

# **Social Justice in Welfare System Evolution of Latvian perceptions**

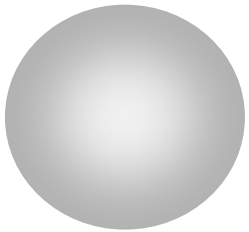
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KAS Dikļi Forum  
13apr2013



# Structure of Sources for Funding the Latvian Welfare System

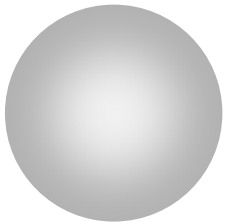
Budgets of  
Self-governments

**49 mLVL**



European Structural Funds  
Programs

**32 mLVL**

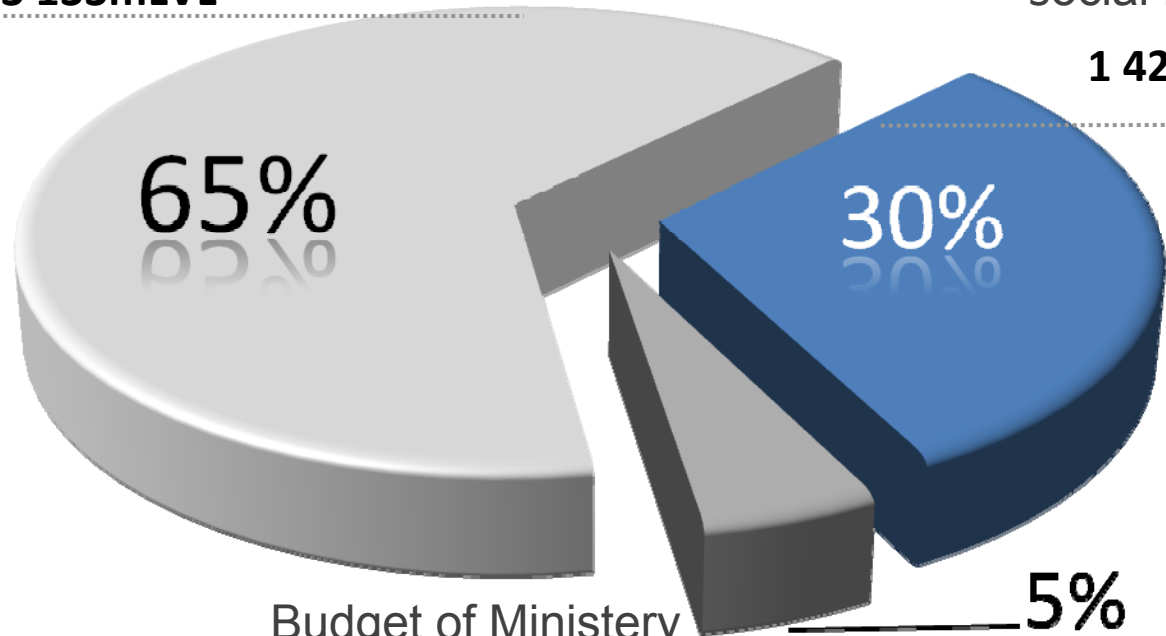


State Budget

**3 133 mLVL**

Social Budget

**1 426 mLVL**

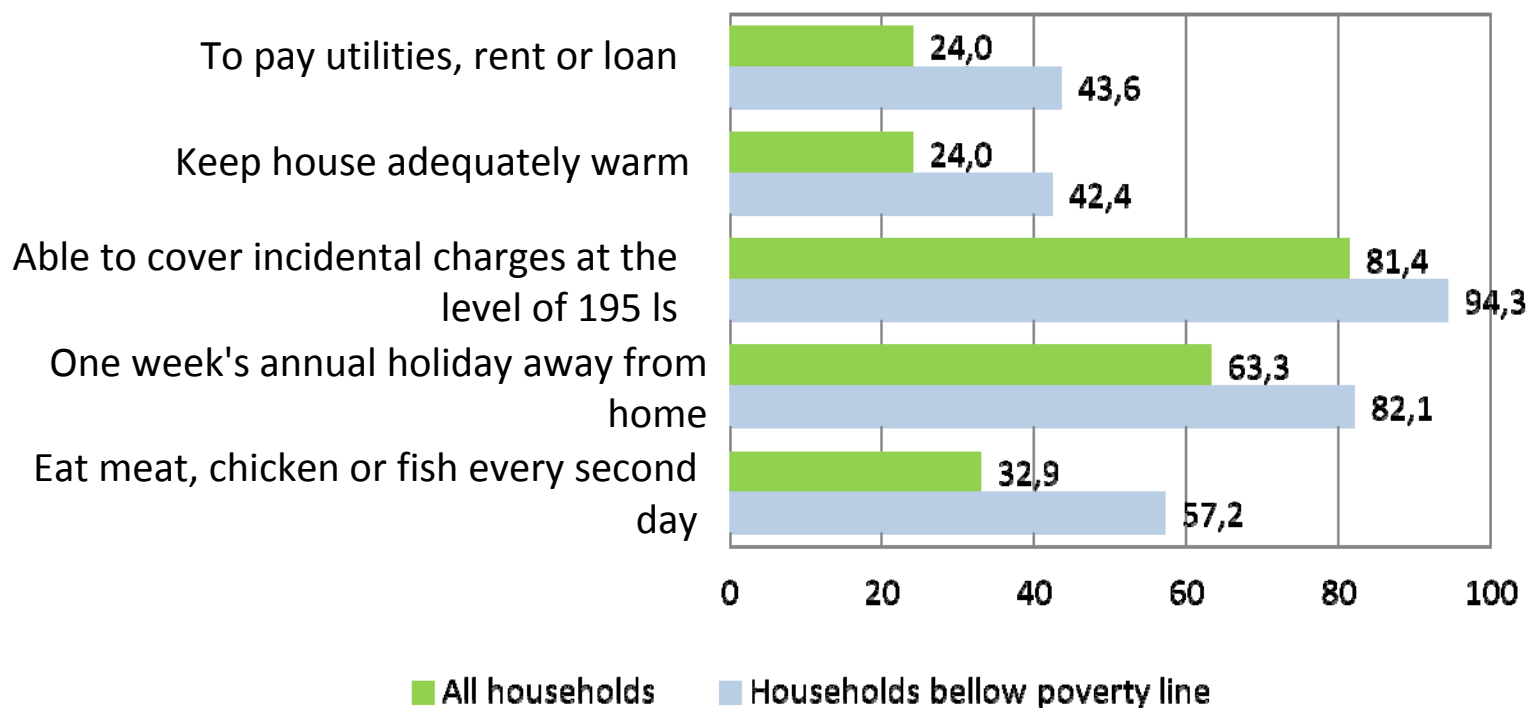


Budget of Ministry  
of Welfare

**258 mLVL**

■ Sociālais budžets   ■ LM budžets   ■ Valsts budžets

# The share of households that money could not afford to cover certain expenses 2011(%)

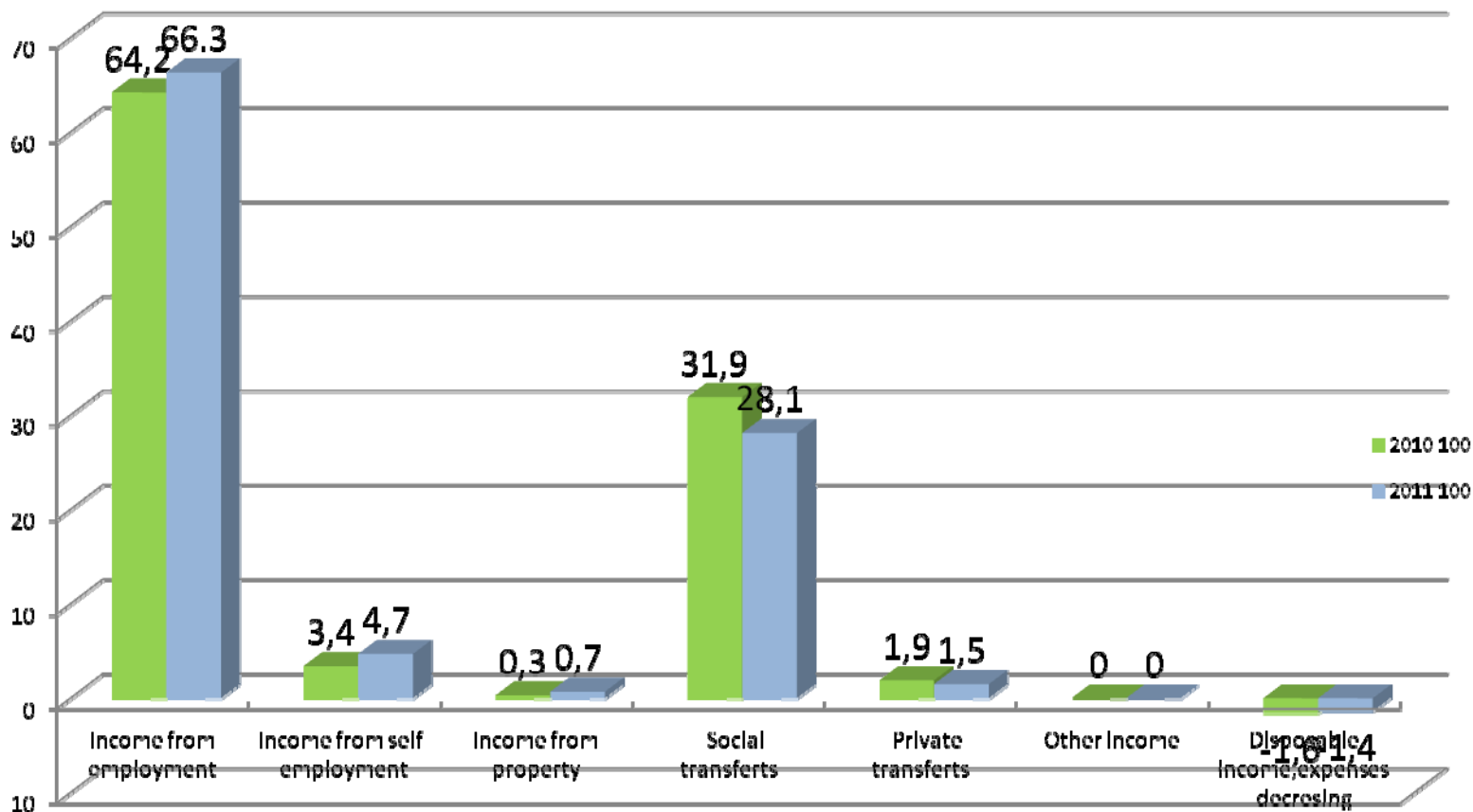


# The share of households that money could not afford the cover certain expenses by quintiles (%)

<b>Quintiles / Indicators</b>	<b>1. 73 Ls/mon</b>	<b>2. 139Ls/mon</b>	<b>3. 182Ls/mon</b>	<b>4. 247Ls/mon</b>	<b>5. 479Ls/mon</b>
<b>To pay utilities, rent or loan</b>	46	28,2	18,2	17,4	10,4
<b>Keep house adequately warm</b>	40,6	28,2	24,6	17,3	9,3
<b>Able to cover incidental charges at the level of 195 ls</b>	93,6	91,8	89,5	75,3	56,9
<b>One week's annual holiday away from home</b>	81,5	73,6	74,3	55,9	31,3
<b>Eat meat, chicken or fish every second day</b>	54,3	40,3	37,9	21,1	10,9

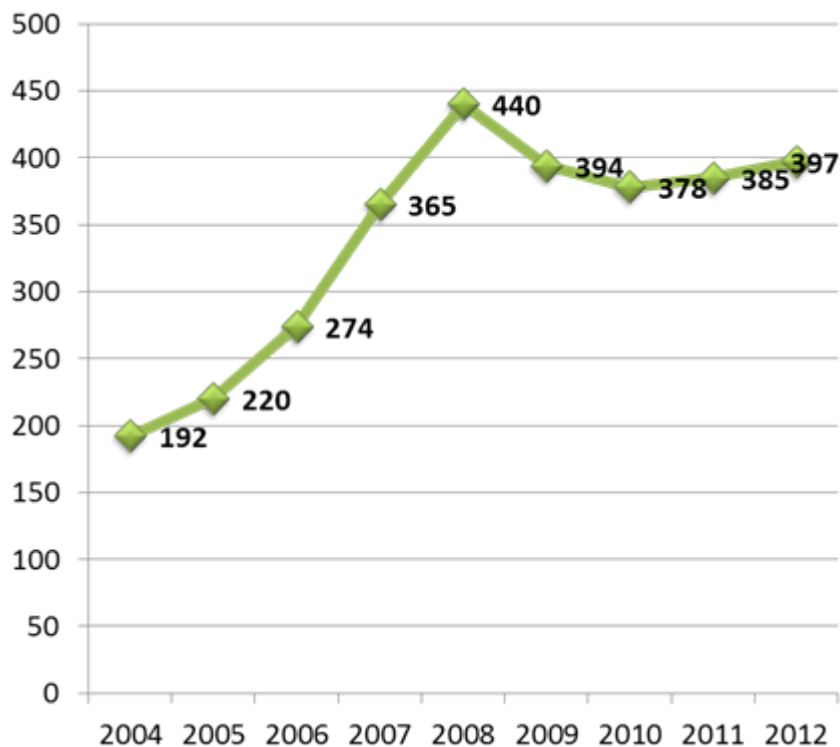


# Structure of Household Disposable Income 2010. – 2011.(%)

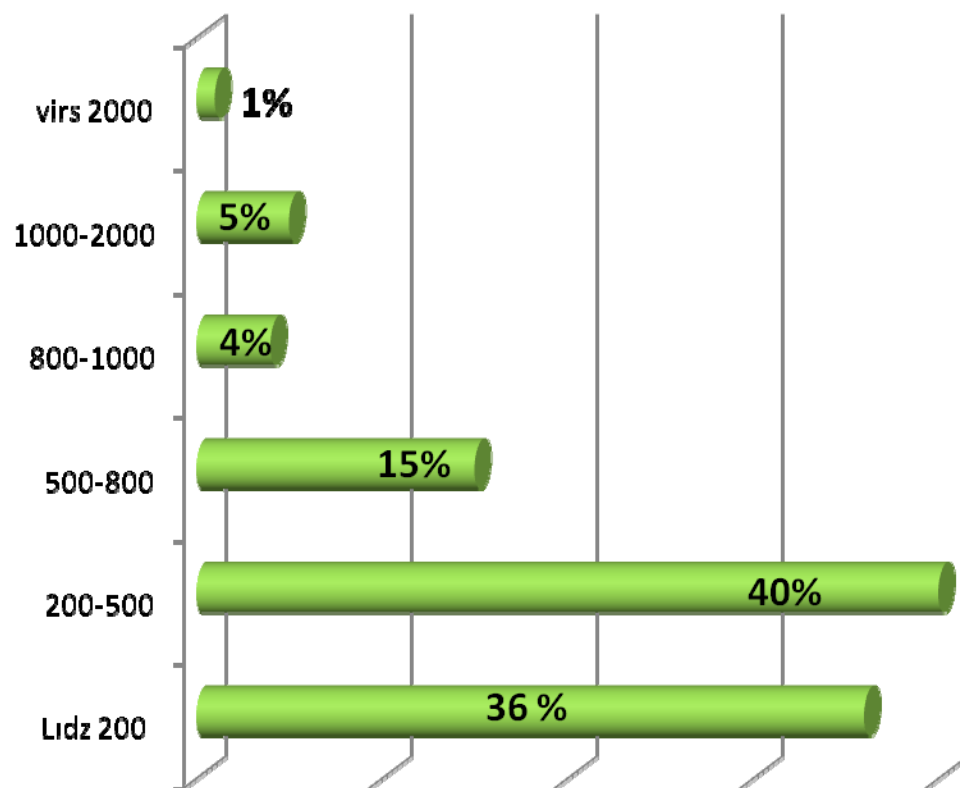


# Socially insured salary structure

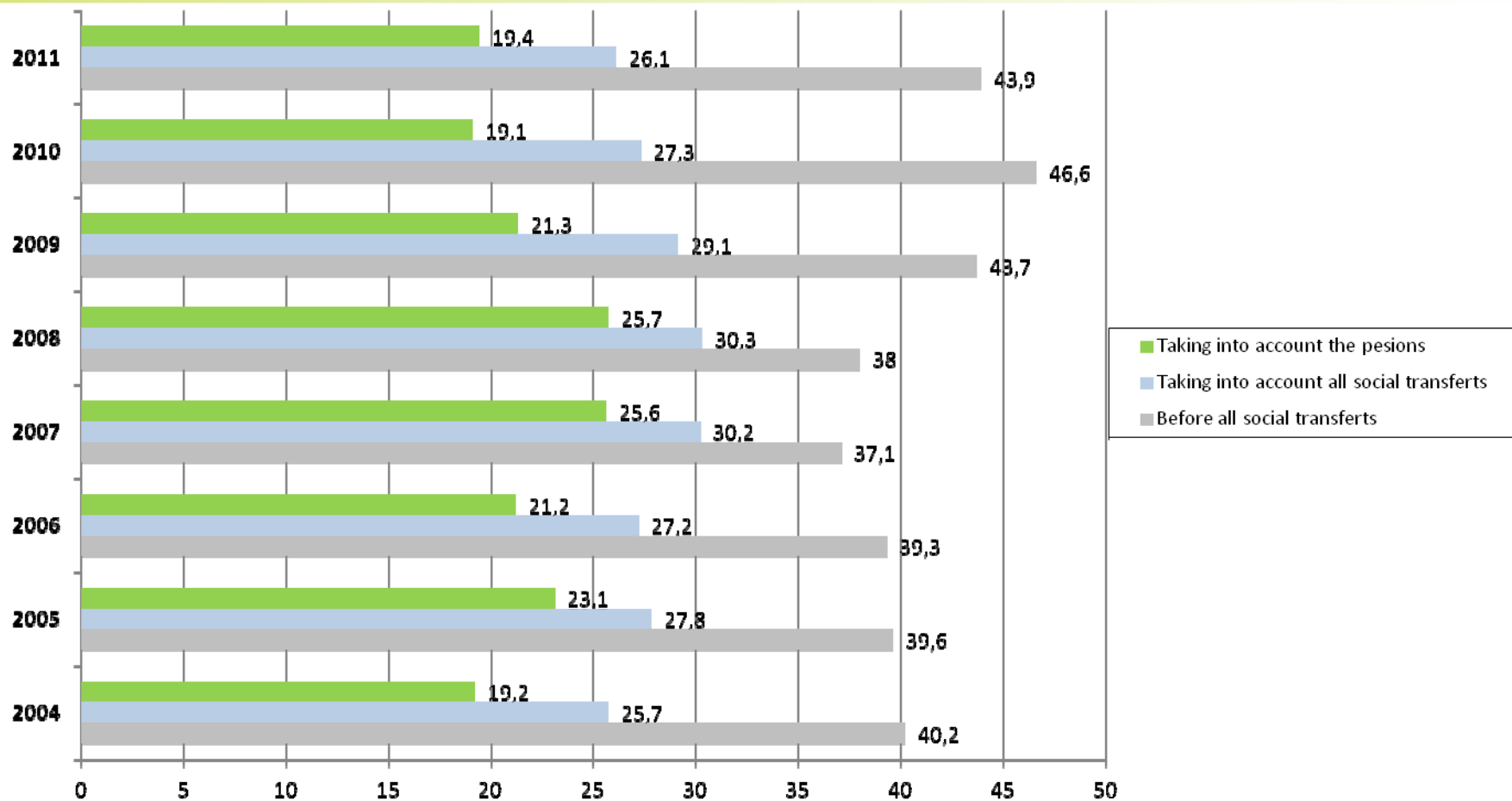
## Average salary per month Ls



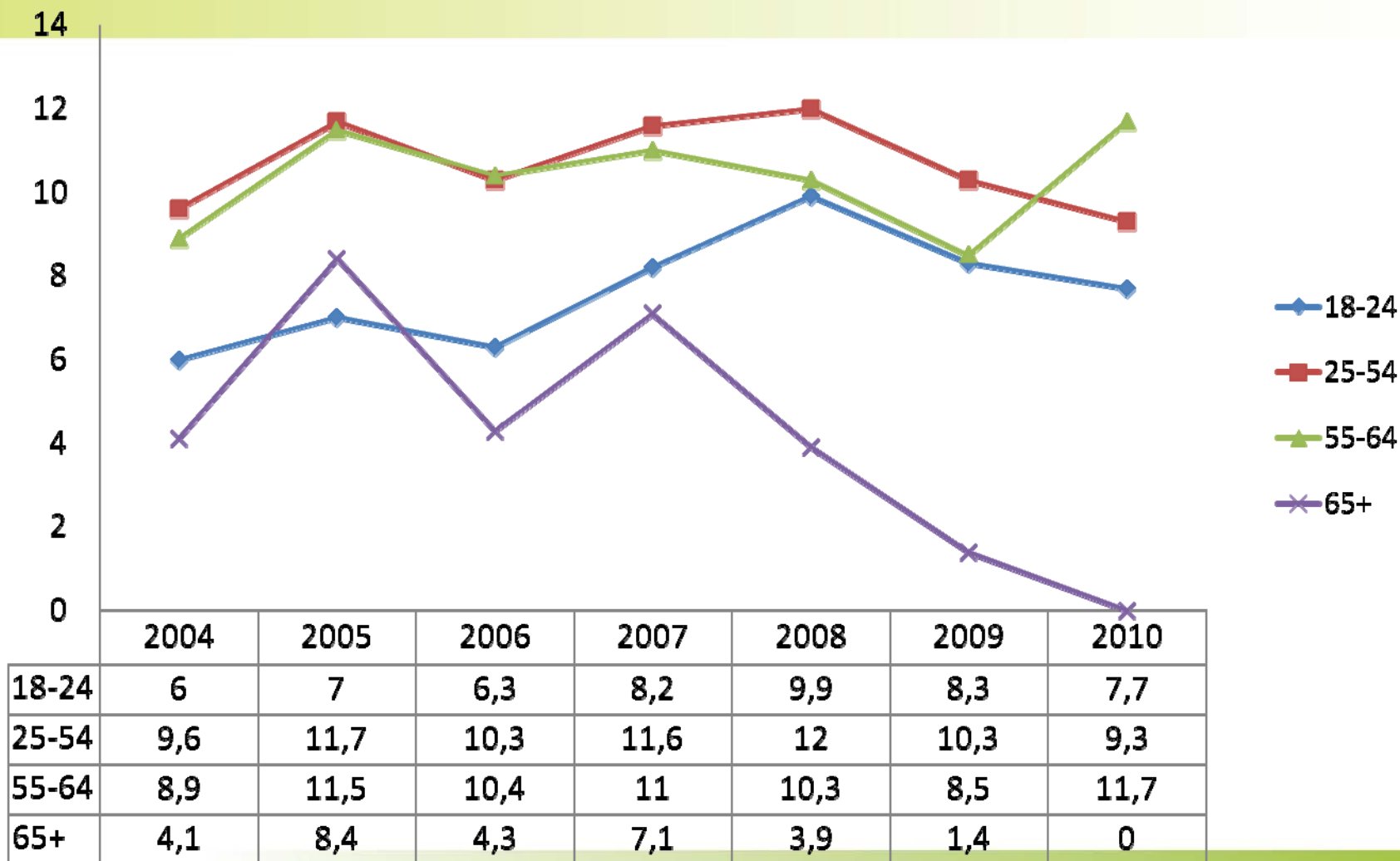
## Salary levels (2012)



# Dinamics of Poverty Risk Index (%)

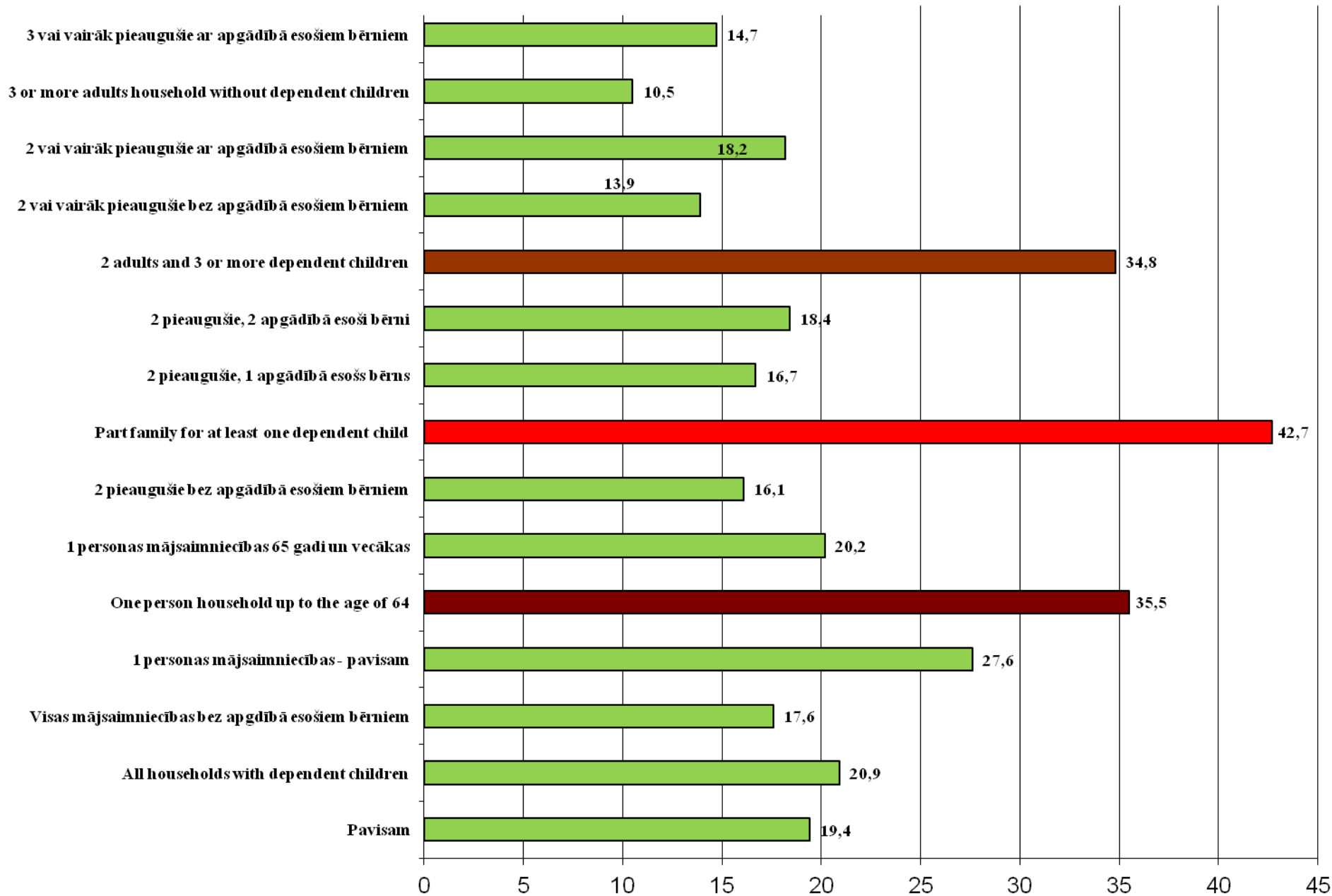


# Employed poverty risk by age 2004-2010

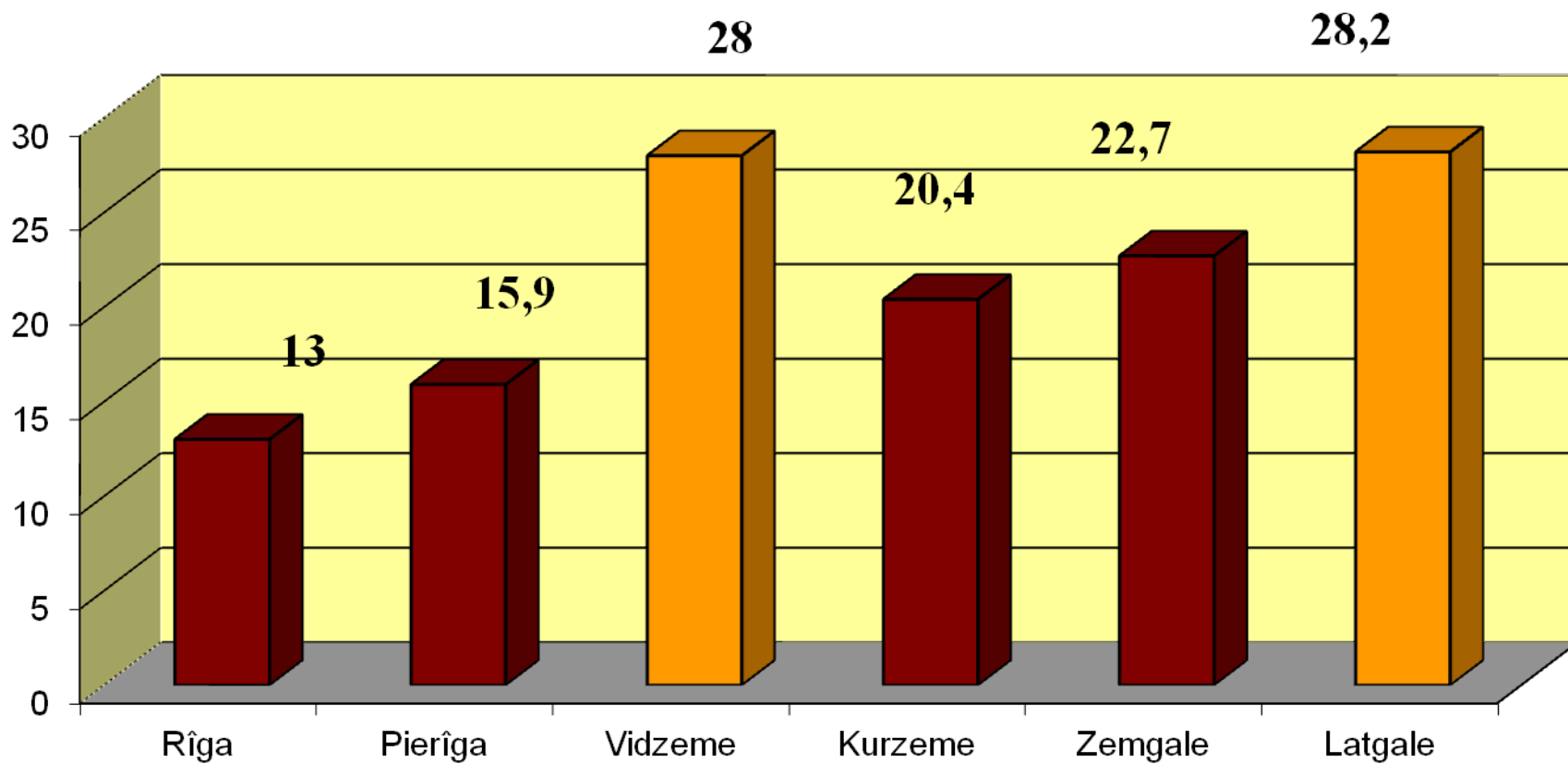




## Risk of poverty rate by household type 2011(11%)

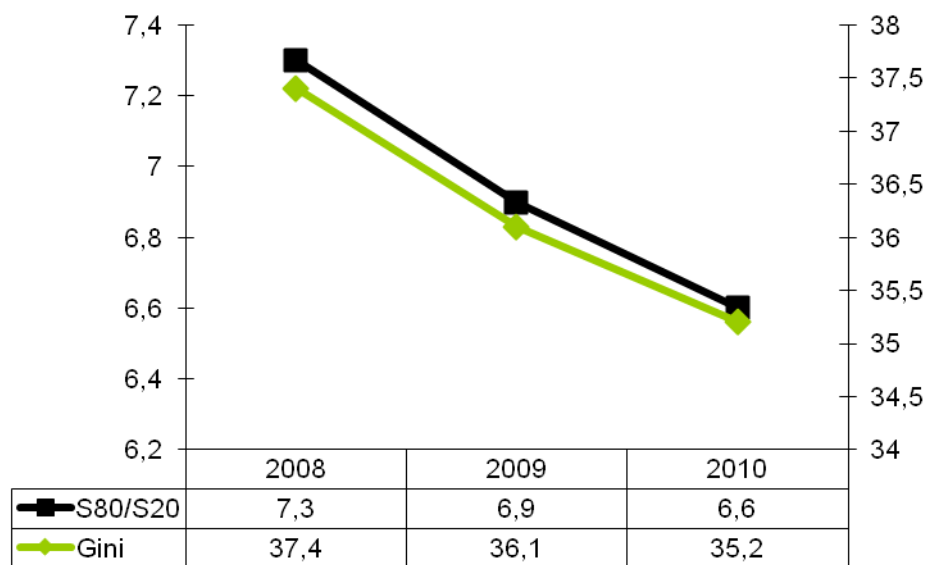
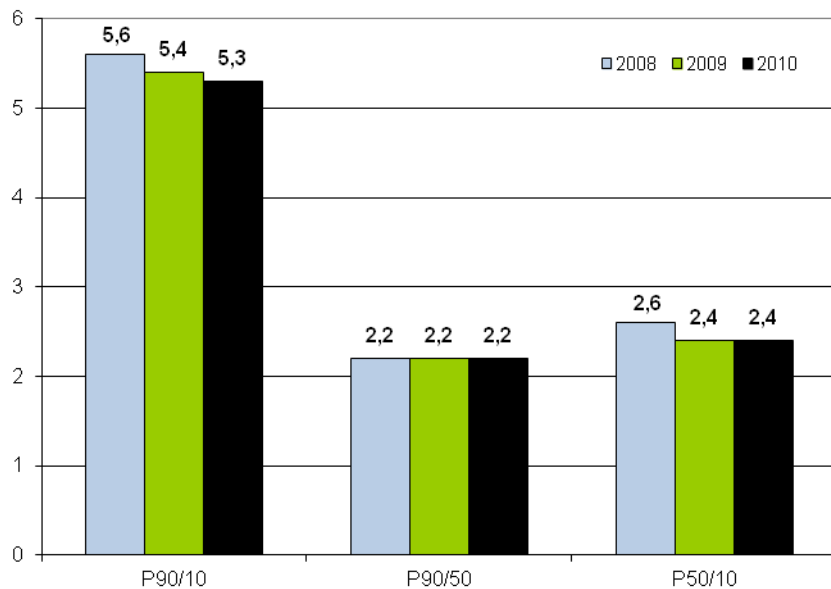


## RISK OF POVERTY RATE, LATVIAN REGIONS, 2011 (%)



# Main Inequality indicators

- Gini index,
- Centile rate (P90/P10, P90/P50, P50/P10),
- Highest and lowest quintile comparative rate (S80/S20)



# Six dimensions of social exclusion: *(M.Kronauer)*

- **Exclusion from labour market** (longterm unemployment)
- **Economical exclusion** (poverty, financial dependence, inability to provide financialy family or themselves)
- **Institutional exclusion** (lack of access to education or services)
- **Exclusion trough social isolation** (isolation from social contacts)
- **Cultural exclusion** (failure to live according accepted social norms and values, which leads to deviance and misconduct)
- **Spatial exclusion** (gets excluded as a focus in particular region)

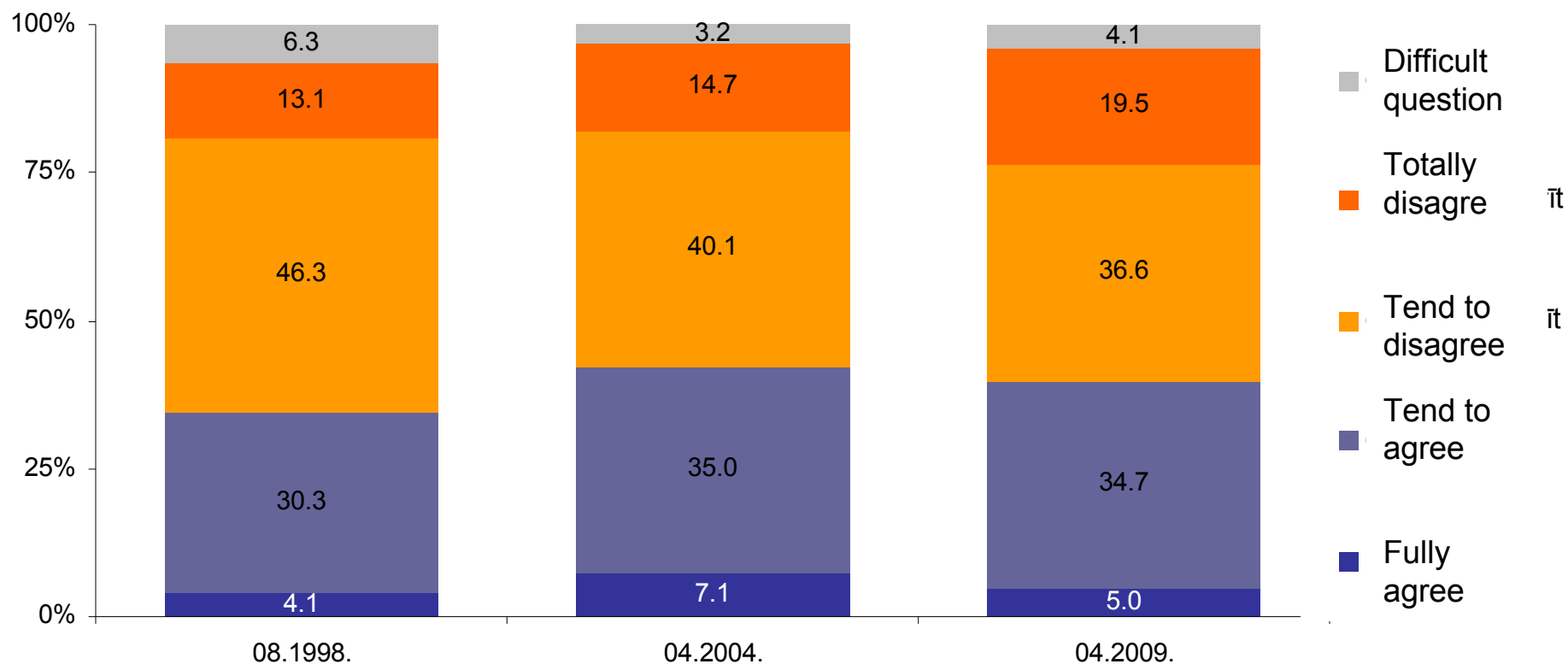


# Latvian citizen's willingness to trust other people

## "Generally speaking most people can be trusted"

### Latvijas iedzīvotāju gatavība uzticēties līdzcilvēkiem

Attieksme pret apgalvojumu "Vispārīgi runājot, lielākajai daļai cilvēku var uzticēties"

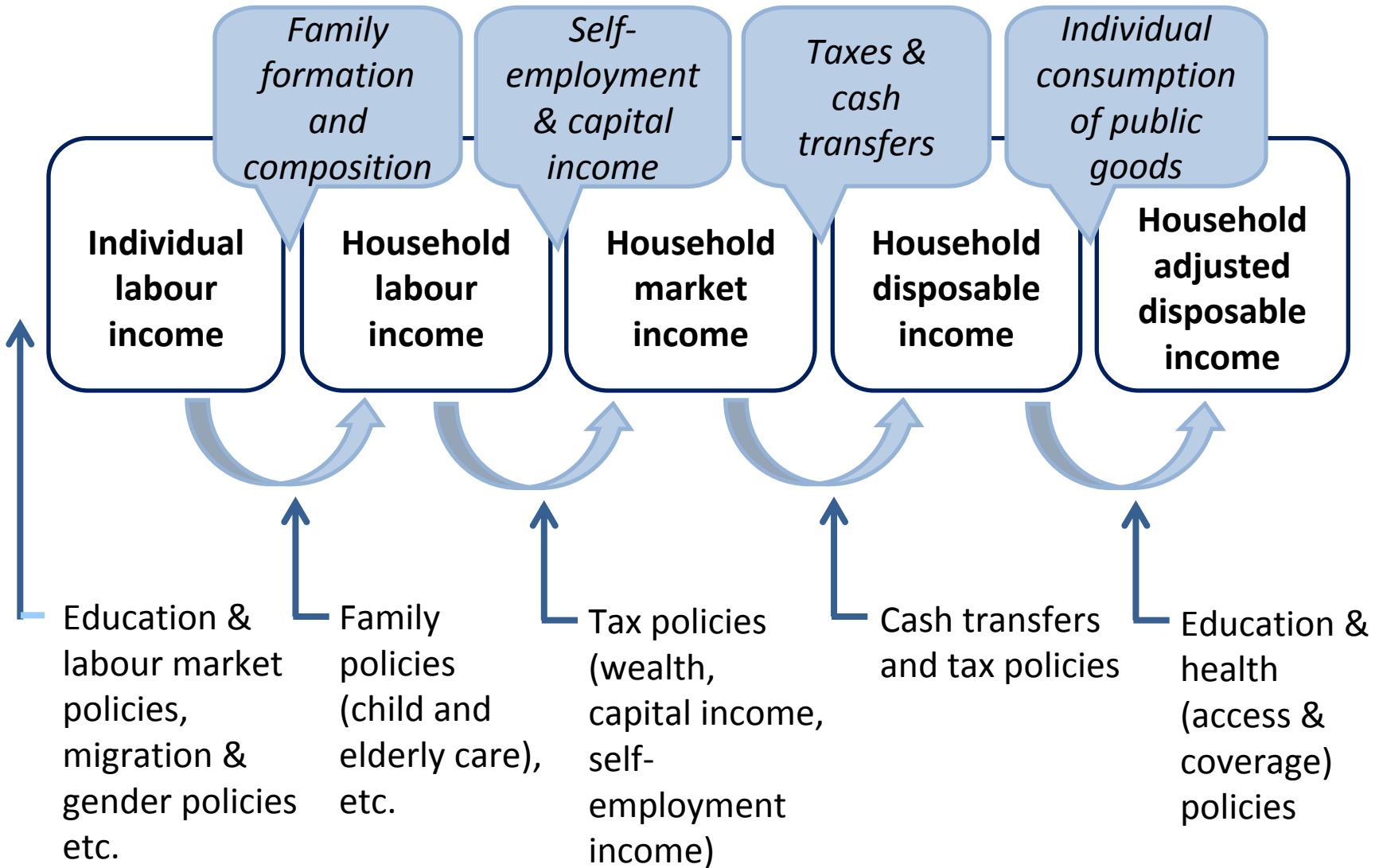


Bāze: visi respondenti, n=~1000 katrā no aptaujām

SKDS dati

# Understanding inequality: accounting framework and policy levers

Context and motivations



# Next steps(1)

- **Redistribution of income:**
  - Graduated tax relief to low-wage earners;
  - Social contribution caps (01.01.2014);
  - Revision of minimal wage level
- **Benefits system review:**
  - Supportive and motivating system of benefits



## Next steps (2)

- **Long-term unemployed profiling and activation** (targeted active labor market policy measures)
- **Guidelines for regional governance model change**
- **Structural reforms in education system:**
  - accessibility;
  - quality;
  - adequacy to labor market needs

