



LATVIA

A TRADE UNION FOCUS ON THE SDGS

#HLPF2022

WORKERS DEMAND A NEW SOCIAL CONTRACT FOR RECOVERY AND RESILIENCE

COVID-19: WORKERS NEED DURABLE RESPONSES TO THE CRISIS

In response to the Covid-19 pandemic, the Latvian government introduced restrictions to contain the spread of the virus, encouraged remote working, and ran mandatory vaccination schemes. Employment-related measures included flexible or reduced working hours, with government support for income security; furlough benefits; and support for the unemployed. Bankruptcy declarations were temporarily suspended, and companies could initiate collective redundancies more quickly. Crisis-affected exporters received grants to compensate for wages.

Trade unions call on the Latvian government to prioritise universal social protection and free access to healthcare, with childcare support for frontline workers. There is a need to improve healthcare services and access to them, in particular the number of medical personnel. The amount and period of unemployment benefits should be extended. Rising living costs require increased minimum wages and an income tax threshold; support and lowered taxes on fuel bills; more affordable housing; and an energy efficiency programme to insulate homes and modernise electricity networks. Businesses require support to reorient international trade and a decreased tax burden on labour to compete with neighbouring markets.

ARE TRADE UNIONS AT THE TABLE?

While the Latvian government is addressing all Sustainable Development Goals (SDGs), they are not being made a high priority or focus. The introduction to Latvia's 2021-2021 National Development Plan states that it has been developed in line with the SDGs, but there is no further reference to the goals in the text or description of particular goals, and society at large is not aware of them. The government's Cross-Sectoral Coordination Centre, under the direct authority of the prime minister, is responsible for integrating the SDGs into national policies.

Trade unions were involved in preparing the National Development

Plan, and, at their initiative, the Voluntary National Review for the UN. They are not included in the Consultative Council for Cooperation on Development. Unions are involved in the National Tripartite Cooperation Council and its sub-councils, which cover all SDGs, although there is no explicit reference to them.

Latvian trade unions are concerned about the insufficient public funding available to implement the SDGs, which translates into a lack of progress, particularly on the SDGs related to health, education, inequality and poverty rates. Reporting mechanisms are adequate given these limited resources.

TRANSPARENCY



Irregular access to limited information

CONSULTATION



Informal or ad hoc consultation

SOCIAL DIALOGUE



Individual contributions to national government



IS THE (DECENT) WORK GETTING DONE?

Indicators for **target 1.1 (eradicate extreme poverty)** show that while only 0.2 per cent of the population were living in extreme poverty in 2019, in 2020 22.4 per cent of the population were under the at-risk-of-poverty threshold, with pensioners particularly at risk. Latvia has a “very high” Human Development Index of 0.866 that has increased in recent decades but is still one of the lowest in the EU and Baltic states. Nearly all Latvians (96.5 per cent) are covered by at least one social protection benefit under **target 1.3 (appropriate social protection systems)**. However, trade unions are concerned about **target 1a (mobilisation of resources)**. The proportion of total government spending on essential services in 2022 is estimated at 12.8 per cent for healthcare and 7.3 per cent for education, lower than what would be expected for the level of fiscal capacity. Public spending and social dialogue within the healthcare and education sectors are insufficient and staff salaries are too low.

Evaluating progress under **target 5.4 (recognise and value unpaid care and domestic work)** is hampered by a lack of gender-disaggregated data. Progress has been made under **target 5.5 (ensure women’s full and effective participation and equal opportunities for leadership at all levels)**: women hold 45 per cent of managerial positions and 25 per cent of seats in the national parliament. There is 100 per cent equality in terms of lower secondary education.

Progress on **target 8.3 (formalisation)** is mixed. Recent studies show that Latvia’s informal economy has grown to 25 per cent of GDP, or 10.9 per cent of employees employed without a contract. The share of low-paid work is 21.9 per cent; vulnerable work has decreased and stands at 7.1 per cent. Indicators under **target 8.5 (full and productive employment and decent work for all)** also present a mixed picture. Latvia has succeeded in lowering unemployment to 7.3 per cent, although there is a lack of qualified labour due to high emigration. The gender wage gap in Latvia is 22.3 per cent, one of the highest in the EU. The proportion of **young people not in employment, education or training (NEET) (target 8.6)** is 11 per cent, which is close to the EU average. Latvia has implemented programmes to decrease NEET numbers in recent years, supported by EU structural funds. Under **target 8.7 (end**

forced labour, modern slavery, human trafficking and child labour), 8,000 people were estimated to be living in modern slavery in 2018, with a growing number of immigrants trafficked for labour exploitation. No child labour data are available. Latvia generally meets **target 8.8 (protect labour rights and promote safe and secure working environments for all workers)**. As labour rights and wages are mainly regulated by law, trade unions are actively trying to increase and improve collective bargaining. Trade union density has decreased to 8.8 per cent.

Latvia still has one the highest rates of income inequality in the EU, although it has made some progress on **target 10.4 (adopt policies, especially fiscal, wage and social protection policies and progressively achieve greater equality)**: the labour income share of GDP has grown in the last decade to 54.4 per cent, with 26.9 per cent of wealth held by the top 10 per cent of income earners compared to 7 per cent for the bottom 20 per cent. The minimum wage is the lowest in the Baltics. Latvia protects migrant rights under **target 10.7 (orderly, safe, regular and responsible migration and mobility)**.

Latvia has a National Energy and Climate Plan 2021–2030 in line with **target 13.2 (integrate climate change measures into national policies, strategies and plans)** and EU requirements. Still, the country’s CO₂ emissions have increased over the past decade. Moreover, even though the plan addresses energy poverty, LBAS is concerned that the volatility of energy prices over the last year and the effect of this on overall inflation could worsen the effects of energy poverty on lower-income households. Policy reforms for more effective housing insulation are also needed.

Regarding **target 16.3 (promote the rule of law and ensure equal access to justice)**, labour courts and legal aid are available. Under **target 16.10 (ensure public access to information and protect fundamental freedoms)**, certain labour rights have come under repeated attacks by the government.



TRADE UNION ASKS TO LEAVE NO ONE BEHIND

To ensure an SDG-led recovery and resilience from the crisis, trade unions urge the Latvian government to:

- Focus on decent work in the context of SDG 8 because human capital to improve services and stem emigration is required to meet all other SDGs in Latvia. Take measures to tackle low pay and long working hours in the public sector, particularly in health and education.
- Ensure transparency of remuneration systems. Develop regulation for a reliable, stable minimum wage and a non-taxable minimum that ensures a sufficient income level.
- Work on wage and social protection policies aimed at reducing inequalities between regions.
- Develop a policy and legal framework for the arrangement of new forms of employment and the introduction of control mechanisms, balancing the tax burden for various forms of employment and reducing it for the labour force. Reduce the informal economy, in particular “envelope wages” and undeclared workers.
- Strengthen tripartite social dialogue and promote the further development and improvement of the collective bargaining system, especially at sectoral level. Strengthen the implementation of trade union rights in practice.
- Make health insurance and services accessible to all and improve care policies for the elderly.
- Increase the state budget for research and development in line with the EU average. Promote cooperation between research institutions and companies.
- Improve professional development and support for teachers, especially for teaching children with special needs.



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