Chapter 17

Migrants' Access to Social Protection in Latvia

Anhelita Kamenska and Jekaterina Tumule

17.1 Overview of the Welfare System and Main Migration Features in Latvia

17.1.1 *Main Characteristics of the National Social Security System*

In characterising the Latvian welfare regime, most studies focus on the social policy developments in all the three Baltic states, due to the common legacies of the Soviet Union. After World War II, these states were incorporated into the Soviet Union and were subjects to the same social policy regulation as the whole Union. The three countries experienced a Soviet social protection system from 1940 to 1991.

During this period, the state was the main provider of welfare for its citizens. The coverage of the social security system was universal in the Soviet Union, with rather low benefit levels. Everyone was guaranteed security in all cases of loss of working capacity, old age, invalidity, illness and the loss of the breadwinner. The extensive social policy (full employment, free education and health care) and social security with its huge redistributive feature promoted equality within classes and various social groups (Aidukaite 2011). The Soviet welfare system was universal and paternalistic. Establishing a mechanism that would help shift responsibility for social security from the state to the individual was considered a high priority (Rajevska and Romanovska 2016). Path dependency with the communist era was one of the reasons why the right-wing politicians in the Baltic states found the Bismarckian model too solidaristic and turned to liberal welfare policies (Toots and Bachman 2010).

A. Kamenska (✉) · J. Tumule

Latvian Center for Human Rights, Riga, Latvia

e-mail: angel@humanrights.org.lv; jekaterina@humanrights.org.lv

As regards Latvia and the other two Baltic states, it is commonly concluded that their welfare regimes can be characterised as neoliberal with low social spending and commodification degree, as closely falling into the neoliberal model based on macroeconomic indicators of welfare state spending, high-income inequality, low minimum wage, and a low degree of decommodification (Aidukaite 2019). As such, various historic welfare regimes layers and liberal and conservative-corporatist principles co-exist here (Toots and Bachmann 2010). The Baltic welfare system is also defined as a distinct post-communist welfare regime, which represents a mix of neo-liberal and Bismarckian features (Aidukaite 2009). Low levels of social expenditure have been one of the main arguments used to categorise Baltic countries to the liberal welfare regimes. At the same time, Latvia as all the Baltic countries implemented a three-pillar pension system faster and in a more radical manner than most Western European countries.

In general terms, the social security system of Latvia is described as a mixture of elements taken from the basic security (where eligibility is based on contributions or residency, and flat-rate benefits are provided) and corporatist (with eligibility based on labour force participation and earnings-related benefits) models. Elements of the targeted model (in which eligibility is based on a proven need, and the level of benefits is minimal) may be also found in Latvia. Some means-tested benefits are quite extensive, e.g. social assistance benefits for low-income families, housing benefits, a benefit for food and meals, a benefit for purposes related to education and upbringing of children, etc. (Aidukaite 2013).

During the period 2008–2010, Latvia underwent major financial crises. It lost 25% of its Gross Domestic Product, with the unemployment rate reaching 18,7%. To bridge the budget deficit, the Government cuts affected the social security system, particularly pensions, employment and sickness benefits. Sickness benefits were decreased from 52 to 26 weeks, patient payments for health care were increased significantly, whereas the Government's contribution to the second "pillar" of pensions was reduced from 8% to 2%. Employees' compulsory contributions to the national social insurance scheme were also raised from 9% to 11% from January 2011.

The Latvian social security system is financed from the special budget income – the social insurance budget – based on compulsory social insurance contributions. The social insurance system is based on the principle of solidarity as the current contributions paid by employed persons are used for the payment of pensions and other benefits. Social insurance according to the paid social contributions guarantees income upon reaching the retirement age, in case of disability or sickness, during maternity and child care periods, in case of unemployment and in other similar cases.

Some social benefits (unemployment benefits, pensions, sickness, maternity and child benefits) depend on previous earnings and the amount of social insurance contributions. Others are non-contributory, such as the benefit for insuring the guaranteed minimum income level. There are benefits which depend on whether the person is compulsory or voluntarily insured – such as in kind health care benefits. Most contributory and non-contributory benefits are pre-conditioned by a

permanent residency status in Latvia. Since January 2018, significant policy changes occurred in the area of healthcare. According to the latest health care financing reform, access to the full range of state-funded health care services is available to permanent residents subjected to compulsory or voluntary health insurance. However, despite the fact that the amendments came into force on January 2018, due to technical reasons, the new provisions have not been implemented in practice. Moreover, following parliamentary elections in autumn 2018, the new Government formed in early 2019, decided to give up the idea and focus efforts on developing a sustainable model of health financing.

17.1.2 Migration History and Key Policy Developments

Latvia experienced massive migration turnover and population losses during the twentieth century, mainly due to the two World Wars, the annexation of the country by the Soviet Union, and the resulting population transfers during almost five decades of Soviet regime (Zelče 2011). In the twenty-first century, after the country's accession to the European Union (EU) and the economic crises during the period 2008–2010, emigration from Latvia to other EU Member States has massively increased (Hazans 2019). Latvia has been able to shape its own immigration policies only during the periods of independence (1918–1940, and from 1990 onwards).

From a historical perspective, prior to World War I, Latvia was a land of immigration as part of the Russian Empire. Between 1863 and 1913, the Latvian population increased by 1,287,000, of whom 304,000 individuals (24%) immigrated. During World War I and the Russian civil war, around one million of Latvia's residents moved to other territories (mostly in Russia) as refugees, displaced persons or after being mobilised into armed forces. In only five years, Latvia lost 37% of its population. The country gained independence in 1918 and after the signature of the peace treaty with Russia, nearly 300,000 people returned to Latvia between 1918 and 1928. During the 1930s, the number of foreign farm workers (most of them from Lithuania and Poland) ranged from 12,000 to 40,000 (Zelče 2011). In 1939, Germany "repatriated" almost all Baltic Germans and during the Nazi occupation (1941–1945), the local Jewish population¹ and half of the Roma population was exterminated.

War deaths, Soviet executions and mass deportations to the East, flight to the West,² and post-war³ Soviet policies of mass migration weakened Latvia's position and resulted in the growth of the Russian minority, which accounted for more than

¹ Between 65–70,000 Jews perished in the Holocaust.

² It is estimated that, due to the war, Latvia's population decreased by 300,000–500,000 people (a 25% decrease compared to 1939). Between 1944 and 1953, around 120,000 people fell victim to Soviet terror (Zelče 2011).

³ Latvia was incorporated into the Soviet Union in 1945.

one-third of the population in 1989 on the eve of independence. Initially, migrants were demobilized Red Army soldiers and their families, internal security personnel and Communist Party bureaucrats. From the early 1960s through the mid-1980s, migrants tended to be workers in All-Union industries, particularly persons with a technical or engineering background, as well as many retired Soviet military officers. The majority of migrants were Russians, Ukrainians, and Belarussians, whose combined share of the population rose from 10.3% in 1935 to 42% in 1989 (Muižnieks 2006). As a result of immigration, the share of ethnic Latvians in Latvia's population dropped from 77% in 1935 to 52% in 1989.

In total, around four million people moved to Latvia between 1951 and 1990, while 1,82 million left the country. The overall migration balance during the Soviet occupation involved 941,000 people. The authorities of the regime explained that immigration was needed because of the constantly increasing need for workers and the low natural growth rate in the population (Zelče 2011). At the end of 1980s, plans to construct a subway system in Riga drew protests from ethnic Latvians. Hence, in 1989, the Government of the Latvian Soviet Socialist Republic approved a plan to stop and regulate migration.⁴ When Latvia regained independence in 1991, the share of minorities decreased due to the withdrawal of the Soviet army and ethnic minority return migration in the first half of the 1990s.

According to the 1990 Population Census, the population in Latvia stood at 2,67 million. By 2018, the population of Latvia was of 1,93 million individuals, a decrease by 738,000 since 1990.⁵ The twenty-first century has been marked by emigration from Latvia particularly since the country's accession to the EU in 2004 and during the 2008–2010 economic crises that resulted in the emigration of 260,000 individuals from 2008 to 2017, amounting to 13,5% of the population.⁶ The economic crises also led to a greater number of Latvian non-citizens opting for the Russian citizenship due to the benefits of an earlier retirement age.⁷

Broadly speaking, the Baltic states have been very sensitive to immigration from outside the European Union and quite stringent about maintaining their ethnic balance, as well as protecting their languages and cultures (Birka 2019). Latvia established an investor visa program, allowing investors from outside the EU to receive a residence permit in exchange for a certain level of investments (real estate,⁸ share

⁴Latvijas PSR Ministru padome. (1989). 1989.gada 14.februāra lēmums nr 46, "Par pasākumiem iedzīvotāju skaita nepamatota mehāniskā pieauguma pārtraukšanai un migrācijas procesu regulēšanai Latvijas PSR".

⁵Centrālā statistikas pārvalde (2018). *Latvija 2018. Galvenie statistikas rādītāji*, p.5 https://www.csb.gov.lv/sites/default/files/publication/2018-05/Nr%2002%20Latvija%20Galvenie%20statistikas%20raditaji%202018%202818_00%29%20LV.pdf. Last accessed 3 May 2020.

⁶OECD Economic Surveys: Latvia 2019. OECD publishing. p.16, https://read.oecd-ilibrary.org/economics/oecd-economic-surveys-latvia-2019_f8c2f493-en#page1. Last accessed 3 May 2020.

⁷LSM.LV (2017). 10 gadu laikā Krievijas pilsoņu skaits Latvijā pieaudzis par vairāk nekā 28,000, <https://www.lsm.lv/raksts/zinas/latvija/10-gadu-laika-krievijas-pilsonu-skaits-latvija-pieaudzis-par-vairak-neka-28-000.a244201/>. Last accessed 3 May 2020.

⁸In 2014, the value of real estate to receive a temporary residence permit was significantly increased and the number of recipients dropped.

capital, credit institution). During the period 2010–2017, over 17,000 visas were granted and the overwhelming majority of recipients (around 70%) were Russians, followed by Chinese (8.2%) and Ukrainians (8%).⁹ Moreover, since Latvia established the asylum procedure in 1998, the number of asylum seekers and persons granted refugee and subsidiary status has been quite small, except for the brief period of EU relocation scheme when Latvia pledged to accept 571 asylum seekers.

Latvia's immigration policy has generally aimed to protect the local workforce and addressing labour shortages via the return of Latvian emigrants is seen as a key solution. Nevertheless, the acute labour force shortage has led the Latvian authorities to adopt several measures in 2017 and 2018, including the start-up visa for individuals developing innovative products, regulations for issuing temporary residence permits to highly qualified specialists and the creation of a list of professions facing a foreseeable lack of labour force.¹⁰ However, the number of third-country nationals with work permits in 2017 was still small: 4029 nationals of Ukraine, 1230 from Belarus and 1095 Russians.¹¹

According to the Population Register,¹² on 1 July 2018, Latvia had a population of 2,101,061 individuals, out of which 228,855 were Latvian non-citizens¹³ and 92,342 foreign residents. The largest groups of third-country nationals residing in the country are citizens of the Russian Federation (54,258 individuals), Ukraine (7485), Belarus (3318), India (1708), and Uzbekistan (1556). From 2007 to 2017, the number of Russian citizens increased by nearly 28,000.¹⁴ This significant increase occurred particularly during the economic crises in 2008–2010, when many non-citizens opted for Russian citizenship due to lower retirement age.¹⁵ The devaluation of the Russian rouble halted the trend.

⁹ OCCRP (2018). Latvia's Once Golden Visas Lose their Shine – But Why?, 5 March, <https://www.occrp.org/en/goldforvisas/latvias-once-golden-visas-lose-their-shine-but-why>. Last accessed 3 May 2020.

¹⁰ Saeima (2017). *Grozījumi Imigrācijas likumā*, <https://likumi.lv/ta/id/288742-grozijumi-imi-gracijas-likuma>. Last accessed 3 May 2020.

¹¹ LR Saeima. (2018). *Imigrācijas loma darbaspēka nodrošinājumā Latvijā. Sintēzes ziņojums*, https://www.saeima.lv/petijumi/Imigrācijas_loma_darbaspeka_nodrosinajums_Latvija-2018_aprilis.pdf. Last accessed 3 May 2020.

¹² Population Register (*Iedzīvotāju reģistrs*) (2018). Latvian residents by nationality (*Latvijas iedzīvotāju sadalījums pēc valstiskās piederības*), https://www.pmlp.gov.lv/lv/assets/documents/statistika/Iedz%C4%ABvot%C4%81ju%20re%C4%A3istrs%20st.%20uz%2001072018/ISVP_Latvija_pec_VPD.pdf. Last accessed 10 November 2018.

¹³ Non-citizens are a special category of people - former USSR citizens who were resident in Latvia on 01.07.1991 and have not obtained citizenship of any other country, thus this term does not encompass foreign citizens and stateless persons.

¹⁴ LSM.LV (2018). During 10 Years the Number of Citizens of Russia in Latvia has increased by 28,000, 22 July, <https://www.lsm.lv/raksts/zinas/latvija/10-gadu-laika-krievijas-pilsonu-skaitslatvija-pieaudzis-par-vairak-neka-28-000.a244201/>. Last accessed 3 May 2020.

¹⁵ Baltic Institute of Social Sciences (2013). *Par trešo valstu valstspiederīgo un Latvijas nepilsoņu viedokli par Latvijas pilsonību un iemesliem, kas veicina vai kavē pilsonības iegūšanu*, <https://www.pmlp.gov.lv/lv/sakums/jaunumipublikacijas/p%C4%93t%C4%ABjumi/2013.gadap%C4%93t%C4%ABjums-par-tre%C5%A1o-valstu-valstspieder%C4%ABgo-un-latvijas->

There are two types of residence permits – temporary and permanent – for foreigners immigrating to Latvia. A residence permit is necessary if a foreigner is willing to reside in Latvia for more than 90 days within half a year counting from the first day of entry. A temporary residence permit is issued for one year and can be re-registered every year depending on the purpose of entry.¹⁶ Permanent residence permit is issued for five years. A foreigner can apply for a permanent residence permit if he/she has continuously (with the exceptions provided for in the Immigration Law) resided in Latvia for five years with a temporary residence permit, as well as in other cases (for example, a minor child or a child in the custody of a Latvian citizen, a non-citizen or of a foreigner, who has received a permanent residence permit, as well as other family members as set in the law).¹⁷ To receive a permanent residence permit, a foreigner has to submit an application to the Office of Migration and Citizenship Affairs. In most cases, when submitting the application documents for a permanent residence permit, foreigners must show a certificate on state language proficiency evidencing the basic knowledge of state language.¹⁸

As for the Latvian diaspora, in July 2018, 181,545 Latvian citizens lived abroad. The majority of them resided in the United Kingdom (73,613 individuals), Ireland (20,343) and the United States (15,316), followed by Canada and Australia. In 2018, 4457 Latvian citizens resided in Russia.

17.2 Migration and Social Protection in Latvia

In Latvia, most social benefits (unemployment, health, pensions, maternity/paternity benefits) are available to socially insured Latvian and foreign nationals. According to the general principle, socially insured persons are those who are employed, self-employed and actually make social insurance contributions. Additionally, specific groups of persons are insured by the state (e.g. those in maternity/paternity leave, persons receiving unemployment benefits, disabled persons, etc.) and some can join the social insurance scheme voluntarily, including spouses of self-employed who voluntarily joined social insurance.¹⁹ Some social insurance benefits are pre-conditioned by permanent residency. Thus, all state social

[nepilso%C5%86u-viedokli-par-latvijas-pilson%C4%ABbu-un-iemesliem,-kas-veicina-vai-kav%C4%93-pilson%C4%ABbas-ieg%C5%AB%C5%A1anu-\(pdf\).pdf](#). Last accessed 10 November 2018.

¹⁶ See: <http://www.pmlp.gov.lv/sakums/pakalpojumi/iecelosana-lv/uzturesanas-atlaujas/uzturesanas-termins.html>. Last accessed 10 November 2018.

¹⁷ Immigration Law (*Imigrācijas likums*), Section 24, 01.05.2003, <https://likumi.lv/ta/id/68522-imigrācijas-likums>. Last accessed 3 May 2020.

¹⁸ Rules of the Cabinet of Ministers No. 564, Section 35, 21.06.2010, <https://likumi.lv/ta/id/212441-uzturesanas-atlauju-noteikumi>. Last accessed 3 May 2020.

¹⁹ Saeima, Law on State Social Insurance (*Par valsts sociālo apdrošināšanu*), Section 5, 6, adopted on 01.01.1998, <https://likumi.lv/doc.php?id=45466>. Last accessed 3 May 2020.

allowances (including childbirth allowance and childcare benefit, state social security benefits, funeral benefit) are available to Latvian citizens, Latvian non-citizens, foreigners and stateless persons who permanently reside in Latvia.²⁰

17.2.1 Unemployment

The unemployment benefit is financed from the state social insurance employment special budget.²¹ The benefit is granted to Latvian citizens and foreigners who are officially registered as unemployed persons. To qualify as eligible applicants, individuals must have worked for a least one year and have paid social insurance contributions for unemployment for at least 12 months during the previous 16 months period. Persons who have recovered the capacity to work after a disability and persons who have taken care of a child with disability up to 18 years of age have the right to unemployment benefits even if their social insurance contributions have not been paid or have been paid for less than 12 months. Those who receive unemployment benefits are required to be actively involved in job search activities.

In order to apply for the benefit, individuals have to submit an application to the State Social Insurance Agency (*Valsts sociālās apdrošināšanas aģentūra*). The amount of the unemployment benefit depends on previous earnings. It is calculated based on the average income from which unemployment contributions have been made during the last 12 months, not counting the last two months before the job loss. The benefit is paid for maximum nine months (full amount during the first three months, 75% during the following three months, and 50% during the last three months).

Unemployment benefits can be exported if recipients decide to move to another EU Member State with an aim of searching for a job. In this case, the person can continue to receive the benefit up to a maximum of six months. However, the unemployment benefit can be lost if individuals do not fulfil the required duties, such as active job search without justification. The export of the benefit to non-EU countries is not possible. The bilateral social agreements signed with Russia,²² Ukraine,²³ and

²⁰ Saeima, Law on State Social Allowances (*Valsts sociālo pabalstu likums*), adopted on 31.10.2002, Section 3,4: <https://likumi.lv/doc.php?id=68483> Section 3,4 <https://likumi.lv/doc.php?id=68483>. Last accessed 3 May 2020.

²¹ Saeima, Law on Unemployment Insurance (*Par apdrošināšanu bezdarba gadījumam*), adopted on 25. 11. 1999, Section 4: <https://likumi.lv/doc.php?id=14595>. Last accessed 3 May 2020.

²² Agreement on Cooperation in Social Insurance Area between the Republic of Latvia and Russian Federation (*Latvijas Republikas un Krievijas Federācijas līgums par sadarbību sociālās drošības jomā*), 18.12.2007, <https://likumi.lv/ta/lv/starptautiskie-ligumi/id/738>. Last accessed 3 May 2020.

²³ Agreement between the Republic of Latvian and Ukraine of Cooperation in Social Insurance Area (*Par Latvijas Republikas un Ukrainas līgumu par sadarbību sociālās drošības jomā*), 19.05.1998, <https://likumi.lv/doc.php?id=48170>. Last accessed 3 May 2020.

Belarus²⁴ grant access to unemployment benefits to the nationals of these countries residing in Latvia and to Latvian nationals residing in these countries.

17.2.2 Health Care

The health care system is financed from the state general income budget, the social insurance contribution for health care services, health insurance contributions, patients' co-payments, EU funds and other foreign financial instruments, local government co-payments, and income of state and local medical institutions.²⁵ The provision of state paid health care services is divided into the following categories:

- Emergency medical assistance that is available to all nationals and foreigners.
- The minimum of state paid medical assistance and state funded health care is available to all socially insured persons and all Latvian citizens, Latvian non-citizens, foreigners with a permanent residence permit, stateless persons whose status was granted by Latvia, refugees, persons with a subsidiary protection status, and asylum seekers. The minimum of state paid medical care includes emergency medical assistance, childbirth assistance, family doctor's services, and state health care in case of treatment of diseases that might be dangerous for public health care. Additionally, the spouse of a Latvian citizen and of a non-citizen with a temporary residence permit has the right to childbirth assistance in Latvia. State funded health care in addition to the minimum state paid medical assistance include primary, secondary and tertiary health care services, medication and medical devices.²⁶

All employed and self-employed persons who make social insurance contributions, and spouses of self-employed persons who voluntarily joined the social insurance scheme have the right to sickness cash benefits, regardless of their nationality. The sick leave certificate is issued by a doctor or doctor's assistant.²⁷ The first 10 days of sickness are paid by the employer. Starting with the 11th day of sickness, a person has the right to apply for the state paid sickness benefit if social insurance contributions have been made at least three months during the last six months before

²⁴ Agreement between the Republic of Latvia and the Republic of Belarus on Cooperation in Social Insurance area (*Par Latvijas Republikas un Baltkrievijas Republikas līgumu par sadarbību sociālās drošības jomā*), 24.12.2008, <https://likumi.lv/doc.php?id=185629>. Last accessed 3 May 2020.

²⁵ Saeima, Health Care Funding Law (*Veselības aprūpes finansēšanas likums*), adopted on 01.01.2018, Section 4, <https://likumi.lv/ta/id/296188-veselibas-aprupes-finansesanas-likums>. Last accessed 3 May 2020.

²⁶ Saeima, Healthcare Funding Law (*Veselības aprūpes likums*), adopted on 14.12.2017, Section 10,11, transitional provisions Section 5, <https://likumi.lv/doc.php?id=296188>. Last accessed 3 May 2020.

²⁷ Saeima, Law on Maternity and Sickness Insurance (*Par maternitātes un slimības apdrošināšanu*), adopted on 6.11.1995, Section 12, <https://likumi.lv/doc.php?id=38051>. Last accessed 3 May 2020.

the sickness occurred or for at least six months during the last 24 months. The State Social Insurance Agency grants the sickness benefit in the amount of 80% of average contributions salary calculated based on the payments made during the last 12 months. The sickness benefit can be paid for a maximum of 26 weeks (it can be exceptionally extended to 52 weeks). The sickness cash benefit cannot be exported to other countries.

The state social security disability allowance (invalidity benefit) can be granted to permanent residents who are over 18 years old, have resided in Latvia for at least 60 months (out of which the last 12 months continuously), are unemployed at the time of claiming the allowance and their disability has been certified by the State Medical Commission for the Assessment of Health Condition and Working Ability. Foreigners with a temporary residence permit are not entitled to this allowance.²⁸ The monthly amount of the invalidity benefit is flat rate, depending on the disability category.²⁹ The payment of the allowance is discontinued if recipients leave the country for permanent residence abroad.³⁰ The bilateral social security agreements signed with Russia, Ukraine, and Belarus grant access to the nationals of these countries residing in Latvia and Latvian citizens residing in these countries to cash benefits in case of sickness and invalidity benefits.

17.2.3 Pensions

The Latvian public pension scheme complements the pay-as-you-go notional defined contribution system. It is based on contributory social insurance and length of service.³¹ In 2018, the retirement age was 63,3 years and the minimum length of service was of 15 years. The pension system is based on three pillars. The first pillar is the state compulsory unfunded or non-accumulated pension scheme managed by the state. All those who pay social contributions are included in this pillar. The

²⁸ Saeima, Law on State Social Allowances (*Valsts sociālo pabalstu likums*), adopted on 31.10.2002, Section 13, <https://likumi.lv/doc.php?id=68483>. Last accessed 3 May 2020.

²⁹ Cabinet of Ministers, Regulations Regarding the Amount of the State Social Security Benefit and Funeral Benefit, Procedures for the Review thereof and Procedures for the Granting and Disbursement of the Benefits

(*Noteikumi par valsts sociālā nodrošinājuma pabalsta un apbedīšanas pabalsta apmēru, tā pārskatīšanas kārtību un pabalstu piešķiršanas un izmaksas kārtību*), adopted on 22.12.2009, Section 2, <https://likumi.lv/ta/id/202850-noteikumi-par-valsts-sociala-nodrosinajuma-pabalsta-un-apbedisanas-pabalsta-apmeru-ta-parskatisanas-kartibu-un-pabalstu-pieskir>. Last accessed 3 May 2020.

³⁰ Saeima, Law on State Social Allowances (*Valsts sociālo pabalstu likums*), adopted on 31.10.2002, Section 13, <https://likumi.lv/doc.php?id=68483>. Last accessed 3 May 2020.

³¹ Saeima, Law on State Social Allowances (*Valsts sociālo pabalstu likums*), adopted on 31.10.2002, Section 9, <https://likumi.lv/doc.php?id=68483> (last accessed 3 May 2020) and Saeima, Law on State Pension (*Likums par valsts pensijām*), adopted on 2.11.1995, Section 3, <https://likumi.lv/doc.php?id=38048> (last accessed 3 May 2020).

contributions are used to pay the pensions of the existing generation of pensioners. The second pillar is the state-funded pension scheme managed by chosen fund managers, invested into financial market and saved for the pension of the specific contributor. The third pillar is a private voluntary pension scheme which ensures the possibility for every individual to create additional savings for his/her pension in the private pension funds.³²

The amount received depends on the pension capital accrued from 1 January 1996 until the moment of the application, the average social insurance amount from 1 January 1996 until 31 December 1999, length of insurance until 31 December 1995 and the time period for which the disbursement of the old-age pension was planned from the year of granting the old-age pension.³³ Certain credited periods are taken into account for the entitlement to pensions (periods of inactivity of disabled persons, periods of receipt of unemployment, sickness, maternity or parental benefits, period of nursing a child until the age of 1,5 years, periods of inactivity of spouses residing abroad with their partners who are on a diplomatic/consular/military duties, etc.). For Latvian citizens, certain periods are recognised prior to 1 January 1991, such as the compulsory military service, studies at higher education institutions, child care by the mother until the child reached 8 years of age, and periods of political repression (e.g. when Latvian nationals were sent to Soviet forced labour (Gulag) camps), etc.

Latvian and foreign nationals can export pensions when moving to another EU or European Economic Area (EEA) country. Latvian nationals also have the right to export pensions to a non-EU country with which there is a bilateral social security agreement in place – for instance, Russia, Ukraine, Belarus, Australia, and Canada. When a person decides to permanently move abroad, s/he has to inform the State Social Insurance Agency and submit an application for continuation or renewal of the payment of pension indicating the new place of residence. The application has to be resubmitted annually adding notarised confirmation that the person is alive.³⁴

Only Latvian nationals and foreigners with permanent residence permits who have resided in Latvia for at least 60 months (out of which the last 12 as permanent residents) have the right to claim a universal non-contributory pension (state social security benefit) if they do not qualify for a contributory pension or for an insurance compensation for damages related to an occupational accident or occupational disease. To become eligible, they must be unemployed and have reached the retirement age. If a person receives a pension from another state, which is below the amount of

³² Saeima, Law On State Funded Pensions (*Valsts fondēto pensiju likums*), adopted on 17.02.2000, <https://likumi.lv/doc.php?id=2341>. Last accessed 3 May 2020.

³³ Saeima, Law on State Pension (*Likums par valsts pensijām*), adopted on 02.11.1995, <https://likumi.lv/doc.php?id=38048>. Last accessed 3 May 2020.

³⁴ Cabinet of Ministers, Procedures for the Payment of the State Pensions Granted in the Republic of Latvia to Persons After Departure for Permanent Residence in Foreign States (*Latvijas Republikā piešķirto valsts pensiju izmaksas kārtība personām pēc izbraukšanas uz pastāvīgu dzīvi ārvāstīs*), adopted on 27.06.2006, <https://likumi.lv/doc.php?id=138903&from=off>. Last accessed 3 May 2020.

the state social security benefit (EUR 64,03), the state social security benefit is reduced by the amount, which complies with the amount of the pension granted by the other state.

17.2.4 Family Benefits

Maternity, paternity and parental benefits are available to employed and self-employed (and spouse of self-employed) Latvian nationals, as well as EU and non-EU citizens who are socially insured in Latvia or have voluntarily joined the social insurance scheme. The benefits scheme is based on compulsory social insurance. If a Latvian national is socially insured in another EU or non-EU state, he/she cannot claim the benefits from Latvia.

The maternity benefit is paid before and after the childbirth for a maximum period of 140 days. The amount of the benefit is 80% of the average insurance contributions salary of the applicant, calculated for a period of 12 months ending two months before the month in which the pregnancy leave began. The paternity benefit is paid to the father no later than two months after the child is born. The benefit is granted for 10 days and the amount is 80% of the average insurance contributions salary of the applicant, calculated for a period of 12 months ending two months prior to the month in which the paternity leave has begun.³⁵ The parental benefit is paid to socially insured persons – mothers or fathers - taking care of a child. Claimants must be employed on the day they are granted the benefit. If a person takes the parental leave until the child is one years old, the amount is 60% of recipient's average wage subject to insurance contributions. If the leave is until the child reaches the age of 1.5, the amount is 43.75% of the recipient's average wage subject to insurance contributions. When the recipient of the parental benefit resumes work or earning income as a self-employed, the amount received is 30% of the granted benefit.

The child benefit is available to individuals who are permanent residents in Latvia, independently if they are socially insured or not.³⁶ Although there are no specific conditions regarding the country of birth or nationality of the child, it is required that the child has a personal identification number granted in Latvia. This number is granted to all Latvian residents (temporary and permanent).³⁷ Child benefits are financed from the general state budget. The child care benefit and allowance can be received at the same time, if the maternity benefit has not been granted for

³⁵ Saeima, Law on On Maternity and Sickness Insurance (*Likums par maternitātes un slimības apdrošināšanu*), adopted on 19.06.1998, Section 10.¹ 10.² 10.³, <https://likumi.lv/doc.php?id=38051>. Last accessed 3 May 2020.

³⁶ Saeima, Law on State Social Allowances (*Valsts sociālo pabalstu likums*), adopted on 31.10.2002, Section 4, <https://likumi.lv/doc.php?id=68483>. Last accessed 3 May 2020.

³⁷ Saeima, Law on Population Register (*Iedzīvotāju reģistra likums*), adopted on 27.08.1998, <https://likumi.lv/doc.php?id=49641>. Last accessed 3 May 2020.

the same child for the same period of time. These benefits are granted to a person who is taking care of a child for a specific period. Therefore, the parents have to agree on who will receive both the parental benefit and allowance for child care, as both benefits are granted to one of the parents.

The bilateral social security agreements signed with Russia, Ukraine, and Belarus grant access to family benefits to nationals of these countries residing in Latvia and to Latvian nationals residing in these countries. The agreement with Russia provides access to maternity/paternity benefit, child care allowance, child birth allowance, and family state benefit. The agreement with Ukraine provides access to maternity/paternity benefit, child care benefit, child birth benefit, and family state allowance. The agreement with Belarus provides access only to maternity and paternity benefits.

17.2.5 *Guaranteed Minimum Resources*

The benefit for ensuring the guaranteed minimum income level is a cash benefit granted to families or individuals who are in need and do not gain sufficient income.³⁸ The benefit is granted by the social service of the local governments. The minimum amount is determined by the Government and financed from the state budget. Only permanent residents are entitled to claim this benefit. This includes EU and non-EU nationals and their family members who are permanent residents and have resided in Latvia at least three months or six months if they arrived in Latvia for employment purposes and can prove that they are searching for job. Upon granting the benefit, the social service signs an agreement with the beneficiary on the activities that the latter has to undertake in order to improve own or family social situation.³⁹ If any of the recipients of the benefit does not carry out the agreement, the amount of the granted benefit may be reduced by the guaranteed minimum income level of the person not carrying out the duties of participation.⁴⁰ The bilateral social security agreements signed with Russia, Ukraine, and Belarus cover

³⁸ Saeima, Law on Social Services and Social Assistance (*Sociālo pakalpojumu un sociālās palīdzības likums*), adopted on 31.10.2002, Section 1, <https://likumi.lv/ta/id/68488-socialo-pakalpojumu-un-socialas-palidzibas-likums#p36>. Last accessed 3 May 2020.

³⁹ Cabinet of Ministers, Procedures for the Calculation, Granting, Disbursement of the Benefit for Ensuring the Guaranteed Minimum Income Level and for the Entering into an Agreement Regarding Participation (*Kārtība, kādā aprēķināms, piešķirams, izmaksājams pabalsts garantētā minimālā ienākumu līmeņa nodrošināšanai un slēdzama vienošanās par līdzdarību*), adopted on 17.06.2009, <https://likumi.lv/doc.php?id=193738>. Last accessed 3 May 2020.

⁴⁰ Cabinet of Ministers, Procedures for the Calculation, Granting, Disbursement of the Benefit for Ensuring the Guaranteed Minimum Income Level and for the Entering into an Agreement Regarding Participation (*Kārtība, kādā aprēķināms, piešķirams, izmaksājams pabalsts garantētā minimālā ienākumu līmeņa nodrošināšanai un slēdzama vienošanās par līdzdarību*), adopted on 17.06.2009, Section 17, 18, <https://likumi.lv/doc.php?id=193738>. Last accessed 3 May 2020.

access to the guaranteed minimum benefit for the nationals of these countries residing in Latvia and for Latvian nationals residing in these countries.

17.3 Conclusions

The access to the Latvian social security benefits is generally based on the principle of employment, social insurance contributions, and permanent residence. Most social benefits and services are available to socially insured permanent residents. At the same time, the state offers minimum protection also to non-insured permanent residents. Foreigners with temporary residence permits who are not socially insured are the least socially protected group. There have been no major political debates on access of foreigners to the social security scheme in general.

Along with other Baltic states, Latvia has been very sensitive to immigration from outside the European Union and stringent about maintaining their ethnic balance and protecting its language and culture. This sensitivity reflects the region's contentious history with the Soviet Union, including population transfers and enduring effects of Russification policies. Baltic states have been less than successful in managing integration and social cohesion issues. The Migrant Integration Policy Index (MIPEX) has continuously noted the anti-immigrant sentiment that exists in all three Baltic countries (Birka 2019). Despite increasing shortages of labour force in recent years, immigration policy has not been a priority of recent Latvian Governments. Facilitating re-emigration is seen as a key measure to address these issues.

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