of programmes and educational courses in general and vocational educational institutions for young persons and prisoners with low levels of basic skills, as well as for early-school leavers to ensure that they receive a certification of their graduation from primary education and could continue studies.
7. Integration of youngsters with disabilities into the mainstream education system ensuring special training methods, training of teachers, development of training aids, courses, development of social and working skills.

Total funding planned for the activities mentioned above in 2004-2006 is 21 438 318 Ls.

Due to the activities supported by the ESF, raising qualification, productivity and competitiveness of employed persons, and promoting their availability for work will make a contribution in promotion of employment.

In the framework of the priority "Promotion of Territorial Cohesion" financed by the European Regional Development Fund (ERDF):

1. Improvement of social infrastructure and development of alternative social services, inter alia:
  - Modernization and adjustment of state social care and social rehabilitation institutions to provide complex, employment oriented services;
  - Development of alternative social care and social rehabilitation services providing support to the projects which will be implemented to improve the network of social services for groups of people endangered by risk of social exclusion.
2. ICT support for institutions administrating social services.
3. Improvement of the infrastructure of labour market institutions.

Total funding planned for the activities mentioned above in 2004-2006 is 8.8 million Ls.

In the framework of the ERDF, activities in educational area are foreseen:

- Renovation of institutions of vocational education and modernization of training equipment.
- Improvement and modernization of premises and machinery in the higher education establishments.

Total funding planned for the activities mentioned above in 2004-2006 is 12.7 million Ls.

In the framework of the European Agriculture Guarantee and Guidance Fund (EAGGF), the following activities to reduce exclusion are planned:

- To promote young or economically active people to take over agricultural holdings.
- To support partly natural economies.
- To support agricultural activities in less favoured areas and in areas with restrictions aiming to preserve nature.
- To promote development and transformation of rural territories.
- To raise the skills and knowledge of farmers and other persons involved in agricultural activities.

Total funding planned for the activities mentioned above in 2004-2006 is 245 576 340 million EUR.

Additional support for new policy initiatives and measures for diminishing social exclusion is anticipated by use of the Community Initiative Programme EQUAL. The issues for EQUAL in Latvia are the following:

Facilitating access to the labour market and employability for socially excluded groups, whereby the orientation is on the following policy issues – support for disabled young people, long-term unemployed, persons released from imprisonment, parents returning to the labour market after child-care leave etc.

1. Promotion of equal opportunities for women and men, including reconciling family and professional life, development of more flexible forms of work organization, development of supporting services, reducing gender gaps and supporting job desegregation in the labour market.
2. Support to asylum seekers.

In the framework of the issues mentioned above, the following activities will be carried out:

- Research on discrimination and inequality in the labour market;
- Promotion of understanding of the causes and consequences of discrimination;
- Information and publicity measures;
- Provision of guidelines, consultations and training;
- Development of active employment measures;
- Creation of practice places and working places.

Total funding planned for the EQUAL programme in 2004-2006 is 10 699 349 EUR.

## **CHAPTER 4. ESTABLISHMENT OF NETWORKS AND MOBILIZATION OF ALL PARTIES INVOLVED**

### **4.1. Introduction**

Poverty and social exclusion is a complex problem, the solution to which depends on effective cooperation between various institutions and organizations to develop and implement an integrated policy. The cooperation should be realized at both the horizontal and vertical levels. Besides cooperation between sectors and institutions on the national level, cooperation at the regional and local levels with the non-governmental sector, social partners, researchers, as well as to involve people representing social excluded groups in policy making, implementation, monitoring and analysis, is of great importance.

#### **4.2. The Process of Elaboration of the National Action Plan (2004-2006)**

Based on the experience of the elaboration of the JIM, the working group to elaborate the first Latvian NAP was established with the participation of representatives of ministries and other state institutions, municipalities and social partners, experts from NGOs and research institutions. To take into account the views of regional and local partners, the representatives of the regional development agencies were included in the working group. The wider public was also involved in the elaboration of the NAP. The Ministry of Welfare coordinated the work on the NAP.

#### **4.3. Development of an Integrated Policy to Diminish Social Exclusion**

To achieve the EU common goal “to reduce considerably the number of people living in poverty and social exclusion by 2010” and to a considerable extent lessen the number of people living at risk of poverty and social exclusion in Latvia, the development of an integrated and effective national social inclusion policy by using an inter-sector and multidimensional integrated approach is necessary.

Until now there has been a lack of a sufficiently integrated and coordinated policy to reduce poverty and social exclusion in Latvia. Each of the institutions mentioned in the NAP to implement the functions and tasks delegated to them to reduce poverty and social exclusion have used more approach of the particular branche than cooperation at the horizontal level.

Nevertheless, one has to admit that a lot of state administration institutions have permanent cooperation with NGOs in particular fields. NGOs related to social issues (pensions, labour law, disability etc.) and protection of children rights are especially active. Cooperation has been developed not only in the policy making process but also in its implementation. At the national level “roof organizations” representing organizations or groups of people and their interests, in the work of the national consultative councils, including groups at risk of social exclusion, have been established.

To successfully combat social exclusion and poverty, policies and activities should be coordinated and a long-term strategic policy plan formed by active participation of all actors involved, is necessary.

At the regional level cooperation with local municipalities has been ensured by the regional development agencies. Nevertheless there has not been sufficiently effective action dealing with the problems of social exclusion at either the regional or local level.

In 2004-2006 it is essential to develop common and integrated social inclusion policy and to ensure its realization at all the levels – national, regional and local – making use of cooperation between the state and municipal institutions, NGOs, social partners, private sector and particular initiatives of individuals.

At the local level, the partnerships between NGOs, local municipalities and the private sector are being developed.

The contribution of NGOs to work with groups of socially excluded people is increasing.

At the national level consultations are being organized on a regular basis with social partners about issues relating to labour law, collective agreements and agreements, increase of the minimum wage level, occupational safety etc. Still, the development of bilateral consultations with social partners at the regional and sector levels is problematic, because in the regions there are only a few structures such as employers’ and trade union’s organizations.

However, cooperation at the horizontal level (inter-ministerial cooperation, cooperation between institutions at the national level) is considered as weak.

The cooperation of social partners at the national and regional levels, stimulation of entrepreneurs for more active participation in the social inclusion process, including developing cooperative social responsibility, has to be facilitated.

The active participation of universities, researchers and the mass media in researching social exclusion issues and informing society about them must be facilitated.

It is essential to involve representatives from groups of poor and socially excluded people in policy making, implementation and assessment of policy results, and for that reason it is important to establish a system of cooperation and to facilitate the establishment of partnership networks of these groups. No less essential is to involve these groups in activities informing society, as organizations representing different social groups can provide information to particular social group about vital issue in the country in a more understandable way for these particular groups.

In the next two years society's own participation in promoting the processes of social inclusion, for example by the use of local centres for supporting and informing people that are already forming in local territories, should be put to use more. The measures taken by national and local authorities to inform and involve society in decision-making and implementation, including use of the mass media to popularize good practices and examples, should be activated. The cooperation between national and municipal institutions on one side and NGOs on the other in supporting the development of cooperation networks should be improved. The potential of NGOs should be used more and NGOs should be more involved in the of policy implementation and analysis processes. The state should increase, within its limits, the financial support given to NGOs that are working to reduce poverty and social exclusion.

#### **4.4. Monitoring and Assessment of Implementation of the NAP**

As the implementation of the Latvian NAP will be evaluated in accordance with the common EU social inclusion policy making and implementation process, it is important to ensure precise and overall monitoring of the implementation of the NAP and assessment of its results.

For this purpose, a monitoring mechanism ensuring that all partners involved in the implementation of the NAP fulfil the measures defined should be developed.

Taking into account that the development of common state policy for reducing social exclusion is the function of the Welfare Ministry, the Welfare Ministry is coordinating the implementation and monitoring of the NAP.

To ensure the realization of a multi-sided and sufficiently qualitative implementation and monitoring of the NAP, the Ministry of Welfare will need additional financial and human resources and to form cooperation at all levels, including cooperation with municipalities and non-governmental organizations.

To ensure that all involved partners participate in the implementation and monitoring of the NAP, the following councils should participate in the evaluation of the NAP implementation in addition to to the responsible institution: the National Council of Disability Affairs, the National Council for Tripartite Cooperation, the Gender Equality Council, and the National Council for Regional Development, and others.

To follow the course of the NAP implementation, mid-term and final evaluations are necessary to summarize the information given by all involved parties and to prepare the report to the Government.

An independent expert of the EC will assess the course of the implementation of the NAP simultaneously.

## **CHAPTER 5. GOOD PRACTICE**

### **Subsidized Employment Measures for Disabled People**

In 2003, within the framework of the national central budget programme “Improvement of employability of unemployed” the SEA started to implement subsidized employment measures for disabled persons on a large scale. The measures were aimed at improving the competitiveness of disabled unemployed persons in the labour market and to facilitate their settling into permanent jobs. 475,000 Ls has been spent for these measures.

Four subsidized employment measures for disabled unemployed persons have been implemented:

1. Work for disabled young people (18-25) without professional working experience longer than a year.
2. Subsidized workplaces for disabled persons of pre-retirement age with professional education or for those who have professional skills gained in working places.
3. Subsidized workplaces for disabled persons.
4. Support to the acquisition of professional skills in the workplace.

To increase the interest of employers in participating in the implementation of subsidized employment measures for disabled people, the following financial support to employers have been provided within the framework of this programme:

1. Lump-sum grants to purchase inventory necessary for work.
2. Lump-sum financing to adapt workplaces or to ensure access to workplaces (in accordance with the recommendation of ergo therapists).
3. Financial means to pay once a month salaries that correspond to the state defined minimum salary and subvention to the employer for guiding the working practice.

In 2003 in the framework of this programme 566 workplaces have been created and 609 disabled people joined the labour market. 261 employers made adaptation of workplace.

The main achievement was that the subsidized workplaces for disabled unemployed people aimed at raising their skills in the workplace were created – 428 such in total. According to the calculations of the SEA, 48% of all disabled unemployed persons have no vocational qualifications, a proportion of disabled unemployed persons are unable to continue working in the profession they held before partial loss of employability because of their state of health.

102 workplaces have been created for disabled unemployed people of pre-retirement age. It is particularly important when taking into account the fact that demand for persons of this age group in the labour market is low.

## **Rural Partnership Programme**

The Rural Partnership Programme for the sustainable social and economic development of rural communities was a 3-years project implemented in Latvia, Estonia and Lithuania thanks to the financial aid of the Government of United Kingdom. In Latvia, the project was implemented within the territory of Latgale and the project's task regions were Balvi, Rēzekne and Daugavpils.

The key objective of the project was to develop policies, systems and strategies in order to increase – in a sustainable and substantial way - the standards of living of people, thus ensuring economical opportunities, creating new jobs, promoting the increase of income levels and promoting social cohesion.

In each of the project task regions the Programme of Rural Partnerships established a regional partnership. The main objective of the regional partnership was to develop a strategy for reducing poverty and social exclusion in the region, and to prevent the causes which lessen competitiveness and which hinder the social inclusion process in the region. Using this strategy the regional partnerships facilitated the initiatives of local communities which were aimed at solving the different problems of rural communities. Use of the Support Fund (30,000 £) aimed at implementing small community projects to reduce poverty and social exclusion in rural areas was made by each of regional partnerships.

The Board of the Rural Partnership created a very large partnership. The Board consisted of 20 board members representing each of the following four groups: heads of local municipalities/ state and municipal institutions providing services to inhabitants living in rural areas/ institutions for the promotion of development/ communities, voluntaries, non-governmental organizations. The Board of Rural Partnership evaluated the project applications, approved the applications, carried out monitoring of the use of the Support Fund at the regional level, and prepared reports on the use of the Support Fund and results achieved.

Under the framework of all three strategies of the Rural Partnership in the Latgale region, more than 80 projects were implemented using approximately 100,000 £. In the framework of the Rural Partnership training (135 hours) was provided to 20 rural development professionals and 40 community coordinators. At present these professionals are actively working in their communities.