

Feliciana Rajevska, ed.

# **Insiders' views about Social Inclusion and Social Security in Latvia**

Project «Poverty, social assistance and social inclusion – Developments in Estonia and Latvia in a comparative perspective»



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# 1 Introduction

## ***Feliciana Rajevska***

Latvia has been a new member state of the European Union since May 1, 2004. A struggle against poverty and social exclusion belongs to the priorities of the EU social policy declared at the European Councils in Lisbon, Nice and Stockholm. The old EU member states prepared two-year National Action Plans against poverty and social exclusion in 2001. The Council established a new open method of coordination that encourages member states to work together to improve the impact of the policies of social inclusion in such fields as social protection, employment, health, housing and education.

When Latvia declared and confirmed its will to join the EU, the priorities of the EU social policy became binding to Latvian policy-makers. This process has developed gradually.

Since 1998 Latvian governments had declared their intention to combat poverty and social exclusion. This political will resulted in the acceptance of the Joint Inclusion Memorandum (JIM). On 18 December 2003, the Minister of Welfare, Dagnija Staže, signed this JIM in Brussels, thus approving the commitment of the Latvian government to combat poverty and social exclusion. The National Plan for Reduction of Poverty and Social Exclusion for 2004–2006 was approved in 2004 and supported by national and EU Structural Funds funding. The impact and contribution of the EU, using an open coordination method to achieve such progress, were extraordinary.

Already for several years the development situation in Latvia had been evaluated as adverse. According to data collected by the Central Statistical Bureau of Latvia at the beginning of 2002, the estimated population was 2,346,000, a decrease of 321,000, or twelve per cent, compared with the previous population census in 1989<sup>1</sup>.

The population is mainly concentrated in urban areas. At the beginning of 2002, 68 per cent of the population lived in urban areas, while 32 per cent lived in rural areas. But the proportion of males and females has not essentially changed over the last years – 46 per cent and 54 per cent respectively. A high concentra-

<sup>1</sup> Social Trends in Latvia. Analytical Report. Central Statistical Bureau of Latvia. Riga 2003.

tion of the population living in the capital is observed. At the beginning of 2002 Riga had 747,000 inhabitants.

The poverty risk index between different age groups indicates that the most endangered social groups are youngsters (16– 24 years old) and children (0 –15 years)<sup>2</sup>.

A specific feature is that Latvia is the poorest country among the 10 new member states. The level of inequality is one of the highest among the new member states: The Gini coefficient was 31 in 1999, 34 in 2002, 36 in 2003; the proportion of the richest 20 per cent to the poorest 20 per cent was 5.1 in 1999 and 5.6 in 2002.<sup>3</sup>

A considerable segment of the population depends on social assistance. A Guaranteed minimum income (GMI) was introduced in 2003, with the purpose of making corrections to this situation<sup>4</sup>. Latvia is building a system based on means tests, behaviour tests and social conditionality.

Recent studies in social policy differentiate between two phenomena: *poverty* and *social exclusion*. Poverty refers to a situation of insufficient resources caused by low income. Income or material resources has traditionally been used as an indicator of the magnitude of poverty. Poverty is defined as a situation when “people lack the economic resources to realize a set of basic functioning”<sup>5</sup>. At the Laeken European Council (December 2001) the European Union heads of states and governments endorsed the first set of 18 common statistical indicators of social exclusion and poverty. The indicators are an essential element in the Open Method of Co-ordination to monitor the progress of the member states in their fight against poverty and social exclusion. The indicators cover four important areas: financial poverty, employment, health and education.

One can find several definitions of social exclusion. Social exclusion is indicated by multidimensional disadvantage in the fields of housing, health, education, social relations and participation. The United Nations Development Programme conceptualized social exclusion as a lack of recognition of the basic rights or, where this recognition existed, lack of access to political and legislative systems necessary to make those rights a reality.

<sup>2</sup> <http://www.csb.lv/Satr/nabdz.cfm?nod=1>

<sup>3</sup> For comparison: The Gini coefficient in EU-15 was 28 and the ratio between the top income quintile and the bottom income quintile was 4.4 in 2001.

<sup>4</sup> Rajevska, Feliciana (2004) “Social Safety Net in Latvia.” In.: *Acta Universitatis Latviensis, vol. 663 (Politics and Sociology)*. Riga: Zinatne. Pp. 40–59.

<sup>5</sup> Abrahamson, Peter (2003) “Researching poverty and social exclusion in Europe.” *Journal of European Social Policy*, 13 (3): 281– 285, p. 281.

The socially excluded are understood as a group outside “mainstream society” Sometimes they are thought of as being outside the society itself. We consider R. Levitas’ approach as very productive: “concepts that move between academic, professional and political domains inevitably acquire a certain elasticity of meaning”.<sup>6</sup> She mentions at least three reasons why analysis of social exclusion “is not simply an academic exercise”. First, the problems and processes debated and introduced by the term “social exclusion”, are real ones. Second, different meanings embody not just different descriptions of what social exclusion is, but different models of causality, and thus imply different policy agendas. Third, since the government is committed to monitoring social exclusion through an appropriate package of indicators, the preferred definitions will be mirrored in how exclusion is measured<sup>7</sup>. R. Levitas distinguishes between three approaches to fighting social exclusion used by national governments:

1. *The Redistributive Egalitarian Discourse (RED)* – poverty is the first problem to be attacked. The instrument to be used is the raising of the income level;
2. *The Social Integrationist Discourse (SID)* mainly operating with the inclusion of labour forces into the labour market. The resolution of problems created by social exclusion is sought in the involvement in paid work.
3. *The Moral Underclass Discourse (MUD)* treating moral and cultural causes of poverty and social exclusion. A specific role is to be given to the risk of “dependency”: to use as long as possible the help from others – whether it be the state, the local community, relatives – rather than fully integrating in society and the labour market.

Each of the approaches differs in what it sees the excluded as lacking. “To oversimplify, in RED they have no money, in SID they have no work, and in MUD they have no morals.”<sup>8</sup>

Social exclusion should be defined in terms of the failure of one or more of the following four systems: 1) the democratic and legal system, which promotes civic integration; 2) the labour market, which promotes economic integration; 3) the welfare state system, promoting what may be called social integration; 4) the family and community system, which promotes interpersonal integration. One’s sense of belonging to a society depends on all the four systems.

<sup>6</sup> Levitas, Ruth (2000) “What is social exclusion?” In: David Gordon and Peter Townsend, eds. *Breadline Europe*. Bristol: The Policy Press. Pp. 357–364, p. 358

<sup>7</sup> Levitas, p. 358

<sup>8</sup> Ibid.

It is reasonable to take a brief look into civic integration processes, especially concerning citizenship. Lithuania is the only country among the Baltic States that has chosen an inclusive approach. The Lithuanian citizenship law adopted on November 3, 1989, and the Treaty signed between Lithuania and Russia in July 1991 meant that actually all the people residing in Lithuania before July 1991 could acquire Lithuanian citizenship without naturalisation. Citizenship laws in Estonia and Latvia exclude permanent residents from political influence. In Latvia the first citizenship law was passed only on 22 July 1994. The naturalisation procedure allowing limited groups to apply for citizenship started only in 1995. The established system of naturalization windows had allowed to apply for citizenship to the representatives of certain age group each year: those aged till 20, aged till 25, aged till 30 etc. In practice it means, that children could apply, but their parents could not, they had to wait for their naturalization window. This issue was on top in political agenda in Latvia in 1998. Parliament had decided to abolish the system of naturalization windows in June 1998. But some political parties did not accept such solution and initiated referendum. 53% of Latvia's voters in October 1998 supported the idea of abolishing the system of naturalization window, allowing almost everybody to apply for citizenship. Since that time the process of naturalization became more successful: 120 thousand persons have received the citizenship since 1995. 420 thousands till now have the status of non-citizen, special non-citizen passport where person's status has been defined as aliens.

There is a very important difference between the status of non-citizens in Latvia and Estonia. Non-citizens in Estonia have the right to participate in local government elections. Non-citizens in Latvia have no such right. It means that their opportunity to influence the decision-making process even on the local government level is very limited, and therefore many of them have the feeling of social exclusion and a low level of security. The insufficient skills using the state (Latvian) language for many Russians and so-called Russian-speakers are still a very serious obstacle to integration into the labour market.

The effectiveness and efficiency of the health care system is an issue that arouses serious concern among the majority of the Latvian population. Delay in policy decision-making, uncertainty and lack of clarity about the rules of the game among doctors, lack of information for patients about the State Guaranteed Health Care minimum and Adequate Access to Required Medicine, insufficient state funding and lack of control over money spending contributed a lot to the increase in the amount of the deprived and socially excluded persons. Some first signs of improvement of the situation in the health sphere could be observed in 2005, when health was put on the list of government priorities.

The social exclusion paradigm emphasizes the structural barriers faced by vulnerable individuals in an increasingly selective labour market. Social exclusion is

a structural problem that should be addressed by the state. The understanding of social exclusion as a process shaped by institutions, actors and history can serve as a good instrument for investigating and explaining this issue in Latvia. There are many examples of history and policy impacts on the process of social exclusion in Latvia: gaps in regional development, the situation of citizenship, restitution process concerning property rights to land, factories, housing ownership, housing policy, language policy, health policy, etc<sup>9</sup>.

This report is the second stage of the Latvian part of a comparative project on Poverty, Social Assistance and Social Inclusion in Estonia and Latvia. The task of the first stage in the project was to give an overview of the social policy-making process in Latvia and a poverty and policy report. Two reports were prepared by F. Rajevska and I. Trapenciere during this stage of the project.

Feliciana Rajevska in her paper “Welfare state under double pressure in Latvia” concluded that the development of social policy in Latvia has been influenced by many kinds of pressures, both internal and external. The most important factors of internal pressure were:

- The necessity to change the system of social support in the new market economy situation and establish a social assistance network from scratch, since the old system was based on support given from the workplace.
- The decline of GDP and impoverishment, requiring active state involvement in order to be overcome.
- The liberal orientation of the political elite.
- A weak organizational structure of employees has resulted in very low pressure from below and a large degree of autonomy of the political elite in social policy design and implementation.
- The increased mobility of qualified labour after Latvia joined the EU has become a new challenge to compete with salaries and wages in the other EU countries.
- The extremely low birth rate and high mortality rate which require changes in family and health policy.

The policy transfer and policy learning process contributed a lot to the social policy-making in Latvia. Politicians and civil servants were ready to learn and capable of adapting world experience, sometimes without evaluation of its competitiveness

<sup>9</sup> Rajevska, Feliciana: Relations Between Social Exclusion and Human Security in Latvia. *Bulletin of Social Science*, 2004, Nr.1 Daugavpils University, p. 61–84.

with the home situation. The main external pressure came from globalisation and Europeanization processes, from the influence of IMF, World Bank, ILO experts and the negotiation process with the European Union. The effectiveness of European Structural Funds and European Social Funds, efforts made to follow the guidelines of OMC and to comply with them or ignore them will answer the question about the vector of social policy development in Latvia. The share of money spent from the state budget for social purposes makes us very reserved to predict that Latvia will adapt to the European social model.

Being the product of external and internal pressures, the social policy model in Latvia is a result of policy transfer and policy-learning process and combines features from different models of the welfare state.

Ilze Trapenciere gave a comprehensive analysis of poverty using statistics and survey data and evaluation of policy measures in recent time: the Joint Inclusion Memorandum and the National Action Plan (NAP Inclusion).

One of the project tasks is to study the poverty situation and the accumulation of the risks of social exclusion and corresponding policy responses in Latvia and Estonia. The task of the second stage was to collect new data from focus-group interviews, expert interviews and interviews with the subjects of the social inclusion measures (representatives of the target groups). The *current* report comprising analyses of this data-collection includes chapters prepared by Feliciana Rajevska (Introduction and Conclusion), Zane Lo•a (Chapters 2 and 3), Linda Ziverte (Chapters 2 and 4), and Aadne Aasland (Chapter 5)<sup>10</sup>.

The report is based on two ‘original’ qualitative studies and an omnibus survey. The first study is a follow-up of the BALT SOC project<sup>11</sup> and is based on focus group interviews among social workers in the city of Riga and the Dobele *rajons* (district). The second qualitative study gives “client” or “user groups” perspectives on issues related to social security and inclusion in Riga and the Dobele district. The quantitative study examines the same issues, but is based on a representative omnibus survey of the whole Latvian population.

There are considerable differences among the various regions of Latvia in their organization of social care and social services. They are most obvious between Riga and other cities and rural municipalities. Since we have selected the city of Riga and Dobele district as subjects of our case studies, Chapter 2 provides some relevant background information about the two geographical locations.

<sup>10</sup> Research assistants Inga Sadovska and Liga Stafacka have participated in projects for some months in 2004 and 2005

<sup>11</sup> See Zane Lo•a and Aadne Aasland, *From a Local Perspective: Social Assistance and Social Work in Latvia*, Fafo-paper 2002:2; and [www.fafo.no/baltsoc/](http://www.fafo.no/baltsoc/)

Social workers are among the most important agents of change when it comes to developments of the social protection system in Latvia. The information concerning social worker perspectives, which are presented in Chapter 3, was gathered during focus-group discussions with the social workers in two case municipalities – Riga City municipality (representing an urban setting) and Dobele region (representing a rural setting).

Discussions in both focus groups were led by a facilitator (representing the project) who kept the discussion around pre-determined topics to ensure comparability with the previous study. The discussions were carefully transcribed and analyzed. The chapter gives a comparison of the present (2005) with the situation in 2000, stressing the evident growth of professionalism of social workers. There is much evidence for such an evaluation of developments. For example, whereas in 2000 the discussions of social workers were mostly focused on in-house benefits and services and internal problems with authorities and finance, the major debate currently is about networking and cooperation with institutions outside the direct social assistance sphere (school, kindergarten, orphan court and police). This important topic was not mentioned during the discussions five years ago.

During research field work (fall 2004/spring 2005) 19 in-depth interviews with clients of Municipal Social Services were made. The clients were long-term poor people in Riga and Dobele. The selection of respondents was done in co-operation with the staff of social services offices. Chapter 4 of this report includes a detailed analysis of the interviews with users of social assistance, analysis of their problem-situations, coping strategies, and their evaluation of the social assistance system.

In the selection of the respondents several factors were considered: Respondents are of both sexes, they represent ethnic Latvians and Russians and come from various clients' groups and various problem-situations: families with children, including two parents' families and single parent families, large families, families with disabled children, etc.; of different family forms: single men, people before retirement, former prisoners, and disabled persons.

In Chapter 5 the attitudes of the general population towards the welfare system in Latvia are examined, using data specially commissioned for this project: an omnibus survey carried out by the Marketing and Public Opinion Research Centre (SKDS). A total of 1,028 respondents from the whole country were interviewed face-to-face in May 2005. The survey contained questions about views on personal income security as well as social security for various vulnerable population groups. Moreover, respondents were asked to evaluate present income differences in Latvian society, as well as indicating reasons why people are poor.

Thus, the report provides an evaluation of poverty, social assistance and social inclusion from a variety of perspectives: from excluded persons or beneficiaries of social assistance, from social workers, and from the general population, in both rural and urban areas.

# Chapter 2 Description of case municipalities

**Zane Loza, Linda Ziverte and Liga Staficka**

## 2.1 Riga municipality

Riga is the capital of Latvia with 747,200 inhabitants (2.3 million in total in Latvia). 330,000 of the inhabitants are employed (one-third of the total employed in Latvia). The unemployment level is 4.4 per cent of the economically active population. Historically, Riga has always been a multiethnic city. At present, there are 42 per cent Latvians, 43 per cent Russians, 5 per cent Belarusians and 4 per cent Ukrainians living in Riga. Riga is divided into six administrative districts: Centra, Kurzeme, Ziemeļu, Latgale, Vidzeme and Zemgale districts. The most inhabited are Latgale district (202,190), Vidzeme district (176,360) and Kurzeme district (138,730). Riga offers a much broader variety of social services compared to Dobele, and they are much more used by clients. Social assistance in Riga has got much more financial resources and the so-called individual approach to clients' problem-situation is used there. A person's rights to receive social benefits from the state are guaranteed by his/her belonging to a defined social group. Municipality benefits are means tested.

### **Riga municipality social system**

The Welfare Department of the Riga City Council was founded by the Riga City Council and carries out the social policy of Riga municipality and promotes the health care policy defined by the City Council (the Health care system is financed from the state budget). The Committee of Social Affairs of Riga City, which consists of elected deputies, supervises it. Everyday social work is provided by Social Service Agencies.

Such *Social Service Agencies* are dispersed around all the six districts of the city, thereby ensuring social services in defined administrative territories. There are 74

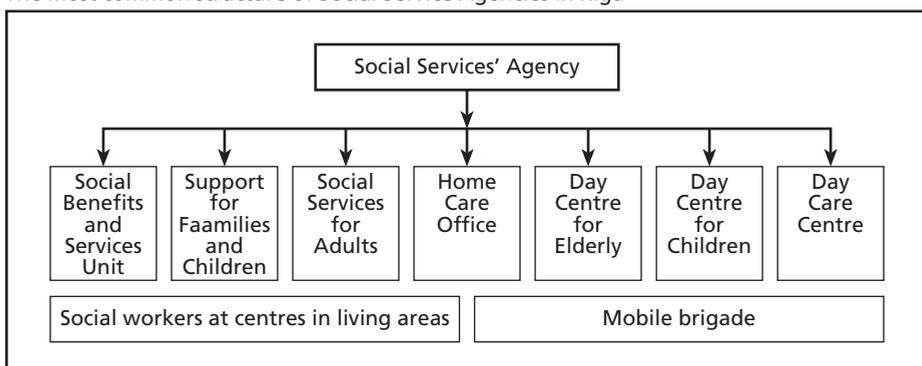
community centers in Riga with 542 social workers. According to the “Social Services and Social Assistance Law” there should be one social worker for every 1000 people in every municipality in Latvia by January 1<sup>st</sup> 2008. Actually, there is at present one social worker for every 1904 people in Riga municipality<sup>12</sup>.

The main duties of the Social Service Agencies are:

- To organize and ensure the social work with customers;
- To promote the setting up of social services networks;
- To take part in planning of social work in the municipality, and to analyze and project a future development in its administrative territory;
- To assist in developing and implementing the social services programs;
- To prepare and realize projects about the establishment of new types of social assistance services and about the improvement of existing social services;
- To collect and provide information about social services and the rights and possibilities to receive them, etc.

The work of social service agencies is organized in four main divisions: Social services for families and children, the Social assistance division, the Social assistance for adults division, and the Social work supervision division. There are some differences in the work of each district agency depending on the specific needs. The most common structure of the Social Services’ agencies is depicted in the scheme. It is important to mention that the structure, compared to the other cities’ social service agencies, is more appropriate to the specific social needs.

The most common structure of Social Service Agencies in Riga



<sup>12</sup> Welfare Department of the Riga City Council. Statistical Yearbook 2003.

*Social services for families and children* – are provided by 34 social workers. In 2003 the unit cooperated with 1599 families, of which 608 families were registered as new clients. There are two main groups of clients – voluntary clients, i.e. families that are motivated to improve their social conditions and request help, and obligatory clients, i.e. those families about whom social services have received information from institutions or people. The biggest part of the clientele consists of obligatory clients. In 2003, 212 voluntary families and 396 obligatory had been registered.

Besides social workers there are mobile brigades for information gathering about street children and providing social control at children's homes in late evenings; six municipal children's homes are taking care of orphans and children without parental care. The municipality purchases services and pays for the stay of the children in NGOs. The Social Service Agencies run four day care centres for children. In 2003 in all day centres 437 children from five up to 18 years of age were registered. More than half of the children in the day centres are between seven and 15 years of age.

*The Social Assistance for Adults Division* provides social care and rehabilitation for the elderly, for disabled people and for social risk groups. In order to provide social help there are five municipal home care offices organized to offer home care services for elderly and disabled people. The municipality purchases home care services from a private organization in the Vidzeme district of Riga. A total of 1030 persons have received home care services at municipal home care offices. Furthermore, six day care centres provide services and various activities for the elderly and people with disabilities. Shelters and other day centres and activities provide social assistance.

*The Social Assistance Division.* The goal of the social benefit system of the municipality is poverty reduction through ensuring basic needs for a person (family): food, dwelling, health care, education and employment. A person's right to receive social benefits from the state is guaranteed by his/her belonging to a defined social group. The municipality's benefits are means tested. In 2003 the biggest proportion consisted of housing benefits (38 per cent of all benefits), which were paid for families with children, and 25 per cent were family benefits. In 2004 the housing benefit made up as much as 40 per cent of all the money spent on social assistance. The Guaranteed Minimal Income (GMI) benefit constituted 24 per cent of all benefit spending. The government defines the benefit level but every municipality can raise the level depending on its financial resources. In Riga the level of the benefit differs by social groups. A sum of 40 LVL is paid to pupils and students up to the age of 20, pensioners and disabled people, long term unemployed, orphans who are starting to support their own life up to the age of 24, and to people who are unable to work and are close to retirement age. The other

social groups get the minimal, government—defined amount, which in 2005 was 21 LVL, but in 2006 – 24 LVL.

The *Social Work Supervision Division* provides consultation for the social workers, and aims at promoting the efficiency and quality of their work, by improving the workers' professional competence. The main task in social work supervision is to ensure the professional development of the social workers.

## 2.2 Dobele municipality

As a case location, *Dobele* region was chosen due to comparability with a similar study of 2000. In 2000, economic, demographic and social indicators in Dobele were carefully compared to the rest of the country, leading to the conclusion that the region is an “average” statistical region in Latvia. Especially the number of inhabitants, their distribution across rural and urban areas, their wages and the income of the municipalities in Dobele region resembled average figures in Latvian regions. Dobele region is located in Southwest Latvia, approximately 70 km from the capital, and is one of the country's smallest regions territory-wise. Dobele region consists of twenty (18) rural and one (2) town municipalities. The region has three towns – the administrative centre Dobele and the towns Auce and Bēne.

The region is known for its agricultural land, which is among the most productive in Latvia. Historically, therefore, the major economic activity was seen in the agricultural sector. During the independent Latvian Republic (from 1918 to 1940) agriculture was based on individual farms; large collective farms were established during the Soviet times. A paradox of today is that after the collapse of the Soviet system and the collective farming, the agricultural activity in the region has not yet fully recovered, with its level being below that of the previous periods. Other types of economic activity in the region are chemical and wood production industries. Industrial companies produce ten Ls<sup>13</sup> per inhabitant.

The unemployment level in the region, not including Dobele town, is around eight per cent<sup>14</sup>, which is slightly lower than the average in Latvia. The demographic burden per 1000 inhabitants is 653, a number close to the average demographic burden in Latvian rural municipalities of 660 inhabitants. The average popula-

<sup>13</sup> E. Vanags, O. Krastinš, I. Vilka, V. Locane, P. Skinkis, A. Bauere “Dažāda Latvija: pagasti, novadi, pilsetas, rajoni, reģioni. Vertējums, perspektīvas, vizijas”, Latvijas Statistikas institūts, Valsts Reģionālās Attīstības aģentūra, Rīga, 2004

<sup>14</sup> Ibid

tion density in Dobeles rural municipalities is below 19 inhabitants per km<sup>2</sup>. The number of inhabitants in the municipalities over five years, from 1998 to 2003, shows a slight decrease of -1.5 per cent, and is lower than in other Latvian rural settings (where it is -1.8 per cent).

The following municipalities took part in the research: Kurzeme and Vidzeme suburbs of Riga, Dobeles city, Bene, Gardene and Tervete rural territories.

*Dobeles town municipality* is differentiated from the rest of the municipalities by its very nature – with its eight square km and 11 000 inhabitants, it is the biggest of the two towns in the region. Dobeles town has within its territory a number of large employers, such as JSC “Dobeles Dzirnāvnīks” (production of bread), “Tenax” Ltd. (chemical industry), JSC fabric “Spodriņa” (chemical industry), “Baltic Candles” Ltd., Latvian Fruit culture Institute. There are five (5) public schools (including a secondary school), four (4) kindergartens, a musical school and an art school.

The *municipality of Annenīki* is a typical rural location with two (2) rural settings Annenīki and Kakenīki. The total area is 90 square km. The population in Annenīki does not exceed 2000 inhabitants. Its history and the current situation resembles that of the region as a whole – historical focus on agriculture; loss of inhabitants in the years following WW2; followed by emigration from other countries and regions. The local employment today comes from agriculture (animal farming), wood industry and catering services. Annenīki has a primary school, a boarding school and a public library.

The *municipality of Auri* is somewhat bigger and more densely populated than the region on average – on 111 square km, there are slightly more than 3000 inhabitants. The specificity of Auri is related to one of the seven (7) rural centres, Gardene, that used to host a Soviet military town. Shortly after Latvian independence the inhabitants of the mentioned town returned to their original countries of residence, leaving behind empty block-houses and other buildings. The unemployment rate in Auri is among the highest in the region. The municipality has two (2) primary schools and a library.

The *municipality of Bene* is another example of a small rural municipality looking for ways to create employment either in agriculture or in other industries. Bene has slightly more than 2000 inhabitants and covers an area of 90 square km. In one of the three (3) rural centres in the area, also called Bene, there is a recently opened sewing factory, which is helping to improve the unemployment figure.

*Tervete is the only county in the region*, and is among the biggest rural locations in Dobeles region – it has close to 5000 inhabitants and extends to 224 square km. The municipality is one of the few examples where Soviet collective farms have been sustained and are functioning – JSC “Tervete” is among the biggest employers

in the municipality until today, significantly reducing the unemployment and poverty problems.

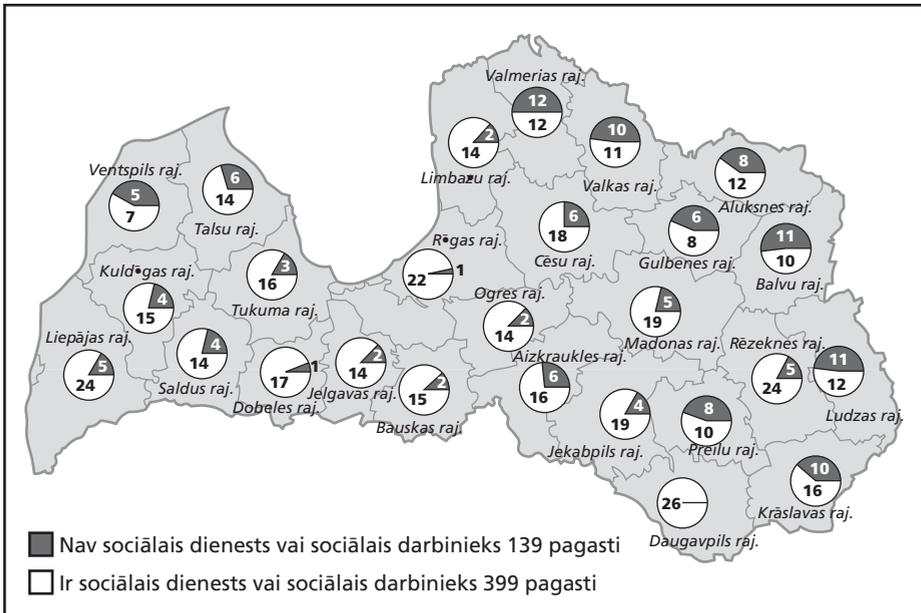
The smallest municipality in this study is the *municipality of Ukri*. The population density and the number of inhabitants there are far below the average: 700 inhabitants –seven per square km. Like the *municipalities of Berze and Dobeles regional municipality*, the municipality is suffering from reforms incurred by transition from the planned to the market economy, and the low employment level in the agricultural sector.

# Chapter 3 Social worker perspective

**Zane Loza**

Social workers are among the most important agents of change when it comes to the development of the social protection system in Latvia. Their role in the provision of social assistance and social services to the people in need should not be underestimated. Apart from their professional duty to choose among the available assistance and service options for any particular client, the social workers may influence the design of the system as such. This is especially true in rural municipalities where the bureaucratic layers between the social worker and the decision maker are fewer and the relationships more personal compared to the bigger cities and Riga.

Figure 3.1 Map of Latvia: The number of municipalities with/without social services or social worker in 2003 (white – with (399); grey – without (139))



This paper is a follow-up of a similar study five years ago (2000) to examine the social system. Apart from a general description of the social assistance system and its finance, the study of 2000 was based on a case analysis in the municipalities of Dobele region to shed light on implementation aspects of the social assistance system in the country. The study revealed a situation that, on the local provider level, was characterised by:

- the recent system decentralization and introduction of a new social assistance law
- resulting disputes between the central and the municipal levels regarding the financial aspects of the system
- strong disapprove of the policies and practices of national players (the Ministry of Welfare, Social Assistance Fund) and the experience of a gap between requirements and possibilities on the local level
- the large variety of municipal social assistance benefits depending on municipality
- the dominance of benefits over other types of social assistance
- the lack of benefit assignment criteria in local municipalities and lack of professionalism among the social workers

For these reasons, the social workers' perspectives on the current and future situation in social work are informative about the current and future situation in the social assistance system.

The profession of social worker at that time was recently introduced, and was available in less than half of the municipalities in the country. Less than ten per cent of the social workers had professional education in the field – the profession itself and the associated standards, norms and ethics were only forming<sup>15</sup>.

The current follow-up study examines the situation in 2005. What are the currently available social assistance options in local municipalities? Have the variations in municipal benefits decreased or increased? Have the practice and perceptions of social work been clarified and stabilized? What are the current problems?

<sup>15</sup> Zane Loča and Aadne Aasland *From a Local Perspective: Social Assistance and Social Work in Latvia*, Fafo working paper, 2000

### 3.1 Methodological note

Information for this study on social worker perspectives was gathered during focus group discussions with the social workers in two case municipalities – Riga city municipality (representing an urban setting) and Dobele region (representing a rural setting). Dobele region is represented by Dobele town municipality and the small rural municipalities of the region. For the sake of convenience, Dobele town municipality and the rural municipalities are together called “regional municipalities” in the text. The Riga municipality is referred to as “city municipality” or “Riga”.

Invited for the focus groups were all the social workers of the respective municipalities. Both focuses lasted approximately 4–5 hours. The focus group in Dobele with eleven social workers from the region took place on the 9<sup>th</sup> of March, 2005, whereas the focus group in Riga with the participation of nine social workers took place on the 11<sup>th</sup> of March, 2005. In terms of representatively, the social workers from Riga represented the four existing administrative districts (named districts of Kurzeme, Zemgale, Vidzeme and Latgale). In Dobele, the participation was more than 50 per cent, and was partly related to transportation and time available to the social workers.

Discussions in both focus groups were led by a facilitator (organized from the project) who kept the discussion around pre-determined topics to ensure comparability with previous study. The discussion, however, was never interrupted, thus allowing new, previously not existing, problem issues to be taken up. The discussions were carefully transcribed and analysed.

### 3.2 Social assistance in local municipalities

Compared to 2000, when the available social assistance and the eligibility criteria varied greatly across rural municipalities in one and the same region, the introduction of GMI has equalized the situation significantly. The additional benefits that municipalities provide are still different

#### **GMI**

GMI is by far the most important benefit, both in terms of the budget and of the number of recipients in all of the municipalities analysed in the current study. It is interesting to note that – contrary to expectations prevailing in 2000, when

introduction of the benefit was described by the social workers as “financially impossible” and “bound to create a huge chaos”<sup>16</sup> – the situation is much less dramatic:

“Money for GMI and the municipal benefits is steadily available. Of course one could wish to provide new additional types of social assistance – it might be a problem, but that is a different discussion.”

This holds for the regional municipalities as well as for Riga. The social workers recognize that GMI provides at least one criterion in the jungle of many different clients and their many different needs.

At the same time, the issue of how to evaluate the income data provided by the clients is still a problem – first, potential clients are said to lie and second, the social workers experience problems with respect to immovable property (a house or land) that the needy clients have: “Many clients own a house. So, what? Is he going to be less hungry because of the house?”

The comment is especially applicable in rural areas where the property market is not very liquid and selling a house is not possible in reality.

## **Public works**

Together with GMI, all of the municipalities in this study had introduced public works as a way to motivate the benefit receivers to return to the labour market. In the city municipality where there are more possibilities the public works could in certain cases be substituted by attending re-qualification courses. Public works were present already in 2000, when they were used as a return for such benefits as free lunches at school for the children, benefits for coverage of communal payments, benefits for the needy families, etc.

Both in 2000 and 2005, the public works keep creating discussions among the social workers. The major issue is the status of the public works as interpreted by benefit recipients themselves – often, they are seen as a “help” to the municipality rather than the other way around. Consequently, the attitude towards participation in the public works is rather loose and attendance is irregular. A social worker comments:

“...he tells me that he will not come tomorrow because he has to plant potatoes! What an attitude! I also have to plant potatoes, but this does not release me from my job duties!”

<sup>16</sup> Zane Loza and Aadne Aasland *From a Local Perspective: Social Assistance and Social Work in Latvia*, Fafo working paper, 2000

The problem is especially topical in the regional municipalities where there are ample possibilities for public works, but the unserious attitude of the clients requires additional municipal resources to monitor the work performance. In one of the cases, the rural municipality had even hired additional staff for this purpose.

Furthermore, the rural social workers are faced with the dilemma that often the unemployed can get a job, but are not willing to take it. In the rural areas, the job opportunities are mostly connected with seasonal employments at farms – which the unemployed clients are not very keen to accept, because the job is hard and job hours are long. Even if employed, the clients can not be trusted and often, they are fired after a short time. The same type of motivational problem applies to town cases, where a client appears for a job interview “dirty and impolite”. The dilemma that the social workers experience is related to the true needs of the clients: Does the client still need advice on codes of conduct in the labour market, or is he purposely using the situation and opting for the less constraining public works? Many of the social workers seem to believe the latter tends to be the fact, especially in cases when the public works are even not required. A social worker comments:

“...here is a mother with five children. Her apartment is fully paid; in addition, she receives more than 100 Ls GMI. For her, the choice (not to work – author’s remark) is clear – alternatively, she would need to find an employment with around 300 Ls salary. And she would have to work!”.

It is recognized that the benefits of the clients come close to a wage of a social worker.

### **Other benefits**

Although the largest part of the social budget is typically spent on GMI, the municipalities do have a number of other locally determined benefits. These are mostly aimed at procuring food, heating, health services, and support in critical situations. The benefits can be universal (given to all inhabitants in a certain situations), categorical (given to a certain inhabitant group independently of income), categorical with limitations (the limitation is applied to income), or related to the status of a needy family. In Dobele region, examples of

- universal benefits are: municipal funeral benefit, municipal child-birth benefit and benefit in cases of urgency;
- categorical benefits are: benefit for eyeglasses for children, heating benefit for families with disabled children, hospital benefit for pensioners;

- categorical benefits with limitations are: heating benefit for pensioners where the income is less than 45L per family member; heating benefit for pensioners living alone who are older than 75 years of age;
- benefits related to the status of the needy family are: free lunches at school, hospital expenses paid.

### **Social services**

An evident change from 2000 is the importance of social services amongst the available options – there are more service options available and their usefulness is fully acknowledged by all social workers in both studies. Although a wider range of social services is available in the town municipality in Dobele and in Riga city, the issue is on the agenda also in rural municipalities. A social worker from Dobele town municipality comments about a recently opened care centre:

« ... Families come, children come, many people come – there are games there, both sports games and intellectual ones. The interest is very big. I think that this kind of assistance is more important than benefits.»

Focus on non-material social assistance options is evident also in other municipalities – a centre for persons in pre-retirement age is being opened; a meeting room is made available; a washing machine to be used by the clients; there is a general inclination to cooperate with institutions and persons outside the direct social assistance sphere (see section 3.6.)

A social worker explains:

“People need to communicate with each other; they need to feel support. They need to increase their self-confidence! Support centres where information and experiences are exchanged have ample opportunities, they are our future!”

Compared to 2000, the social workers seem much more optimistic about planning the future of municipal social assistance. The rural social workers share the opinion that “all forces are united for development”. In the town municipality, the process is more politicized and sometimes, the budget for an important type of assistance is cut for political reasons. In any case, however, the overburdening problem of 2000 when the future did not seem bright because of “uneducated politicians who do not understand the role and tasks of social assistance office” seems to have passed.

## Client attitudes

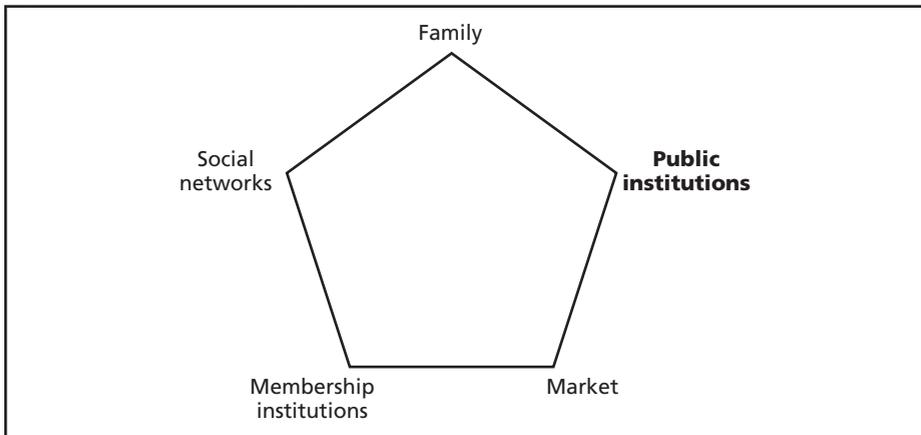
Another evident change since 2000 that has a direct influence on developments of municipal social assistance is client attitudes. In 2000, the clients were “not used to social care, only social assistance” and there were “psychological barriers and unwillingness to participate in own assistance”<sup>17</sup>. Today, in contrast: “People have become more open. The feeling of being “a beggar” experienced by the clients has decreased and people come to us to talk.”

## Connections with institutions outside the direct social assistance sphere

Whereas in 2000, the discussions of social workers were mostly focused on in-house benefits and services and internal problems with authorities and the sources of finances the major debate is currently about networking and cooperation with institutions outside the direct social assistance sphere. This important topic was not observed during the discussions five years ago.

A critical role in the provision of social assistance is assigned to schools. The schools as public institutions can be analysed from the perspective of the “Welfare pentagon”<sup>18</sup>.

Figure 3.2 The Welfare Pentagon



<sup>17</sup> Zane Loza and Aadne Aasland *From a Local Perspective: Social Assistance and Social Work in Latvia*, Fafo working paper, 2000

<sup>18</sup> Chris de Neubourg

The “Welfare pentagon” is a way to describe possible social assistance providers for a person in need. There are five basic sources of social assistance, and these are family, social networks, membership institutions, market and, finally, public institutions. The choices that are available vary with cultures and countries – families and family networks play a much more important role in Southern European and Balkan countries than in Scandinavia, where a lot of weight is put on the granted right of a citizen to receive social assistance at a public institution. In the context of Latvia, the discussions of the social workers suggest that public institutions and especially schools are an important resource:

“schools are very important. With the closing down of the local school, our municipality lost a lot of resources that were provided to the children through their teachers – motivation, information, and knowledge. It is much more difficult for us to solve the existing problems with risk children than before.”

Along with the schools, an important institution from the perspective of the social work are kindergartens where children from risk families have a comparatively bigger chance to develop as normal members of society than if they were staying at home.

By “membership institutions”, the social workers refer to pensioners’ organizations. It is recognized that there are a lot of opportunities there:

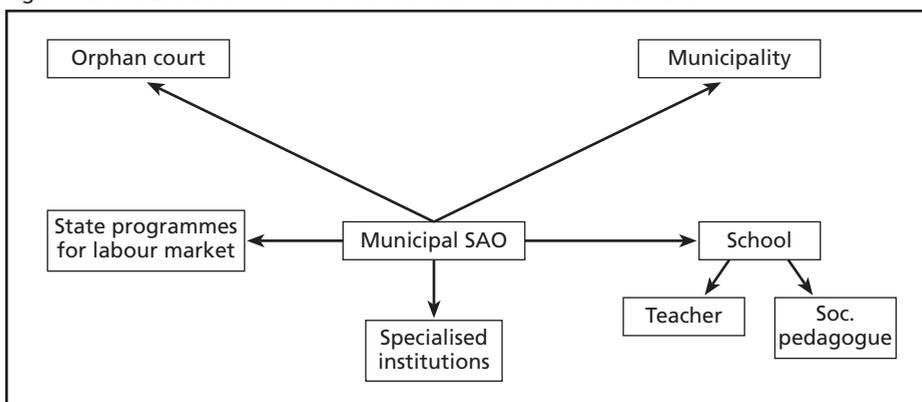
“Our pensioner club (that is above us) is so active that sometimes the ceiling is jumping! They are a great resource for putting new life into depressed personalities; also a resource for teaching children from risk families such things as cooking, table manners, and so on.”

With regard to “families – whereas it is recognized that families play the most important role in the education of children and life quality in general, the social workers do not relay on the family or the extended family to assist a family member in need. The explanation lies in the “vicious circle” typically observed in Latvia – in most cases, the unlucky situation experienced by a client is closely related to his/her unfavourable family situation.

### **Social assistance office in the broad network of related institutions**

Continuing the discussion raised in the previous section about importance of various welfare providers in the “Welfare Pentagon” in Latvia, the drawing below depicts those institutions that were seen to influence the daily work and client outcomes in both focus groups (Riga and Dobeles):

Figure 3.3 Social Service in the network of other connected structures



The social workers comment:

“[...] in a system that is not integrated, it is difficult to achieve good results. Very often, the clients (alcoholics, drug addicts, unemployed) need a next step – more specialized services. Without this continuation, they will fall back to where they were and will return to us as long-term clients.”

Compared to 2000, such an integrated system attitude is a new perspective. Five years ago, the focus was much more in-house and the discussions were focused on the question of benefits versus other social assistance. A suggestion that social services, even a simple advice, could in some cases be more effective than a benefit, was at that time innovative.

While the importance of the broader network depicted above is well understood, the experience is not always positive, as will be seen below.

### A. The Orphan Court

Both in Riga and Dobeles the social workers maintain that although we are officially institutions on the same level, the Orphan Court “tries to dictate us, instead of cooperating with us” and has unrealistic expectations about the work results.

A part of the problem lies in the fact that while SAO is a municipal institution, the Orphan Court is subordinated to the Ministry of Justice, which implies different “bosses”, different ways of accounting and insufficient focus on real work results.

## **B. The municipality**

Problems of this sort only apply to Riga municipality, where the welfare department of the city has more of a political interest than an interest to reach good client results. This leads to a situation when SAO – a subordinated institution – is sometimes ordered to act against their regulations and standards (for example, pay benefits to people who are not eligible).

## **C. Schools**

Both focus groups recognize that cooperation with the local school has a significant influence on work with needy and risk children. Experience in Dobeles municipality, as was suggested in the previous section about the “Welfare Pentagon”, is positive – the school is understanding and supportive. Experience in Riga municipality, however, is quite the contrary – it is often the school that, through its attitude, lack of information and decisions neglects the results that a social worker may try to achieve with a risk child. Examples are a teacher who tries to expel a child who is simultaneously undergoing therapy to improve his study attendance and results at the SAO; a teacher who publicly identifies the children who “are poor and therefore receive free lunch”; a social pedagogue who requests large amounts of free lunches to families who are not eligible; a school who does not accept free milk provided by EU because “it may go bad”, despite the fact that especially needy children would appreciate it. There are additional examples; they suggest that information exchange and understanding between SAO and the school is incomplete, leading to additional work on both sides and mutually bad decisions. SAO and the schools are under different systems (social assistance and educational), resulting in little focus on common results.

## **D. Specialized institutions**

The overwhelming problem here is a lack of specialized institutions for further treatment of drug addicts, alcoholics, long-term unemployed, people with psychological problems:

“I, for example, have no place to put an alcoholic. I know that he needs rehabilitation, but there is no institution where I could send him/her. Or, another example, I have a person with slight mental problems in combination with drug problems at an early stage – again I lack the next part of the system.”

Lack of these important specialized institutions to ensure a positive work result in some later stage leads to a certain experience of despair among the social workers:

“A young woman comes to me and tells me that she and her children are beaten by her husband. I actually have little to offer! OK, there is “Dardedze” in Talsi, but that is so little for the whole country! The same case with children who show deviant behaviour – well I hope there will be a day centre soon. [...] everything happens so slowly that I am almost desperate and see no sense in working.”

### **E. Labour market programmes**

A similar situation with a direct influence on the work motivation of social workers is observed with respect to the results of the re-qualification programmes that are financed by the state. In neither municipality have the programmes shown any success, and a client whom the social workers convince to “improve his life by taking part in the programme” usually does not find a job – even if he is actively looking for it. The reasons are often found in the types of qualifications provided by the programme or/and the age of the clients – those of pre-pension age have almost no prospects to find a job. Even if the social workers understand that the poor results may rather be due to demographical and economical structures in Latvia, they share the opinion that these programmes should be more closely connected to the labour market, saving resources of both the social workers and the state in cases when the chances after the course are close to none.

### **Strategic development of the social assistance system – the missing element**

The discussions in both focus groups often return to the same conclusion: for the social workers, the system is lacking a clear direction. In a situation where there are many unmet needs (for example, specialized institutions), the ad-hoc approach to the development is not acceptable:

“[...]With the currently available EU money from the EU Social Fund, many new unemployment centres and similar institutions are being created by people who know little about the needs of the system. The money is spent and there is no use for it.”

To improve the decision-making, the social workers suggest that thorough research should be conducted, comparing the existing social assistance options available in Latvia with the needs of the clients. In the opinion of the social workers, such a research would make possible a unified state strategy for developments in the social sphere.

### **3.3 Manifestations of poverty in the eyes of social workers**

The most vulnerable client groups have not changed since 2000 – they are single-parent families and families with many children. There are also other groups such as disabled people, people from prison, and old age pensioners. However, compared to 2000, the latter group seems to create much less concern and is much less frequently mentioned than before. The explanation may be related to the introduction of GMI and the consequent reduction of various benefits for elderly people – the elderly are simply not a target group any more.

In the town municipality more than in the rural ones, there are a growing number of “complicated” cases – alcoholics and drug-addicts, Chernobyl victims in combination with alcohol problems, people with HIV/AIDS in combination with other health problems, mentally disabled people in combination with health problems, people who do not speak Latvian. These are the cases when a social worker can only serve as a net worker between the family, the client, the specialized social/medical assistance institutions and the local social assistance office. As will be described below, there is a huge gap of possibilities available in these cases.

Asked about reasons for long-term poverty, all of the social workers recognized the presence of a “vicious circle” – poverty in one generation transforms to poverty in future generations. The circle is broken only in very few cases, because it is based on values, skills and visions of the clients. The clients are unwilling to live differently, and the social workers “lack energy and opportunities” to change the clients’ picture of life.

In the few cases when a young person from a long-term poor family does not share the family values and wants a different life, he/she is constrained by social attitudes (“oh, he/she is hopeless – look at the family he comes from!”) and financial difficulties to get an education – the Latvian regulations for study credit require the presence of a “guarantor” – a mother or a father. The social workers suggest that this is where the state could play a critical role to diminish poverty in the country.

### 3.4 Social workers, professionalism and image of the profession

#### Facts and views on professional education

The professionalism of the social workers in our study has grown, and there are almost no social workers that have neither attended, nor are attending, a study programme or separate courses in the social field. Higher social education is more common among the social workers in the city municipality where five out of nine people had obtained this degree. The rest had followed courses. In the regional municipality, most of the social workers had attended courses (six out of eleven); two people had/ were expected to have higher social education (one was still in the process) and three persons had higher education in another field.

The social workers were unanimous that education plays a critical role in the professional everyday life. It was held that

“Every social worker needs professional education – also to ensure that one does not have to be ashamed of one’s colleagues.”

In contrast to the study of 2000 where the question of what “professional” means was not leading to any discussion, the social workers of today are more interested in theoretical concepts of their profession:

“Professionalism means to lead a discussion with a client in a way that at the end, the client has a feeling that all the constructive suggestions and ideas were his/her own”.

“Professionalism means finding a contact with every particular client”.

Professionalism – that is a social worker’s ability to draw a distinction between professional and personal life, not to be overemotional and no to take emotions home.”

Apart from being directly applicable, education also provides social workers with useful professional contacts:

“I receive a lot of information and new professional advices from my common study mates who are all working in the social sphere – they are managers of social care institutions, social workers, etc. Exchange of experience is very useful.”

On the other hand, one social worker in the regional municipality who had higher education, commented that although education was very useful and she felt personal maturation,

“[...] it makes the real life situation at a local municipality more difficult to accept. The gaps between the needs and availabilities are evident.”

With regard to the financing of the education, the social workers are not happy with the fact that fees have to be paid, and think that education should be free for those who later work in the state or municipal sectors.

### **Image of the profession as perceived by the social workers**

The social workers from both municipalities agree that the general image of the profession has improved over the last five years, and mostly due to social workers themselves – their professional confidence and the position held vis-à-vis the other municipal structures.

At the same time, the social workers, especially from the city municipality experience problems that are related to incorrect assumptions about the role and tasks of a social worker. Misunderstandings about each other's tasks and responsibilities arise between the social workers and the medical staff; between the social workers and education institutions; even between the social workers and the general public – often, the other party expects immediate results that in social work are seldom possible. Misunderstandings lead to a lack of communication and cooperation, both of which are at the same time very important in order to achieve good client results.

On the other hand, the situation is better than in 2000, and comments of the type “the social worker is just sitting there spending public resources” are fewer.

### **Additional needs and wishes of the social workers**

There are at least three issues that are topical. They are: a) a wish to do more social work with clients instead of paper-work; b) more team-based work; c) a need for better technical equipment.

The first issue is in truth more than a wish. It is a structural problem and shows that the SAO have insufficient staff and division of responsibilities. An employee, who is trained as a social worker, is spending more time on paper-work than on real social work. Whereas both types of work are necessary, a situation where work with the client is substituted by paper-work is a clear indicator of gaps in the structure of a SAO.

The second issue: the wish and need for more team-based work, reflects the general direction towards more networking, which was described in the sections above. The social workers are clear about the fact that social work and needs of the client are often complex issues, where networking and group-work are preconditions for better service quality. In fact, the social workers see themselves more as networkers between the client and the needed assistance rather than anything else.

The last issue, technical needs, has two aspects. First, in some local social assistance offices there are still no computers. The second aspect is a more sophisticated need for specialized software to keep track of the clients, their needs, and the provided assistance.

## 3.5 Conclusions

### General conclusions

- Comparing the study of 2000 with the current one, there is an evident *progress in developments of the social assistance system*. First, it is characterized by more developed social infrastructure – there is an increased focus on the provision of social services. Compared to the study of 2000, a wider range of social service options has become available. Especially, this applies to urban municipalities. The need for social services is however recognized in all municipalities of this study.
- Secondly, the above-mentioned developments are due to more professional and experienced employees. The role as seen by the social workers themselves is changing from that of “mother” and “all-purpose-supporter” to a *net-worker* between the clients and social service providers. Such an approach is clarifying the – before often confusing – role and responsibilities of a social worker, leading to more professional service delivery.
- Developments of the social assistance system furthermore stem from *more informed politicians* and *society* in general. The situation of 2000, when the social assistance concept was largely misinterpreted in the political arena and was full of social stigma, has changed in a positive way.
- The introduction of GMI has brought *more structure* in social assistance provision. In contrast to expectations prevailing in 2000, when the benefit was described as “financially impossible” and “leading to a chaos”, it is affordable

and is paid in all of the municipalities in our study. In general the social workers feel that the benefit is reaching the right targets. In addition, the *municipalities keep paying other benefits*, including categorical benefits. This is especially true in rural municipalities. The situation in this respect varies depending on political opinion and local social pressure.

- There is nevertheless *an urgent need for additional specialized social service providers*. The need is especially strongly felt in Riga municipality where the clients develop increasingly complex cases (people with mental disturbances in combination with HIV/AIDS, drug-addiction in combination with serious health problems, etc.). Among these clients many are children.
- The social workers feel that the *state is lacking a clearly defined social system vision*, leading to inefficient use of resources available from EU. There is no research to indicate major development directions. As a result, the new service providers that generate outside the system are often failing to respond to the most urgent needs of the system.
- To reach better client results, there is a need *for better communication and alignment of roles* and responsibilities among various institutions working in the social sphere, among them the Orphan Court, municipalities, local schools, state re-qualification programmes. The current experience of the social workers suggests that the institutions are led by different motives that do not always have a client focus. Especially, good communication should be established with *local schools*, as these prove to be the most powerful social welfare providers next to social assistance offices, analyzed from the Welfare Pentagon perspective. The cooperation with schools is much better in rural municipalities.
- The *vicious circle* – a phenomenon when social problems are inter-generational – is observed to exist in both case locations. Given the market economy and the Latvian education system, an exit of the circle is very unlikely. There are no state policies to support those individuals who wish to be part of a less risky social group.

### **Policy suggestions**

The policy suggestions following from the above discussion are divided into three (3) major directions: more efficient use of the currently available resources; responses to the need for additional social services; policies to discontinue the vicious cycle.

- A. *More efficient use of the currently available resources.* The study has indicated that public institutions and, especially, local schools, are important social welfare providers. They may have a serious influence on the results of the children attending the school – either positive or negative. To achieve positive results, it is necessary that policies of the school towards “non-performing” or otherwise differentiated risk children are *streamlined* with actions of the local Social Assistance Office. Streamlining of policies and approaches, focusing them on the client results, is furthermore needed with respect to other players in the system such as the Orphan Court and labour market initiatives. With respect to the latter, there is an evident gap between market demand and the programmes offered to the pre-pension age group. Especially in the rural areas, the demand for people of the mentioned age group is almost non-existing, irrespective of the person’s qualifications. The re-qualification programmes for this age group, therefore, are not reaching their goal.
- B. *Responses to the need for additional social services.* In the context of continuous appearance of more and more complex cases, the state needs to design the overall strategic development framework. The first step would be a *thorough analysis* of all the existing social service providers on the one hand and the needs and tendencies of the clients on the other. Given the research results, the second step would be *decisions on principles* of state provision, state finance or state regulation of the social service system, allowing *space for private incentives*. These principles should then be applied and kept in all decisions concerning the use of local funds or EU funding.
- C. *Policies to discontinue the vicious circle.* One of the most serious problems with long-lasting effects is the fact that many of the social assistance clients are children from social risk families, representing the inter-generational aspect of the problem. A set of children-focused policies to discontinue the vicious cycle is therefore a must. For example, there should be a policy to enable the risk children to receive education. An example mentioned during the study is a possibility to obtain study credit – as the current rules foresee the presence of a guarantor, thus excluding the risk children with no person to lean on.

# Chapter 4 Long-term poor perspective

**Linda Ziverte**

## 4.1 Aim, Methodology and Representative Sample of the Qualitative research

### Aim and Procedure of the Research

The qualitative research has been done in the framework of the project “Poverty, Social Assistance and Social Inclusion – Developments in Estonia and Latvia”.

*The aim of the qualitative research* is to analyse social exclusion of the long-term poor people from their own perspective, and the exploration of the factors that promote and diminish social exclusion. Particular attention has been paid to the role of social care relief and social services, and the initiative of the poor themselves and the problem-solving strategies.

During the process of the research (fall 2004 – spring 2005) nineteen in-depth interviews with clients of Municipal Social Services were made. They were long-term poor people in Riga and Dobeles. During the interviews several aspects were considered:

- The main problems of the respondent recently and the reason for contacting social services.
- Various support resources that have helped to solve problems.
- The ways of social workers’ help and the significance of it in the stabilizing or improvement of the situation of clients’ lives.

Interviews were structured in several groups of questions.

*The first set of questions* was dedicated to the exploration of the respondent’s life during recent years, namely, the problems that he or she had faced and any successful solutions. How the first contact with social services/social worker was made.

*The second set of questions* explored problem-solving strategies. How had the co-operation with municipal and other institutions (e.g. NGOs, Church etc.) in these cases taken place? How had the respondent co-operated with the local community, friends, colleges and relatives? What was the initiative of the client in this?

*The third set of questions* explored the co-operation of the respondent and social service and the evaluation of it in the eyes of the client. What are the main gains/losses resulting from this co-operation?

*The fourth set of questions* explored the client's views on his or her future and the perspectives.

*The fifth set of questions* included a review of income, its sources and amount.

*The sixth set of questions* gave insight in the client's family history, including parents' family history and childhood, also present family and its characteristics.

Additional standard information was gathered, such as age, sex, size of household, education, citizenship, work experience, and ethnic origins.

## **4.2 Characteristics of Venues of the Interviews and Sample Description**

There were 19 interviews done in total in the research.

The interviews were carried out with clients of social services coming from two cities. The following municipalities took part in the research: Kurzeme and Vidzeme suburbs of Riga, Dobele city, Bene, Gardene and Tervete rural territories (characteristics of all the municipalities were in the chapter 2). Since the focus of the project was targeted to exploration of long-term poverty, the interviews were carried out with those clients of the social services that regularly have received various social services and social help for a period of several years.

In selection of the research sample several factors were considered (more about characteristics of the respondents read in the 1<sup>st</sup> appendix *Characteristics of Respondents*).

Firstly, respondents came from *various clients' groups and various problem-situations*: families with children, including two parents' families and single parent families, large families, families with disabled children, etc. forms of family; single men; people before retirement; former prisoners; disabled persons.

Secondly, respondents were *ethnic Russians and Latvians*. There is a multi-ethnic environment in Latvia. This is reflected in the variety of clients of the social services. An additional goal of the interviews was to clarify to what extent views, interests, behaviours, attitudes were different in blunting the effects of poverty and social exclusion.

Thirdly, respondents were *from various types of communities*: city (Riga, Dobele) and rural areas. There are considerable differences between the various regions of Latvia in organisation of social care and social services. Above almost this is the case between Riga and other cities on the one hand and rural municipalities on the other. This is due to a concentration of resources (both financial and human) and of infrastructure in cities and towns. There are various approaches and possibilities in provision of social services and social care also for various municipalities.

Fourthly, respondents are of *both sexes*. Considering that social exclusion and coping strategies for men and women were different, the sample included both male and female respondents. In the interviews additional questions for women were questions about the role of men in solving family problems.

Since a number of researches and inquiries, political documents and experts' interviews show that families with children are one of the groups that run the greatest risks of social exclusion, this group is the largest one in this research. In most of the cases the family in the research is a single mother that takes care of a child/children. One of the main conclusions after the research was that the risks of poverty increase with the number of children.

The *selection of respondents* was done in co-operation with staff of the social services. Before the research they were informed about the research and its aim. After their agreement to give interviews the researcher got access to phones and addresses of respondents.

*Time duration of the interviews* varied greatly – from 45 minutes up to 3 hours. All the interviews were tape-recorded and later transcribed .

Interviews were done in various places – respondents' flats, public places (café) or premises of municipalities' social services.

In order to provide confidentiality of information gathered in the interviews, all the identities of respondents are coded in the report.

## **4.3 Analysis of the Interviews with Clients of Social Security Service**

### **Characteristics of Problem-Situations of the Clients of Social Security Service**

There were various situations and different ways of co-operation with social services for the clients. In each of the cases there were several reasons that had contributed to the situation of social exclusion. Most often it is impossible to discern

which of them is the primary one, for the problems often are so tied together that each of them cause or result of another. The most typical factors that had contributed to aggravation of social problems so that clients had to contacts social services are listed below.

### **History of the biological family of the clients**

In the great majority of cases interrelation with a disadvantageous environment and social problems had taken place in early childhood of a respondent, in his or her family. One of the characteristic aspects is inheriting of a disadvantageous family model from parents to respondents. Many of the respondents had no positive childhood experiences and no good relationship experience with their parents. A part of the respondents had suffered violence in their parents' families, often one or both of the parents were alcoholics, had demonstrated deviant behaviour, part of the respondents had lost their parents in early childhood, or one of the parents had disclaimed all parental responsibilities. Some of the respondents were from orphanages.

“My mother was dispossessed of children in general. An older brother lives in Lestene, a sister in Tukums, another in Bauska, but others ... One of our sisters is in a home for the disabled – I don't know where, somewhere far away. I have never visited her. And a sister is in an orphanage. She must be 16 now. I don't know. Probably she is adopted. I haven't been there ...” (EDITE)

With a negative childhood experience many have difficulties building a successful family, since they lack skills and experience of it.

### **Being in complicated legal situations lasting for years**

That was connected with legal documents set not promptly, situations created by mistakes by e.g. civil servants, unrecognised in due time mistakes etc. These are problems connected with registration of residence, residence permits, transfer of separate maintenance etc. They make it impossible to find a job, or to improve living conditions, for there is no secure future (in cases where an application for a residence permit was late one could be sent out of the country, in cases of lack of residence registration one could lose one's flat etc.).

### **Absence of rights, ignorance of one's own rights**

This was another characteristic of many respondents. A typical example is relations of work, where an employer does not pay correct wages, or does not pay at all, or does not pay taxes.

“They took me (to work – auth.) at the harbour, but told me that the first salary would not be given! How to survive? My child must be fed.” (INA, speaks Russian)

Often women with small children are not protected in the labour market. Employers have no interest in employing women with children, for they can get colds. Consequently women with babies have to stop working, or are not accepted for application at all.

“I cannot work permanently – my child is often sick. For two weeks it goes to the kindergarten, and for two it is ill. In none of the jobs they want to keep such people. I have to leave, to look for a new job.” (VALERIYA, speaks Russian)

There are cases when a mother predicts attitudes of employers and consequently tries to hide that she has got a child/children. In order to earn at least something she tries to work while she has got a baby. Sometimes she must leave small children at home alone without any adults looking after them even if a child is ill.

“[...] I again became single – did not know how to go to work after that. I had to leave him at home alone and to go to work on the night shift. In the morning I came home, fed him, then fell asleep for some hours, then got up – lunch. For three months I was in such anguish. Then my employers told that I had to work the day shift. I told them that I could not, for I had a child alone at home. Then they sacked me ... I worried for him during nights. Even if he is so independent ...” (VALERIYA)

### **Lack of permanent residence**

Interviews took place in flats provided by local authorities. They were in very poor condition (no shower, no residence, no wc, unsanitary conditions, no repairs done). Some respondents live in one place for one to three years; some respondents live there for less than a year. Some respondents live in so-called municipal social houses. These houses are meant for persons that have difficulties in finding or keeping a permanent place to live. One woman respondent describes such a social house in Dobele.

“Here live families of army officers. So we came here from different places. The rest of us also came from various places. From everywhere. However, the majority are people that are... that are... how would you say... that are unable to pay. Many have no job. So the view... of life... is quite sad. But those who work keep to their work and to other things they have got. Sometimes they

are drunk, they wander around, demolish and shout. People are different.”  
(LIGA)

Quite often respondents have no social contact network of their own that would be connected to their places of residence. A portion of respondents that were interviewed in Riga are not native Rigaers. They have come to Riga from various cities and villages. By moving to Riga they have also changed flats several times (one woman with two children, for instance, has lived in eleven different flats in six years).

### **Various forms of dependency**

Dependency on alcohol, on violent or alcohol-dependent partners (on parents or family member in childhood and adolescence) and also on social workers and social services. Women with children are often also dependent on their husbands, partners, because in addition to benefits from social help/services, this is another source of income while they are raising their children. Even though such relationships are sources of some income they are often oppressive and are a negative influence on the women psychologically.

“...he has got a problem, if something goes wrong, stress and he has got company, he will drink. He feels no limits. Until all alcohol is consumed he cannot stop. He has been losing his car documents and money. Then one has to find money to get a new copy of the lost documents. If one does this officially through the police it takes very long time. That means he cannot work because he has no documents. So he cannot receive salary. So we have to refrain from something, from some payments. We delay payments for the apartment in order to get his documents back so that he can start working again. We cannot get out from this pitfall. A debt, debts, all the time something bad is happening.” (INA)

Some couples are both alcoholics. One woman respondent said that she drinks in order to leave less for her man.

“Earlier, I also used to drink, so to speak, in order that he would get less.”  
(DANA)

### **Instability in labour market**

That is determined by various factors – lack of experience; short term employment; lack of education, knowledge and skills; inability to keep a job; long-term unemployment.

Women often have to interrupt their work because of a childbirth and care.

“I have not had a job for a long time, not since 1992. From the time when I gave birth to my oldest child I have not been working. I have grabbed some hack work in the market place... I worked in the central market.” (DANA)

Several respondents were women between their 30s and 40s with school-age children. They have not worked for a long time, but are willing to restart. However they do not feel confident and secure.

“I have not worked for so long that I do not feel confident anymore. And my health is not all that good.” (EVA)

In such cases it is important that a social worker supports and motivates those clients to enter the labour market or take a training course.

### **Structural changes in society's economical and political life**

This is mainly related with a transition from a command economy to the free market introduced in the early 90s. The consequences of the transition period seriously affected the labour market in rural areas. Many productions collective farms and co-operatives were shut down and a large number of workers lost their jobs. Some of those people did not manage to find a permanent job and recover from the consequences of the changes.

“During the Russian time my mother was a cattle-farm worker, but then everything collapsed and she lost her job. My father does temporary jobs.” (LIENE)

This is mainly a generation of pre-retirement age and retired people. The life of those people can be divided into two periods: Soviet or Russian time and free Latvia time. Both of these periods are characterised by their welfare situations and life strategies. If during Soviet time work and basic salary were guaranteed to everyone, then free Latvia time brought much larger inequality in labour market as well as new requirements to compete in this market. These requirements included mastering new knowledge and skills, retraining, establishing a contact network, initiative, flexibility, in case of starting an enterprise – availability of finances or savings etc.

“During Russian time we had jobs and salaries. Shops were empty but we were satiated anyway and we had jobs. When we got free Latvia, so, please... everyone spits. Only those who managed to grab millions, they are well.” (MARIS)

There is discrimination in the labour market that mainly affects two groups. First of all it affects people of pre-retirement age and the retired. They are discriminated against because of their age.

“I go to a firm and apply for a job. They say: “No, we do not need you!” First thing they ask is your age. They opened a new gas station nearby my house. So I went there and asked the owner if they have got a job for me at least to wash cars. First he asked about my age. When I told him my age he said: “Thanks! Do you know how many unemployed and young people are here in Dobele? And for what bloody reason would I need you.” That is what he said.” (MARIS)

The second discriminated group is women with children. They are discriminated against because of the family status, and employers are not willing to employ women with small children.

Women who have small children mentioned difficulties finding a kindergarten as the most complicated problem. For this reason many respondents are “tied” to their houses. They not only cannot enter the labour market, but also are unable to take retraining or other educational courses.

“[...] I am ready even to start working, but I need a kindergarten, so that I could leave him there and go to work.” (DANA)

Speaking about the society in general, many respondents emphasised that in earlier times people were more friendly and helpful. Difference and stratification are felt much more now.

“...may be it just seems like this or it happened to me, but I think that in earlier times people were more friendly and helpful. It is hard to tell. Now there is some kind of hatred ... For instance at work ... it is me or you... everywhere – just bickering. And a man eats up his fellow in order to be secure in his job.” (DAIGA)

“Previously, we could grow cucumbers and tomatoes but now we cannot. Now we cannot grow because everything will be stolen. We have fertile land, but we cannot grow because now everything will be stolen.” (ILGA)

### **Health problems**

Problems related to rapid loss of health or developed sicknesses can be reasons for the deepening of social exclusion. Quite often health-related problems are not being solved, either because of lack of money or lack of information about specialists and the available care services.

“And I cannot also weed, because I have spinal trauma. If I bend it starts to ache just terribly and I have to stay in bed for a week. When the pain goes I

have to see the doctor and again I have to buy this medicine [...] I cannot do hard work.” (EDITE)

Especially painfully it affects families where children are sick for a prolonged time and, for various reasons, parents cannot take responsibility and care for their children’s health status.

“I cannot rely on my oldest daughter as well... I do not know. She is disabled... She has got something wrong with her brains. I would not say that she is completely mad, but something is wrong with her. She was placed in Jelgava (psycho-neurological hospital of Jelgava). She was overmedicated there. They told me she needs a psychologist. And they kept her for two extra weeks. They prescribed all this medication. And the teacher told me that she is worse at her studies. They threaten to keep her in the same grade for another year. She has got some mental deviations. She would always do something offensive. How often she has hit her little brother and sister. I cannot rely on her and leave children with her ... After that, I have not taken her to a psychiatrist anymore. They just overdose her with medicine and she just vomits.” (EDITE)

### **Problems of financial character – small income, various and unstable sources of income, irregular and unpredictable income**

The coping of many respondents literally ends with satisfying basic needs. Some experience times when they have no food. Clothing is usually purchased in second-hand shops or received from acquaintances. Flats are paid by chance, either they stuck in debts or local authorities pay or combination payment: part is paid by local authorities and part is paid by respondent. Some respondents survive by borrowing money and then trying to pay back debts.

“At the moment I have no money. I will borrow money. I will pay back next month. So I do: I borrow and then I pay back.” (EVA, speaks Russian)

Since respondents’ income is small and mostly the money is used for urgent needs, care for health is neglected, and often it causes lingering chronic diseases.

“I am suffering of teeth. I am afraid to go to dentists. My friend went there – I sent her first to remove a tooth. She told that it doesn’t hurt. I have got school finishing for children. The six-year-old finishes kindergarten, and my daughter primary school. My husband has got birthday, I have got my name day, my sister has got graduation ... I say, I desperately need money. How can I go to the dentist now? I will endure, will take painkillers.” (EDITE)

The shortage of money is particularly difficult for families with children. Even if parents work the income is too small to provide for a large family.

“[...]Everything stops at the financial status these days. If you want to go somewhere, you cannot, for there is not enough money. In order to visit somebody you need money, you cannot go visiting around having just money for tickets. The obstacle is lack of money. Had I more money I could live much better than now, but the situation now... I don't know how long one can survive like this. Actually we don't have enough money for many, many things always. For example, if my child becomes ill. Medicine costs five–ten Ls. I don't have them. I have only money for food that I use for bread on a daily basis.” (LIGA)

### **Lack of knowledge of Latvian**

Although it is impossible to conclude that ethnically Russian and Latvian respondents have different situations of social exclusion, yet there are some problems that apply to Russians only. One of them is lack of language skills in Latvian. For a part of the respondents it is a serious problem that affects their possibilities in the labour market. More women than men mentioned this problem. It is probably because women tend to seek state jobs (for instance in social or servicing fields) where knowledge of Latvian is essential. Use of the language is also to a great extent related to self-esteem and practice. Many of the Russian-speaking respondents said that they understand almost everything in Latvian but are afraid to speak. Some of the respondents have forgotten Latvian because of child-birth and child-care leave.

“Of course I would like to learn Latvian. I knew the language before. I learned it but one Latvian once told me that I use incorrect endings of words and, you know, it “disconnected” me totally. But I would like to master the language. I want to work.” (DANA)

It is typical that many clients are placed in some kind of vicious circle: similar problems are repeated and people cannot get out of these problem situations by their own means. For example, such a situation may occur to a family with sick children. When a child is ill, mother has to take care of him and cannot work at the same time, and therefore the family has no income.

“One time there is money, but then he is again ill and I have no work.” (VALERIJA)

Other respondents face situations where they have debts or live in a “the earning for stomach” way or they place their belongings in a pawnshop and then buy them out.

One of the critical points is when people have no savings and no place to borrow money.

“And once he got in a car accident. He just started to work, what a damn misfortune! He stroked a car (work car) and had to pay for repairs. Again minus!! He started to call a man who arranged this job and complain. Jurij again is in a stressful situation and can start to drink. Everything starts again. He drinks and I am mad about it!” (INA)

### **Coping strategies**

One can find several coping strategies.

First, there are respondents who work and try to earn money. In one way they are quite active because they are engaged in their work. In this case no one estimates what kind of work it is. Is it easy or hard, what salary one can get, day or night shifts, is there an agreement with an employer or not, how socially protected is the employee. Usually it is a short-term manual job with unlimited working hours and low salary. Quite often as a result of such employment, especially if an employee is a single mother, children are left unattended. There is no time for their upbringing. If the children are older they find activities by themselves. These activities may include roaming. They quite often spend time on the streets. If children are small their care is delegated to neighbours or relatives.

“I was working alone. He (husband) drank and wandered around. In the beginning he worked somewhere. He worked in different places but usually he managed to stay for a month. Two–three months at the most. And then he stopped. What is the reason to work? Imprisonment... Then was only a rush. I visited him in the prison and I worked. Then I was fed up with all that. We lived together and then we split up... It was terrible. We were fighting each other, screaming at each other etc. Then my sister-in-law took away the oldest son, pretending to help me. Her “help” turned out just to make him a rascal. He started to smoke, to roam about, run away from home. He has been away from his mother from the age of five, and this was the result... She would never give him to me. When my husband was released from prison I already lived in Riga. My oldest sister recently moved to Riga but the middle sister has been living here for a long time. Originally we are from Rezekne.

Then my sister-in-law brought back my son. The oldest son is 13, another one is ten years old. She brought him back to me, but on the very next day he went through a window and climbed down from the third storey... And then eve-

rything started! [...] She did not tell me that he ran away from home. She did not tell me anything. She just brought him to me and he was dirty like a pig from a farm. And the child was terrible, terrible! And all those problems started. They started to run away from home... You cannot imagine where they went! Where I had to go after them! ... They both were slouching around. I was alone. I was working night shifts. All my life I have been working and I do it now. I have been feeding everyone. And what upbringing we give to children. There is no upbringing, I do not bring them up because during night time I work but during days – I sleep.” (LARISA)

Even though respondents work they cannot materially provide for themselves and have to seek social assistance. Of course, the small salary is not the only cause, there are numerous other problems. Quite often such combining of income is characteristic for families with children. However, quite often this activity is just reduced to the satisfaction of basic needs.

Another coping strategy is characterised by a more passive approach. Here one can find pre-retirement age and retired as well as medically disabled persons who have lost hope of finding a job. So people tend to make use of help provided by the state and municipalities and this becomes a custom for those people. It is quite difficult to tell where the personal responsibility of those people starts and where sovereign circumstances lead to the social exclusion.

Many respondents stated that there is no use for them to work. It is not profitable. Income from working and receiving minimal salary does not amount to more than the income from municipal social funds. In order to receive money from social services (also for paying apartment rent) a client has to fill in an income declaration. As soon as it is noticeable that a client works and receives salary he is cut off from funding. Therefore, some respondents have calculated that is more convenient for them not to work, and this includes less stress, workload etc.

“And what is the point for me to work? They offered me work as a charwoman. I thought I would go and clean and that is it. I need a work like this: I would go and clean. Either I work in mornings or evenings, so that I have time to feed my son. The main thing is that I myself can choose when to work. But they asked me to receive goods and other obligations. So my working day extends to 11 pm. This would mean abandoning my child. He is home at 1 – 1:30 pm. So I would need to work one week and one week is off. And the salary is 57 lats. I have pension 52 lats (invalidity pension) so I would go away and abandon him for 5 lats. And in that case I would pay my flat myself (social support would be cut off because of receiving a salary). It is all clear. If I work – I have to pay for the flat myself. So I cannot. And social services would not help me with anything in that case.” (EVA)

## Support systems

### Self-initiative

Most of respondents have accepted their life situations and think that they cannot hope for much more, neither in the level of their income nor in welfare or social status. But as the interviews show, an important thing for promoting positive changes is personal activity of respondents. These may be wide spectrum activities, for instance seeking help from social services, starting to study, arranging documents, quitting to drink, job seeking.

“Then we started to look for job. We live in a suburb and there are many wholesale shops and logistic firms around. My friend went to all of them and left his phone number. All of a sudden a man appeared who needed a driver to take old products from shops to the marketplace.” (INA)

Appealing to social services one can count as expressing self-initiative. As one of the respondents points out: it is important to know how to ask.

“We got the bus-ride free of charge. If one goes and asks one gets. To my mind one has to throw one’s shame away and ask.. Simple as that! Then they may perhaps start to think ...” (LIGA)

Many respondents connect their initiative with a near or more distant future. Many wish to learn, get a profession and find a job. However, many respondents do not have practical knowledge of the learning process, because the main focus of activities is placed in the field of earning money for daily needs and survival. Therefore studies are postponed.

“I badly wish to learn something. There are several offers, but I cannot start yet. I am stuck by the lack of money. At a moment I have no money whatsoever. I have to give away all my income from my pension for an apartment rent. One needs money to start moving anywhere.” (VALERIJA)

Some female respondents have tried to attend various courses but have quit them because of children’s illnesses. They had no one to leave their children with for care, or the cost of public transportation to the course venues were too high for them to afford.

It is quite hard to notice respondents’ motivation to change something in their lives. They usually mention that in their lives they wish minimal improvements or even maintaining of the existing situation. For example, most of respondents replied that for satisfactory living they would need incomes that just marginally exceed the average existing incomes. Such a situation may indicate too low self-esteem, lack of positive experience or deep and depressive social exclusion. Social

worker therefore should carry out motivation work, at least offer minimal steps of improvement.

## Relatives

Many of respondents receive important support from relatives, siblings or parents.

“My sister helps us, when I have no money [...] She has got a rich husband. She is taking care of my oldest son and is practically bringing him up. She buys clothes and food for him and gives him money for entertainment [...] Her husband also contributes [...] I just wonder, recently he bought him a suit for the school finishing party. It cost 200 lats. For me it is an unnecessary expense. But I do not have to pay this back and I do not need to do that. I feel a little uncomfortable.” (INA)

Parents usually are those persons that greatly influence respondents' lives. Especially one has to emphasize relationships with mothers. Mother may be a very supportive element in life and loss of mother may cause deep crisis. However relationship with mother may be very traumatic and negatively influence the respondent's life.

“I got to know my boyfriend, but my mother was against us living together. Then she started to visit various institutions like police, orphans' court and other places. What tales she told about us! We drink, we leave kids unattended etc... And social service and orphans court believed her then, because she knew how to tell it. Now nobody believes her. Years have passed and everyone can see how it is now with us and that it was no different then. Finally they barred my parents' rights for half a year and gave them to my mother, but the children stayed with me. I did not receive the child allowance, she received it. I was bringing up the children. I had big difficulties with my oldest daughter Ilona. My mother moved her to boarding-school, but she did not want to study there. But since I did not have parents' rights at that time I could not move her back to an ordinary school.” (ILGA)

A number of the Russian speaking respondents have got relatives in Russia. Since the visa regime was implemented their contacts have weakened.

“I have got very many relatives but I do not contact with them. Now there are borders and visas. Everything is complicated and expensive. I do not have relatives in Latvia. All of them are in Russia.” (VALERIJS)

### **Friends and neighbours**

Only few respondents have a wide network of friends. A shortage of friends is usually caused by frequent change of flats and lost previous contacts. Russian speaking respondents also have lost their friends because they have moved to Russia.

“I do not have friends. They have moved, some of them went abroad.”  
(VALERIJA)

Others mention low income as a cause for losing friends. Lack of money for reaching friends and buying them a present restricts contacts.

“So we meet sometimes by chance, but nowadays everything gets stuck in lack of finances. One has to pay travelling costs and still needs money on spot.”  
(LIGA)

The main social contact network is based on relationships within the local community. Mutual help and co-operation among neighbours is characteristic.

“My former colleague helps me in winters. I help him... the day before yesterday I cultivated land for him... in winter he helps me, he gives me potatoes when I do not have any. He has got more land, that is why he gives me potatoes.” (MARIS)

### **Local entrepreneurs and farmers**

An essential income for many respondents especially in Dobele comes from odd jobs. Those may be various seasonal jobs like milking cows, weeding, maintaining lawns, assistance in farms etc. Those are unofficial jobs without any written agreements. Even though respondents pointed out that this is the only possibility for them to earn money, the work is hard. The workload is similar for men, women, children and elderly people. Wages are inadequately low. Quite often people are cheated and receive no payment for the work done.

“Last summer the children went nine kilometres away from home deep into the countryside to pick strawberries. They had to work also when it was raining. The farmer cheated them. They went there by bicycles. I could not imagine how far it was! I felt pity for them. Then this farmer told that they were lazy. They went one day and asked for money, then another and he kept telling them: “Tomorrow, tomorrow...” Finally he paid the about 1 lat each for some 20 days.” (LIGA)

“Summers are hard for the children. They have to work because we need money. They put the money they earn together for school. There are possibilities to

work, but wages are low. There are places where they provide food, but they pay little. But when one needs money it is necessary to work. For one drill-furrow of potatoes they pay 3 lats. But it is 300–350 metres long and it is impossible for a child to manage such a drill. We make use of all possibilities.” (LIGA)

### **Church**

Some respondents, especially families with children, reported that they received help from the church.

### **Kindergarten**

Kindergartens are one of the institutions which are especially supportive for women with children. Even though the municipal social service assists in paying expenses for kindergarten, the real problem is free places in them. Since only few women respondents have relatives and friends that are capable of providing material support, respondents usually do not have a possibility to pay a baby-sitter. So women have to stay at home with children and therefore cannot work or study even if they wish to do so. Quite often respondents do not have enough resources to pay for pre-school children’s activities, and therefore the socialization process for kids is monotone and marked with poverty and a context of social problems. Kindergarten therefore would be an extremely useful tool for socialization of such children. However the kindergarten problem should be solved on the state level, not on a municipal one.

“Once we went to a kindergarten in the suburb of Ilguciems. My daughter did not attend kindergarten at that time, but they claimed 60 lats for two kids per month. Then they sent me to some institution that protects children. I told them that they asked this amount of money and did not put us on a waiting list. So the woman made a phone call to this kindergarten and told me to go there. We were put on the waiting list. Since that time we have been waiting. I have visited all kindergartens in Bolderaja suburb. They always say: “No, would you want us to open a new group especially for you?” (DANA)

### **School**

The most frequently heard opinion about schools is that it is an environment where social differences are very well noticeable. Poor parents cannot provide the welfare for their children that rich ones can. Poor parents are worried that their children will be different from the rich.

“For instance let us take this case. My oldest daughter is finishing form nine. I do not know what to do. She has got this school finishing party and needs something to wear. I cannot imagine that she will be different from her classmates because I cannot do anything about it. Of course, I will fight and do whatever is in my power. Everything will be okay. But when I start to think what is in future in autumn all 5 children will go to school — then the feeling is weird because I know that I have got only this salary...” (LIGA)

### **Labour exchange**

Some respondents have tried to apply for jobs at the labour exchange, but this co-operation has not given expected results.

“Before he started to work in the port he applied for a job at the labour exchange. He worked a month but they never paid him for work.” (INA)

### **Orphans’ court**

Respondents with children reported about co-operation with the Orphans’ Court. It has been characterised negatively emphasizing a lack of real interest from officials and a one-sided approach to parents’ and children’s rights.

“They do not have to solve such cases (rejecting parents’ rights) because they do not want to understand anything. They say: “Here it is written!” They almost do not meet people, just look at what is written. They had some documents when the court started to question me. But what kind of documents do they possess? A police report where one man writes something. For the Orphans’ Court that is a valid document. But what kind of document is it? I can sit at home and write stacks of such “documents”. The court rejected these documents and then they understood their mistakes, but I suffered. This would be one thing but the main thing is that children suffered too. The Orphan’s Court should take care of children but here nobody can see care.” (ILGA)

### **Police**

Because of their deviant life-style and their children’s roaming, quite often respondents are under police observation. Co-operation with the police is mostly regarded as negative, emphasizing that police more often intervene than assist in solving problems.

“Once I went to the police and asked for help with my oldest child. I said: “Help me. Give me some advice or do something with him.” They just replied: “But what can we do?” They cannot do anything.” (DANA)

### **Municipal Social service and social workers**

For many respondents the social help and benefit system has been a very important source of support. In many cases income from social benefits become an essential part of the total income for many years.

“Social benefits helped me a lot. How would I cope? I do not know what would happen to me if they would not help. What would happen to my apartment? They would have turned me out.” (VALERIJA)

Besides material help clients value very highly also moral support, especially if it has been given at the right time. Respondents emphasize that broader view over their life situation is very important, because quite often the problems that make people turn to social services are indeed complicated. They require a combination of various methods and resources.

“I have Ann. She calls me regularly and I can visit her. I did everything with Ann’s assistance. She gave me addresses; she found everything out and made phone calls. She said: “Come to me at 8 or 9 am and make calls from here” I wake up and run and make calls from Ann. Everything just Ann... All my problems have been solved with Ann’s help. The key figure was Ann but the rest, like the Orphans’ Court, was a chain of consequences. And everything was solved with Ann’s involvement. Only Ann.” (LARISA)

### **Estimation of help and services provided by the municipal social service**

In many cases respondents co-operate with the social services for a prolonged period of time. Interviewed respondents reported periods of co-operation ranging from one to 12–13 years. Mainly the experience of co-operation includes receiving material assistances and benefiting from social services. This logically reflects the historical development of social services and benefits in Latvia. On the 1<sup>st</sup> of January 2003 “Law on Social Services and Social Assistance” and “State Benefit Law” came into full force that changed the previous approach. Social services term has been implemented and therefore services provided by social workers no longer include only estimating and granting money amounts, but also a much broader spectrum of support sources. For example, consulting, emotional support, assistance in solving daily household issues and juridical matters, planning incomes and expenditures.

Describing activities of the social service institutions respondents mentioned both: services and benefits they received.

Respondents mentioned the following *kinds of social benefits*: guaranteed minimal income – 21 lats in 2005, free lunch at school, covering communal payments, provision of firewood, food coupons, benefit for children finishing school, benefit for children starting a school year (10 Ls), organising Christmas and New Year parties for children, payment for children’s summer camps.

The following social services were mentioned: social house, rent of buses for trips, assistance in arranging documents (living place declaration, divorce documents, restoring parents’ rights), assistance in finding a place to live, payment for hospital treatment, assistance in arranging activities for children, payment for organisation and participation in children’s festivals, summer camps, consultations of psychologists, advice in various matters.

Based on principles of social benefits and social services, different specialists are involved in solving various problems. Different approaches and methods are used. If in assisting a person this person’s income is tackled, an individual approach is used. Difference between these two approaches in handling a client is reflected in the following interview with one of the respondents.

“We do not discuss personal issues with a social worker here (social benefits). She said that she is interested only in documents, but personal life is not a sphere of her interests. There is another social worker (social services) with whom we talk about personal issues and problems. She even asks how I am coping with my friend, are we going to get married. We discuss all problems and variants how to solve them, how to help. It is like – let us try this or that! Gradually we do everything and everything goes okay.” (VALERIJA)

### **Evaluation of services and benefits received at social service institutions**

Evaluation of social services and benefits reported by clients vary quite much. There have been very positive and quite critical views. However the majority of respondents consider co-operation with social workers as very important.

“They helped very much. I understood that I am not alone. I lived in a family that supported me but there is at least one institution that trusts me... I think I would have enough human power but it would then take much longer time. That also was important to me. Now I accept all those organizations, before I thought that they are no use. But now... there is a place where one can go and receive support and advice. They would also help you to find your way in all those institutions, give necessary information about documents, would help to fill them in. One can do that on one’s own, but that would take much more time.” (ILGA)

However, not always social workers are described positively. There are social workers whose attitude towards clients can be described as unethical and abusive.

“My debts for apartment were increasing. I went to the social service but they started to scream at me: why had I waited so long and done nothing. I did not want to return there because they screamed at me. I understand that they may tell what they think or give their opinion, but they must not scream in public, thus revealing my life to everyone.” (VALERIJA)

Before co-operation many of respondents did not know about the existence of the social services. Many learned about those possibilities from friends and neighbours.

“I did not know that there is such a social service where I may go. My friends told that such a place exists because they have been there, since almost all of them are divorced. All of them married early, gave birth to children and now are alone. It is quite hard to be a single mother. Some of them have been there and have received help.” (INA)

There are also cases when a social worker comes to a client and offers help.

“They came to us. They noticed that I was alone with three children and offered help. And they started to help» (DANA)

An initial opinion about the social service may be: one can go there and receive some benefits however there is no clear picture what the social service is about in reality. Information goes from person to person and assistance is mainly thought to be material. Also, the reason why a person initially turns to the social service is expectation to receive material support. Typically in such cases there are debts for apartment rent and communal payments.

It is characteristic that in Dobele respondents pointed to strict control carried out by social workers and mistrust in clients. In order to receive the guaranteed minimal income (GMI) of 21 lats there is very strict control of working hours and all possible sources of income.

“[...] now I have to work 70 hours and then I receive what I deserve – 21 lats. [...] she (the social worker) checks everything – try not to make it clean. If they would catch me that I have some side jobs and earn something that would be it. In that month they would not give me hours. Then they would require an explanation, why and how much did I earn... For example, on Saturday and Sunday I would go and help my neighbour to farm his land, and if they caught me they would say: “You did not work for free!” – “Why? Can’t I help my friend?” – “You do not tell me! Nobody helps no-one for free nowadays!” Those were her (the social worker’s) words.” (MARIS)

Several respondents, especially elderly people, mentioned that they feel uncomfortable while asking for assistance the social service in Dobele.

“I do not like to write papers [...] Then I think, maybe I am the only one who takes things this way, I feel like a beggar if I go and ask for any benefits. I think such asking is like begging on a street.” (EDITE)

On the one hand respondents feel uncomfortably while have to ask assistance, but on the other hand they claim that “many do the same”.

“I do not know what to say. I have not noticed that it would be so. Maybe they look at us like this, but I have not felt this attitude. Maybe this attitude exists, but I have not noticed it.” (DAIGA)

Estimation of material help given by respondents in Riga is different from that of those living in Dobele’s district. If respondents in Dobele consider material benefits granted by the social service as something very modest, then Rigaers who received benefits evaluate them as much more generous.

“Social help has this meaning, [...] that you are not left unattended.” (EDGARS)

Characteristically, in Dobele social benefit GMI is evaluated as an income that person receives after doing a hard work, so that this is not considered an easy income.

“I would like to ask you a question: Can this (GMI) be called “social help”? I know that abroad unemployed persons do not work. They just receive money. I have to work in order to receive my 21 lats, but they receive thousands! They receive unemployment benefit, and it is a must if the state cannot provide jobs.” (MARIS)

“The fact is that I have managed to survive all my life alone. Has the municipality helped? All of my children have free lunch at school, but we have honestly worked all the required time for it. Every child had to work five days during summer holidays, and they did. The oldest children worked for the younger ones, because I myself was occupied in my work. So they worked. So I do not know if someone can call it “social care”. I cannot tell if this is money earned or if it is like a benefit.” (LIGA)

It is quite interesting to mention that in Dobele the benefit 21 Ls is considered to be much more worthy if it has been paid in cash, rather than in food coupons.

“[...] If we talk about me and those food coupons. Here in Dobele we used to have a shop called “Delta”. Previously they gave us only coupons that could be

used in this shop. But the shop was among the most expensive ones. One cannot buy there what is needed. Either it is a sausage or meat – everything costs over 3 lats. So it went bankrupt. Now there is another shop. I know that some unemployed take half of the benefit in coupons, half in cash. I take cash. I would rather go to a supermarket. I can buy swine fat for 21 santims a kilo. I buy two kilos, so I can melt them and I have got fat. So I can make a soup. But in that new shop one cannot get these things. One cannot buy shoelaces or a needle and pin for coupons there, but I need also soap and razors. I cannot get them for these coupons.” (MARIS)

In comparison with social services, social benefits are treated by several respondents as some kind of norm. In this case respondents do not value them highly and do not consider them to be a special support. Such situation is more characteristic for Riga and for long-term benefit receivers.

“I do not think about material benefits. I am used to them, so I do not think about them. It is like customs to bring those papers for them.” (INTA)

Several respondents from Riga have received or receive psychological counselling. In most cases such service is evaluated very positively. For instance, after half a year’s work with a family with five children ( of them are vagrants) it is reported that parents started to listen and understand their children better.

“In the beginning I felt that it was somewhat even humiliating. We have lived to be 40 years of age and do not understand what is happening in our own family and do not know anymore how to bring children up. So it seemed to me. So I stepped it over and everything turned out well [...] Now he (the son) himself talks more about what is happening to him. And then such things come out of him. There are some interesting moments. Now I start to understand him better.” (INTA)

One respondent valued highly her co-operation with a social worker. In this case professional social work has been carried out. There have been regular meetings with the client once a week or fortnight. The social worker together with the client plans a solution to the problems and chooses strategies. Such long-term work gives results and is considered good by the client.

“It is getting better and better each time. Before I was in the dead end. I could not declare my place of residence and could not receive money. Gradually we worked everything through together with her (social worker). We planned things for this week and the next one. We made plans and submitted them to the chief social worker along with various references. The chief lady gave us permissions. It is quite convenient and easy that one has to do everything in

the right order. When one has a pile of problems it is difficult, it is hard to know where to start. Paper should be submitted at the right time in order not to write them again if the deadline has expired. So they told me and I did. It worked well – much better than having all problems in a pile. I know what I need.” (VALERIJA)

A remarkable support especially in Riga is given to families with children by arranging activities for them.

“Last year my son went to a summer coping camp. Social service paid 80 lats for his participation. He spent two or three weeks there and he enjoyed it. Then they paid for his trip to St. Petersburg to meet his brother and mother.” (VALERIJS)

### **Problems of social benefits and the social service system from clients' point of view**

In many cases it is difficult for respondents to evaluate the system of social benefits and services. They feel grateful for the help they receive and their view of this system is not critical. However there is one common problem pointed out by many respondents. The system is not flexible in cases when quick decisions are required. As a result problems remain unsolved.

“[...] for instance, a kid gets ill and I quickly need medicine for some five or ten lats. I do not have this money, I just have for survival, for our daily bread. In the social service things happen like this. One goes there with a need and fills in an application form and then there is a committee that comes together once a month and decides. If one happens to get there a day after the committee's meeting – that is it. Wait a month! It looks easy: go and borrow money, but what will happen next month? If I borrow money I cannot make ends meet next month.” (LIGA)

Another respondent pointed out long queues and time spent that is required in order to get social services or benefits.

One of the problems mentioned by respondents is inadequacy of organised events to needs of different client groups. For instance, the existing order claims clients to work or attend courses in order to receive benefits. However, such a model is not always good for families with small children. Women cannot leave small children with other people.

“They once told me: if I do not attend any courses I will not get benefits. I told them that I cannot attend courses while my children have not finished their school. I have to take one child from school and I have got a daughter. She is five years old. I cannot leave her and attend courses. I cannot leave a five-year-old child alone at home.” (EDITE)

The same difficulties are faced by those clients who have got health problems.

### **Incomes of clients of the social service and the structure of incomes**

People face a problem to calculate their average monthly income and name the sources of income.

“My income last year? I cannot tell. Every month it is different, everything changes.” (INA)

On the one hand it may indicate that various illegal sources exist and people do not want to mention them or that the true income exceeds the declared ones and may thus lead to a loss of financial support from the social service. On the other hand this may reveal the fact that many respondents do not know the amount of their incomes and expenditures. It is quite interesting that some respondents treat the payment for apartment rent, electricity, gas etc. as norm and do not see the financial part of the benefit.

Usually, benefits received at the social service are combined with other incomes. For example, incomes from un-official work like construction works, repairs, weeding etc.; incomes from selling products grown in one's garden. Once a person has received a benefit from the social service he does not want to relinquish it, and these benefits become a self-evident regular source of income.

### **Situation / problems of a specific group of clients**

Research indicates several groups of clients that should be paid special attention. Those are families with children, pre-retirement age people, and men of employment age.

#### **Families with children**

There is a reason to pay attention to this group. First it is one of the most motivated groups of clients, but on the other hand it is exposed to the risk of inheriting social exclusion. Analysis of the situation of families with children shows that problems arise not only from unsolved problems of parents or their incapability

to solve problems, but also from issues that one person cannot solve alone but which have to be solved on the state level. Families with children are exposed to various risk factors like lack of a social network, absence of support from relatives, weak knowledge of the state language, health problems of parents and children, unsettled household and relationships. Women quite often bring children up alone. However, one has to accept the fact that women who work cannot provide themselves and children with an adequate material welfare.

“For instance I can survive an empty fridge, but I feel pity for the children that I cannot earn enough money and they have to suffer because of me. I do not understand why it is so. I work, I spend long hours at my work, but I cannot feed my children. Do I have to have a husband who would earn a fortune for me? (LIGA)

It is essential to have an infrastructure and employment policy that supports parents with children. Some of the basic problems are: lack of kindergartens, unfavourable attitude of employers towards women with children and organising activities for children in their leisure time.

### **Pre-retirement age people**

This group has two major problems. The first is discrimination in labour market due to the age.

“I can attend those retraining courses. But what is the point? Nobody will employ me because the retirement age is close. They would not accept me – it is as simple as that.” (JANA)

“I have a qualification – I am a mechanic. I have got a driver’s licence and I can work on a tractor. But nobody would employ me because of my age. I am not needed. If one is over 40 years of age – that is it. Nobody, no organization needs you.” (MARIS)

There is a group of elderly people who have no length of service. They have been working unofficially. Those people (“retired without retirement pension”) face real problems, because they do not receive retirement pension for five years after they have reached retirement age. During that time they can receive a 35 lats state social support benefit.

### **Attitude of fathers and men towards family and the up-bringing of children**

Analysis of interviews revealed an interesting image of a man. Very often the man is somehow absent. The woman has to take the responsibility for the children’s

upbringing. Quite often the man's role is limited to the conception of a child. Then he disappears from the woman's life. He is not searched after and he himself seldom is interested in his child if he knows about the child's existence at all. Respondents (women) in most cases accept such a situation.

"I receive alimony. I have to go to husband's sister. He leaves money there. He has got four children and therefore cannot give us more than 15 lats. He has got a new family and does not want me to interfere. That is why the communication goes through the sister." (DANA)

"He (the father) does not see his child. And it hurts. The child is old enough. They could meet now and go somewhere out[...] Since he left, he has not seen his child anymore. When we got married he already had another family with two children. He did not meet them either, just sent him money. He is just such a man." (EVA)

## 4.4 Conclusions and Proposals

Social exclusion includes a wide range of issues and requires a complex approach in solving them. It is related to state economic situation, availability of professional social assistance and related resources. These resources comprise the education of social workers, co-operation between various areas, individual approach to every client, development of infrastructure (for instance, IT technologies), the co-operational network of institutions, and the social service market.

One has to take into account the context of Latvia while analysing the social exclusion situation in this country. The context tackles the economic and social situation. That helps to understand various disclosures of the social exclusion. The following aspects characterize the Latvian context:

- A. Unsettled labour juridical relations. Employers can employ people without work agreements and without relevant work safety. This aspect has to be taken into account while performing social work. Unsigned work contracts, no fixed working hours, low and inadequate payment or even refusal to pay for the work done, use of children's labour, unsafe working conditions etc. – those are the problems that affect clients of social workers. In these cases social workers can perform advocacy on behalf of their clients;
- B. The transition from a command economy to a free market economy in the 90s left many people without job and savings. Many could not find new jobs

and have suffered from this transition up to now. In many cases the most affected are pre-retirement age people and the retired;

- C. As regards support for families with children there is no appropriate state family policy that would make it possible to combine family issues and work. There is no relevant infrastructure, i.e. kindergartens and institutions that would take care of children's leisure time. There is no family supporting employment policy either. It is essential to strengthen on the state level a parent-friendly infrastructure and employment policy. Providing social and legal environment for families with children in order to make possible the combination of job and family issues is a special priority.
- D. The stratification of people in Latvia is a rather serious process. There is a tendency for poverty to become deeper. "Inheriting poverty" becomes a more and more topical issue in Latvia.
- E. There are various forms of discrimination – discrimination on the grounds of age or family status. People before retirement who cannot find a job because of their age, or women with children – the reason is not far to seek – children are their shortcoming in labour market.
- F. A part of the respondents' problem in finding jobs is lack of knowledge of Latvian. It is especially true for women with children – an additional obstacle to becoming involved in labour relationships.

Social exclusion has to be considered as a complex issue. It is very difficult to draw a line between people's own responsibility and ability to have an impact on their lives and the causes of exclusion that are outside the control of an individual. Entering into the problem reveals a complex of factors that are connected with various spheres of life – employment, psychic and physical health, education, relationships in family, habitation. Unfortunately the current system of social care and social help is not yet ready to solve a crisis of such a complex nature. It is more geared to the solution of one specific problem that traditionally is solved by a financial benefit. In other words, social work today in practice uses a coping strategy instead of a problem-solving approach. Still, one has to note as a positive tendency that the so-called "individual approach" is used more and more in the practical social work. The present research proves it to be successful and highly valued by clients. In the analyses of practical social work we can observe significant differences between the social work of municipalities in Riga and social work in Dobele. For example, Riga has got a much broader variety of social services and they are much more used by clients in comparison with Dobele. Social work in

Riga has got much more financial resources and the so-called individual approach to the client's problem-situation is used there.

In the analysis of interviews it is possible to point out factors that deepen social exclusion and those that lessen it.

However, in general it has to be concluded that in the practice of municipal social services there are very few clients who have changed their life situation radically in a positive way. In general it is a sustained and complicated work that shows results after a long period of time. Usually the co-operation of the social services with a client is not stopped, it can in the course of time change its shape and become less intensive. That is a question of strategies of how to lessen exclusion

Table 4.1 Factors that deepen or lessen social exclusion

Factors that can <b>make deeper</b> social exclusion	Factors that can <b>ease</b> social exclusion
Violence that has been experienced in the family of origin; deviant life-style of parents – alcoholism; early death of the parents	Empathetic, encouraging, interested social worker
Lack of settled lodging or frequent change of habitation	Children (particularly for women) – a significant factor in changing life-style (stopping alcoholism, finding a job etc.)
Problems with legal status and other juridical problems – pending documents (residence permit, registration of residence)	Information received in due time, advice
Absence of rights, ignorance of one's own rights, particularly in the legal framework of employment	Support of family members, close relatives or neighbours
Labour relationships that are short term and are not legally settled	
Problems connected with care for little children (shortage of places in/ lack of money for kindergarten, lack of money for childminder)	
Lack of contacts with relatives (relatives are abroad, a person is like a "white crow" among his or her relatives and therefore feels repudiated)	
Addiction problems (substance addictions, co-dependency of a violent partner etc.)	
After-effects of social and economic changes of the 90s. E. g. many people lost their jobs because of lack of knowledge compatible in the new labour market, and until today they do not know how to provide for themselves	
Lack of regular income	
Much is dependent also on the place of residence – region, city, town or village	

and forestall it. That includes many points of view. It can include a view of the social worker, evaluation of the state social exclusion policy, and the clients' views. The respondents of this research emphasized that their life situation has improved. As the main factor was mentioned that they do not feel so alone, that they feel understood, they know where they can get advice; financial support in the situations of crisis (e.g. mountain of debts for a flat) also has been of great importance.

One of the concerns that have deserved attention in the practice of social work is the motivation of the clients. The so-called individual method in social work practice also has been positively evaluated and has given good results. In this case it is a long-term work with a client. There is a principle of co-operation agreement and the attention is on problem-solving strategies by setting short-term goals. For example – one of these groups might be a woman with children. Since the majority of the women are unemployed and they have been out of the labour market for a long period of time, it would be very important to pay attention to motivating them and giving support in order that they could return in the labour market. After the long time away from work many of these women do not feel secure and self-assured; yet they want to work.

Another direction in social work is the development of clients own problem-solving skills. For example, teaching economical use of financial resources or solving common household problems, teaching how to write documents etc.

An important issue also is ethical questions in the social work. Since the respondents have described some cases where the ethical norms had been broken, it would be very important to settle this question on the national level – activity of a corresponding institution, clients' awareness, etc. Although social work becomes increasingly more professional, yet there are cases when a social worker can misuse his or her power and act according to his or her affinity or antipathy.

In general the low life standards, illegal employment, the possibility to hide income, and stratification promote a situation when there is not a big difference between social benefits and a low-paid job. As the research shows, there is a part of respondents that are not interested to work officially, for then they will have to show their income and so they would lose their social benefits. This problem was more widespread in Riga, since financial social help is bigger there.

A very important issue in reducing social exclusion is co-operation both on the political and institutional level and also on the individual and community level. An analysis of the significance of various support systems in lessening the social exclusion of the respondents shows that people today have more trust in themselves and their relatives. Respondents have rarely received support from an institution or a professional.

# Chapter 5 Attitudes towards the Latvian welfare system

## *Aadne Aasland*

Until now we have examined the attitudes towards the Latvian welfare system among some of the most vulnerable groups of the population in Latvia: the clients of the social assistance offices. In this chapter we proceed by examining the attitudes of the general population. Such attitudes are formed by a number of factors, the most important being the performance of the system itself. However, they are certainly also influenced by the legacy of the past, the level of knowledge about and familiarity with various aspects of the system, as well as political values and opinions.

A total of 1028 respondents were interviewed face-to-face in the month of May 2005, as part of a larger omnibus survey in Latvia.<sup>19</sup> The survey was carried out simultaneously in three countries: Estonia, Norway and Latvia and comparative results are due in the autumn of 2005. In this report only Latvian data are presented. The survey fulfils all requirements of being a representative sample of the Latvian population, and the results are weighted by sex and age using updated Latvian population statistics. Estimated margins of error are two–three per cent for the main items, and somewhat larger for analyses of the population subgroups.

## 5.1 Income security

Respondents were asked about their attitudes to the perceived income security of various groups of the Latvian population. They were first asked a normative question about to what extent they believe the various groups should be covered by a public or compulsory system of income security. This was followed by a question on the extent to which the respondents think that the same groups are economically secured in Latvian society today. The results are presented in Table 5.1 and

<sup>19</sup> The survey was carried out by The Marketing and Public Opinion Research centre SKDS.

Table 5.2. As could have been expected, the respondents held quite different views about the groups listed in the survey. The results for each of the groups will now be examined. We start with the group which the highest share of the respondents held should be entitled to income security, and end with the group for which the smallest proportion of the respondents found such income security justifiable.

It would lead too far to give an exhaustive description of the Latvian income security system. A general outline of the Latvian income maintenance system was presented in Grønningsæter et al. 2001 and the Social Reports of the Ministry of

Table 5.1 Views on income security for different population groups. Per cent of respondents. "In this country there are groups with income that is insufficient for covering their basic needs due to different situations. To what extent do you think these groups should be covered by a public or compulsory system of income security?"

	No coverage	Cover basic needs	Cover normal living standard	Total
People who have lost their job because of closure or cut-back in their workplace	4	53	43	100
Retired people	3	27	69	100
People who are unable to work due to illness or disability	1	27	73	100
People with income from work under the level needed to cover basic needs	9	49	42	100
Families with many children	3	32	65	100

Do not know (between 5-7 % of the respondents for each item) have been removed

Source: Latvian omnibus survey 2005

Table 5.2 Perception of economic security for different population groups. Per cent of respondents. "To what extent do you think that these groups are economically secured today?"

	Not secured	Insufficiently secured	Well secured	Total
People who have lost their job because of closure or cut-back in their workplace	63	36	1	100
Retired people	48	49	3	100
People who are unable to work due to illness or disability	55	44	1	100
People with income from work under the level needed to cover basic needs	56	44	1	100
Families with many children	59	39	2	100

Do not know (between 3-7 % of the respondents for each item) have been removed

Source: Latvian omnibus survey 2005

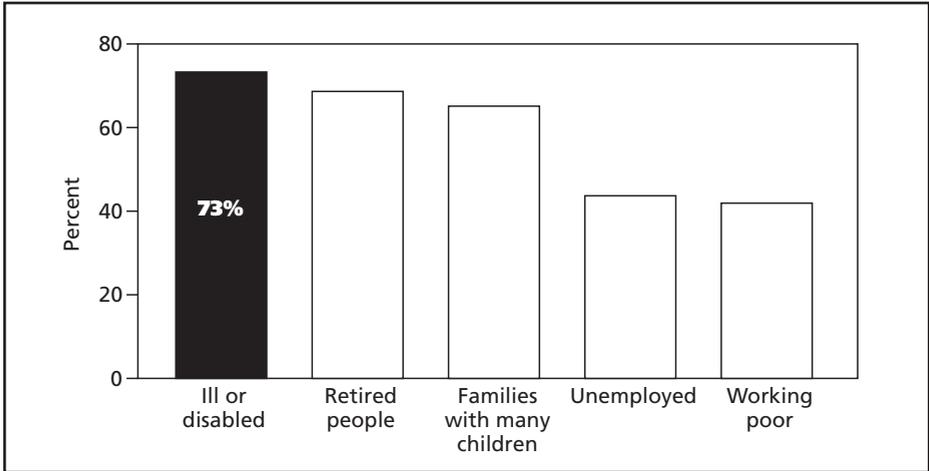
Welfare of Latvia 2000 to 2002. Some changes in the system of income security have taken place since then, most notably concerning family allowances and benefits. However, in order to provide a context for the survey results, a brief introduction to the present income security system for the groups listed in the survey is nevertheless considered to be useful.

**The sick and disabled**

Traditionally, the very old, sick or severely disabled have been considered as “deserving poor”, while “undeserving poor” are those capable of working. In Latvia those unable to work due to illness or disability make up the group that the largest share of the population believe should be covered by a system of income security. Nearly three quarters of the respondents who expressed an opinion on this question<sup>20</sup> thought that they should have a normal living standard covered (Figure 5.1). Less than one per cent thought that there should be no such coverage, while the remaining 27 per cent held the view that a basic coverage should be present.

In Latvia a sickness benefit is granted and paid for the period from the second day of incapacity for work for up to 52 weeks, and for up to 78 weeks during a period of three years if incapacity for work is repeated at intervals (Ministry of Welfare, 2001).<sup>21</sup> In a comparative perspective the replacement rate is relatively

Figure 5.1 Percentage of respondents in favour of full income security coverage for the sick and disabled.



Source: Latvian omnibus survey 2005

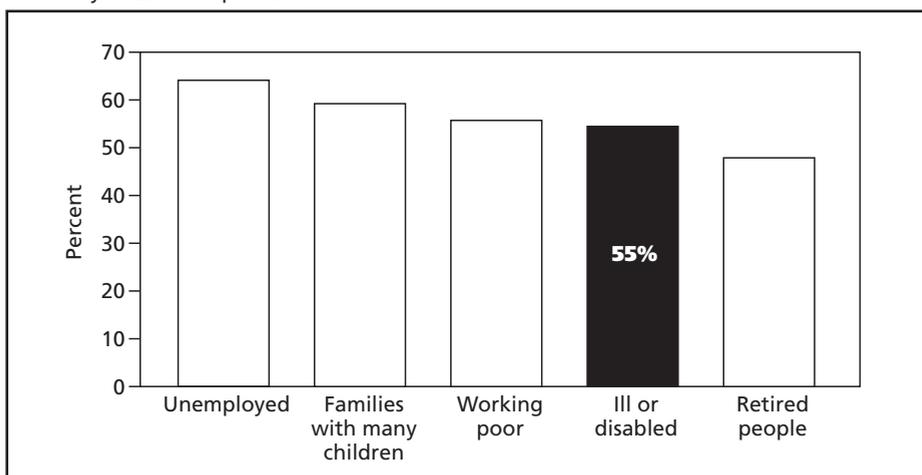
<sup>20</sup> For this and subsequent analyses we have removed the respondents who replied ‘do not know’. Their share varied between two and seven per cent of the respondents for questions on income security for various groups.

<sup>21</sup> The employer pays for the first 14 days.

high at 80 per cent of the average national wage (Kangas, 1999). After a period of sickness, the status of disability can be acquired.

Thus, it seems that in Latvia at least the basic needs are covered for those becoming ill or disabled. Nevertheless, 55 per cent of the respondents believe that this group is not economically secured today (Figure 5.2). One may question whether this response is due to a feeling that the ill and disabled deserve a higher living standard. One should bear in mind, however, that an income of 80 per cent of the average national wage is very low for a person with even moderate living expenses and especially in the case of dependants. Another 44 per cent believe the ill and disabled are insufficiently secured, whereas only a meagre percent of the respondents feel they are well secured in Latvian society. There are only small differences between different social groups in their opinion about and evaluation of the income security system for the ill and disabled, indicating the lack of social cleavages surrounding this question.

Figure 5.2 Percentage of respondents believing that the ill and disabled are not secured economically in Latvia at present.

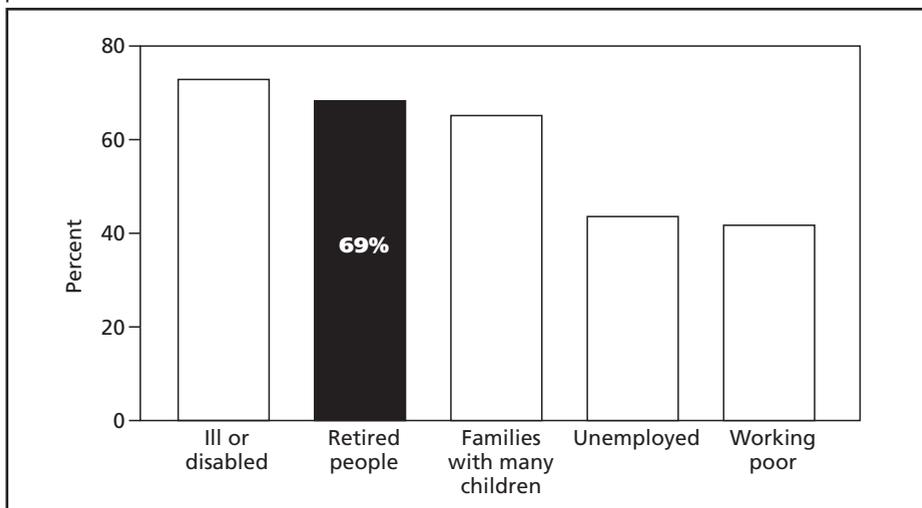


Source: Latvian omnibus survey 2005

### Old-age pensioners

Not surprisingly, retired people are the group that comes closest to the ill and disabled in the respondents' opinions of the justification of an income security system (Figure 5.3). A clear majority of 69 per cent of the respondents believe that this group should have a normal living standard covered by such a system, while another 27 per cent believe that such a system should cover basic needs. The remaining three per cent are against an income security system for pensioners.

Figure 5.3 Percentage of respondents in favour of full income security coverage for old-age pensioners.



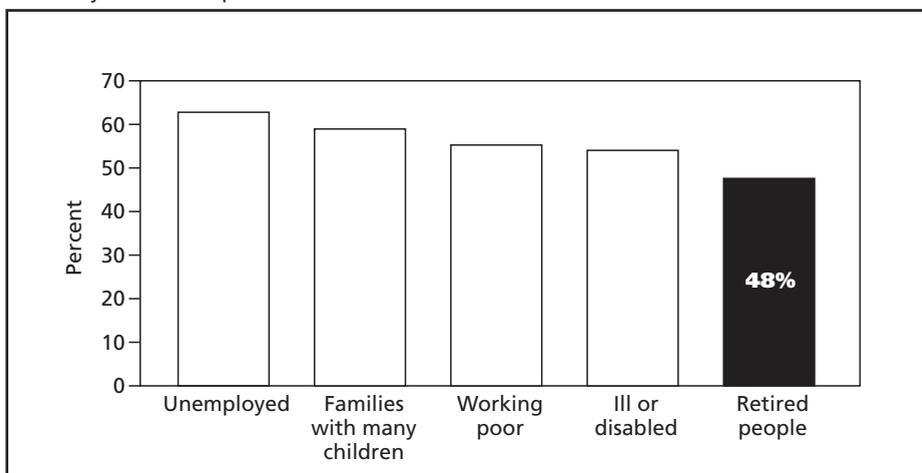
Source: Latvian omnibus survey 2005

The pension system in Latvia has undergone major changes since the country became independent, and a completely new pension system was introduced in the 1990s with the law on state pensions of 1995. A three-tier pension system has been introduced. Pensions in Latvia are determined by the insurance terms, retirement age, average wage, social insurance contributions, index regulation and life expectancy. The role of the pension system as an equaliser and distributor has been diminishing. The average Latvian pension still remains below the value of the minimum goods and services basket, but the difference has been diminishing (UNDP 2001).

The pension reform has succeeded in ensuring a financially sustainable system. However, although the general population has appreciated the basic principle of the pension reform – the link between benefits and contributions, many people have been concerned that the pension amount is insufficient for meeting a minimum living standard (Bite and Zagorskis 2003). Nevertheless, income and expenditure surveys have shown that pensioners are not among the most vulnerable groups of the population, as pensions are large enough to provide at least a basic protection against poverty and prevent most pensioners from falling into the lowest income deciles (Gassmann 2000).

Almost half the respondents (48 per cent) of the survey, however, believe that retired people are not secured economically by the income security system (Figure 5.4). A similar proportion (49 per cent) think pensioners are insufficiently secured, while the remaining three per cent think this group is well secured. This must be

Figure 5.4 Percentage of respondents believing that old-age pensioners are not secured economically in Latvia at present.



Source: Latvian omnibus survey 2005

considered a relatively bleak evaluation of the situation of old-age pensioners in Latvia and could indicate a rather low level of trust in the system. However, as can be seen by the figure, the general public seems to believe pensioners are at least better secured than the other social groups listed in the survey.

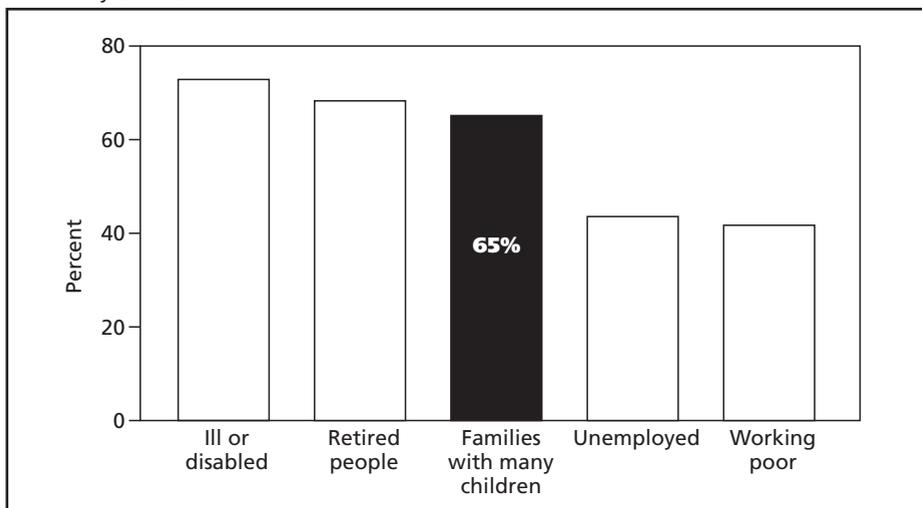
The pension system is important for all social groups. In this connection it is worth noting that higher income groups and persons with a higher education are those most likely to hold the view that the pension system should cover a normal living standard for the retired. It could be that it is easier for these groups to identify with this category of people than with those not able to make ends meet due to a low income or unemployment.

### **Families with many children**

The demographic situation in Latvia is quite unfavourable, in that the natural growth of the population is negative, birthrates are low and mortality rates high. At the same time household surveys have shown that families with many children are particularly vulnerable economically, which undoubtedly affects both birth rates and living conditions of children (Gassmann, 2000).

An awareness of this situation among the general population may explain that as many as 65 per cent of the respondents believe that families with many children should be covered by a public or compulsory system of income security covering a normal living standard (Figure 5.5). Thus, this category of people almost reaches the same level as the ill, the disabled and the pensioners when it comes to

Figure 5.5 Percentage of respondents in favour of full income security coverage for families with many children.



Source: Latvian omnibus survey 2005

responses to this question. Poor families with many children clearly come under the category of “deserving poor” in the eyes of the Latvian public.

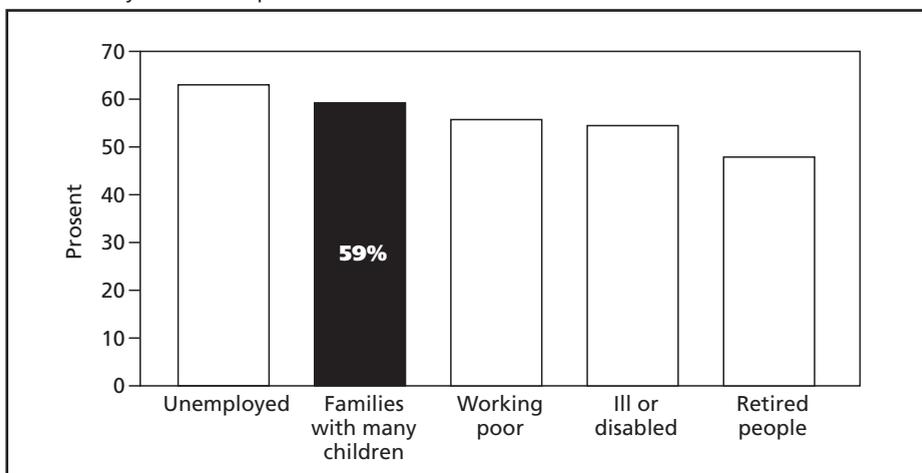
Latvian families are entitled to a number of allowances and benefits. The family state benefit is paid from the child’s birth up to its sixteenth birthday, and the benefit increases with the number of children in the family. In addition to a rather generous childbirth allowance, a child-care allowance is given up to the child’s 2<sup>nd</sup> birthday, with the highest benefits during the first 12 months.

In 2004 the Latvian government approved a plan to introduce a differentiated child-care allowance system.<sup>22</sup> The plan envisages that a parent who has paid social insurance for the 12 months prior to the birth of a child will receive 70 per cent of her/ his average gross wage until the child is one year old. Thus the child-care allowance represents approximately the parent’s net wages while he/she is in employment. Parents who are not “insured” receive 50 LVL (nearly 72 euro) a month. Although the reform will make it easier to combine work with raising children, it will contribute to greater inequality between social groups.

Not only family allowances and benefits are important for decisions about having several children. The availability and price of child care facilities, expenditure for school meals, transportation and general consumer items are also considered to be crucial. Although the economy has improved somewhat for large seg-

<sup>22</sup>[http://www.eu-employment-observatory.net/resources/monthlyupdates0408/latvia\\_update\\_august\\_04.doc](http://www.eu-employment-observatory.net/resources/monthlyupdates0408/latvia_update_august_04.doc)

Figure 5.6 Percentage of respondents believing that families with many children are not secured economically in Latvia at present.



Source: Latvian omnibus survey 2005

ments of the population during the last few years with increasing birth rates as one of the results, Latvia is still facing an increasing depopulation.

The economic situation of families with many children is considered more precarious than for pensioners, the ill and the handicapped, according to the results of our survey. Six in ten respondents claim that their economic situation is not secured today (Figure 5.6), while four in ten believe that it is insufficiently secured. Less than two per cent of the respondents believe this group is well secured. Thus, the evaluation of the overall public seems to be in line with survey findings on the actual situation.

Various social groups differ somewhat in their response to this question. People with higher education and in the highest income quintile are the least unlikely to give a negative evaluation of the income security system. For these higher social strata economic hardships are unlikely to affect their decisions about having many children.

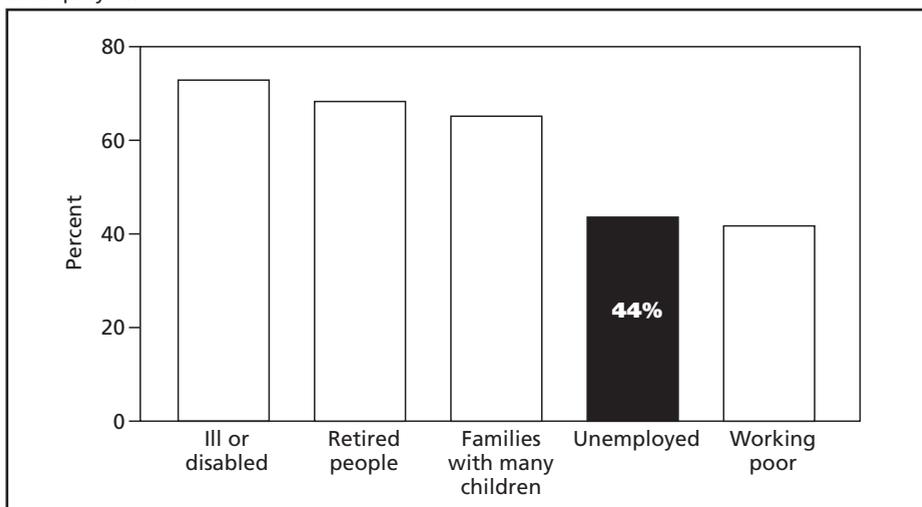
### **The unemployed**

Unemployment in Latvia is still substantial, also in a European context, with an unemployment rate of more than ten per cent in 2003–2004 according to the Latvian labour force survey. Registered unemployment is somewhat lower, however. Unemployment has severe implications for the economy of those directly affected and their families.

Unemployment benefits are dependent on amount of wages and salaries and the duration of the entitlement to this support is short (nine months) when compared with the practices of other EU member states. Qualifying conditions for entitlement to social insurance unemployment benefit are the registration at the State Employment Service, a total insurance record of not less than one year, and nine months' insurance record in the twelve months before registering as unemployed. The amount of unemployment benefit is determined by the length of the insurance record and the length of unemployment.<sup>23</sup> The benefits are mainly financed by employer and employee contributions (social insurance money), and the insurance is financed by the Social Insurance Budget. The fact that the duration of benefits is quite short, that the benefit level is low and that the benefits are earnings-related, may lead to a dramatic deterioration of living conditions and welfare of those affected.

There is no unanimous view among the Latvian population about to what extent the income security system should cover those who have lost their job due to closure or cutback in the workplace. However, a clear majority believes that the system at least should cover basic needs. More than four in ten (43 per cent) of the respondents think that normal living standards should be covered (Figure

Figure 5.7 Percentage of respondents in favour of full income security coverage for the unemployed.



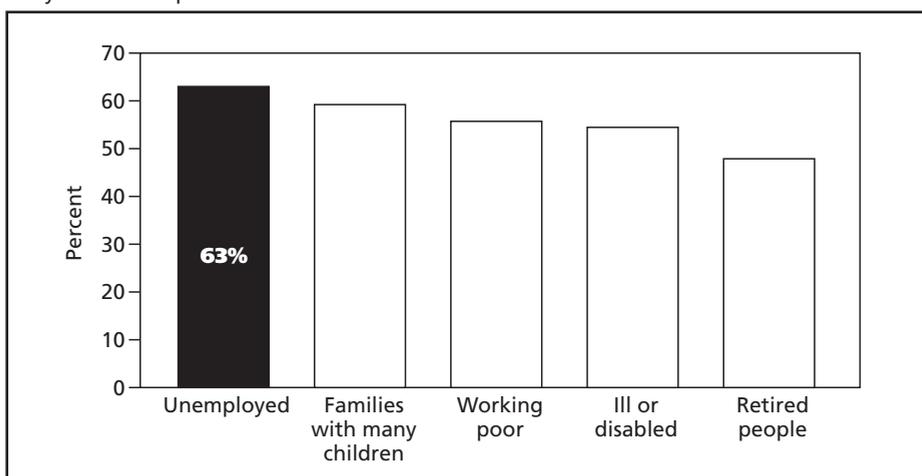
Source: Latvian omnibus survey 2005

<sup>23</sup> For a 1 – 9 years insurance period, 50 % of average contributions wage is granted; for 10 – 19 years, 55 %; For 20–29 years, 60 %; for a record over 30 years, 65 %. The full amount is paid for the first 3 months, 75 % for 4–6 and 50 % for 7–9 months. When the payment of unemployment benefits is suspended, the unemployed can only rely upon social assistance.

5.7), while 53 per cent believe the system should cover only basic needs. Only four per cent believe no coverage should be available to these groups.

When it comes to the evaluation of the system's ability to secure those affected by unemployment, a majority of 63 per cent holds the view that this group is not secured. This is the highest proportion of all the groups asked about in the survey (Figure 5.8) and is likely to be a reflection of the real situation, as the unemployed have been singled out as one of the most vulnerable groups in Latvian society (Aasland and Tyldum 2000). Just over one third (36 per cent) believes that the unemployed are insufficiently secured, while only one per cent think they are well secured. Further analysis shows that the unemployed themselves are clearly the most likely to give a negative evaluation of the situation of this group, as 66 per cent think they are not secured, indicating that the general views of the population expressed in the survey are not an exaggeration of the real situation.

Figure 5.8 Percentage of respondents believing that the unemployed are not secured economically in Latvia at present.

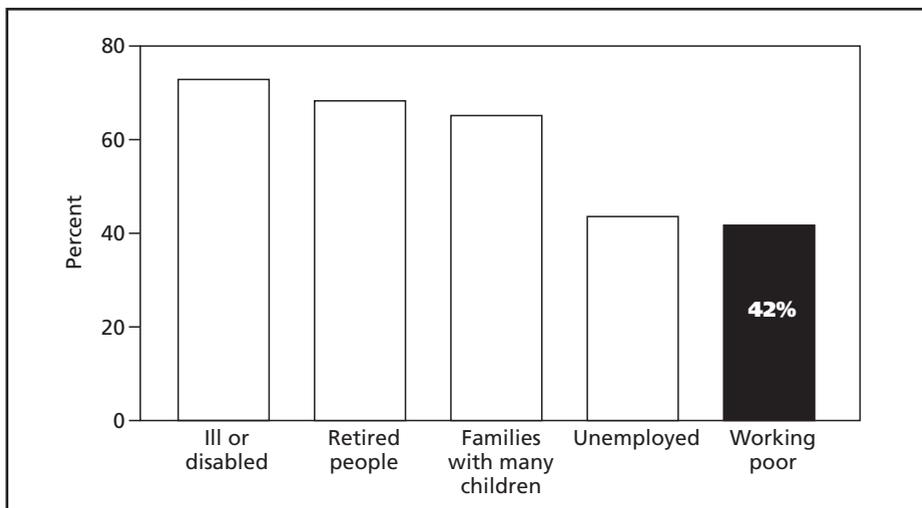


Source: Latvian omnibus survey 2005

### The working poor

Finally we will examine attitudes towards the part of the population having income from work under the level needed to cover basic needs. Compared to all other segments that were asked about, this is the group for which the largest share of the Latvian population would consider that the income security system should only cover basic needs. Nearly half the respondents believe that only basic needs should be covered, and nine per cent hold that there should be no coverage at all. Still, it

Figure 5.9 Percentage of respondents in favour of full income security coverage for people with income from work under the level needed to cover basic needs.



Source: Latvian omnibus survey 2005

is noteworthy that as many as 42 per cent believe that a normal living standard should be covered for this population segment as well (Figure 9). Whether this should be interpreted as a legacy of the Soviet system where work protected people from poverty, or the expression of a critical view of present income disparities in Latvia, is an open question. Further analyses show that the view is prevalent in all social segments, but elderly people are somewhat more likely to support coverage up to normal living standard than the young, at least pointing to the socialist legacy. Moreover, this view is least common among those in the higher income segments and among those with higher education. They are also the groups that are least likely to get in such a situation themselves.

One could, of course, ask whether indeed there are working poor in Latvia. Household income and expenditure surveys show that households with unemployed persons are the worst off, and that work protects against poverty. However, with the present salary level two incomes are necessary for most households. At 80 LVL (just over 114 Euro) Latvia had the lowest minimum wage in EU in 2004. Latvia also had the largest share of employees who received the minimum wage, at 15.3 per cent (EU employment observatory, 2003).<sup>24</sup> For a household without depend-

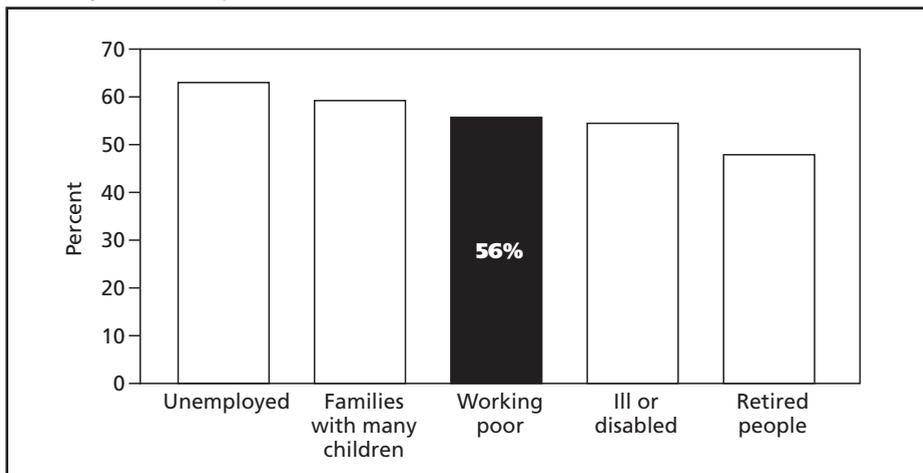
<sup>24</sup> The widespread habit of paying by the ‘envelope’, meaning officially reporting the minimum wage but paying some extra salary directly to the employee that is non-taxable, but also does not contribute to the pension scheme or other insurance based benefits, probably inflates the share of the employees with a minimum wage.

ants this should be sufficient to cover basic needs, but if the family has only one income, several dependants, or some special needs due to certain medical expenses etc., the risk of poverty is indeed present. In addition, due to high unemployment rates some people that would want a full-time job can only find part-time work.<sup>25</sup> This is another poverty trap. The definition of how low an income should be in order to qualify for the label 'poverty' is of course controversial, and has been debated vividly in Latvia (Gassmann 2000).<sup>26</sup>

The guaranteed minimum income (GMI) is a tool that came fully into force in 2003 and can be interpreted as an actual subsistence minimum that the state has taken the responsibility to ensure. At 2005 the level of the GMI stands at 21 lats, although local municipalities can increase this level. This level is, however, so low that it cannot even cover nutritious food, making it important to have access to some home-produced food.

Not unexpectedly, a majority of the respondents in our survey (56 per cent) believe that those with a salary that does not cover basic needs are not secured in Latvian society today. Only the unemployed were considered to be less protected

Figure 5.10 Percentage of respondents believing that the working poor are not secured economically in Latvia at present.



Source: Latvian omnibus survey 2005

<sup>25</sup> According to the latest labour force survey, 18 % of the population, mostly women, worked less than 40 hours, which is the official working week.

<sup>26</sup> The poverty reduction strategy differentiated between 'poor' and 'low income', 'poor' referring to an income of less than 28.67 Lats per household member, while 'low income' referred to an average monthly income during the previous year had been less than 50 % of an average disposable income per household member (Bite and Zagorskis, 2003).

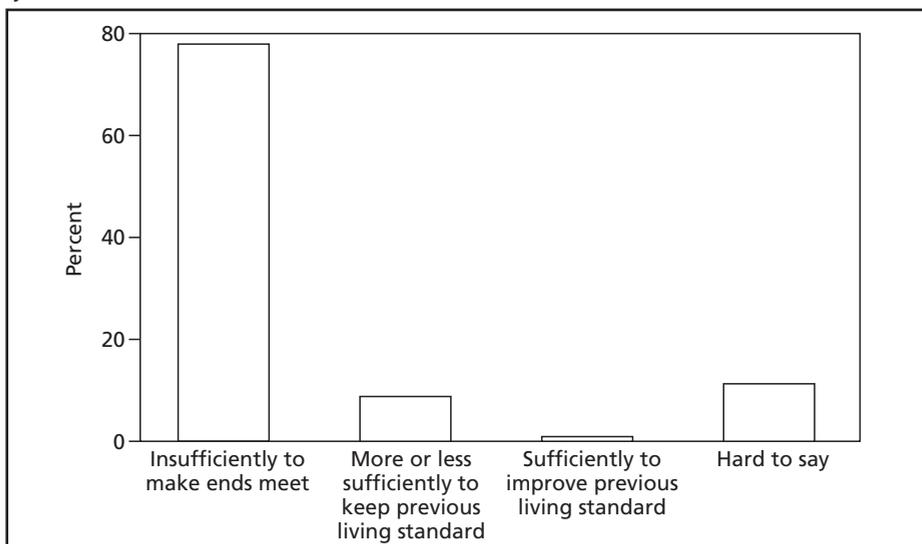
(Figure 5.10). Less than one per cent think that this group is well secured, while the rest (44 per cent) opted for 'insufficiently secured'. The same pattern as the one described for the normative question is present for this item: the higher education and salary, the less likely the respondent is to answer that the group is not covered. This can be interpreted in different ways: it could indicate that those in the higher social strata are further from the situation and do not know the real situation, but it can also be seen as a sign that those with lower income expect more support from the state or policies that will reduce differences between rich and poor.

It is worth noting that ethnic Latvians are somewhat more prone to express a negative view of the income security of the working poor compared to respondents of other ethnic affiliations. If one interprets the results of the survey in a Soviet legacy perspective, this at least indicates that Russians and other ethnic groups living in Latvia are not more influenced by such characteristics than the majority group.

## 5.2 Perception of own economic security

The respondents were also asked a question that puts the respondent in the situation where he or she must consider their own income security. We asked to what extent the respondents thought they were covered by a system of social insurance and benefits if they were to lose the main income of the household, e.g. due to illness or unemployment. The results are illuminating and is clear evidence that the majority of people do not feel protected by the income security system in Latvia (Figure 5.11, see next page). More than three quarters (78 per cent) believe that they would be insufficiently covered to make ends meet. Another nine per cent say they would be more or less able to keep the previous living standards, while one per cent claims that their living standards would improve. Naturally, a large proportion found it hard to give an answer to this question (twelve per cent), which could both be due to a lack of knowledge about the income security system and difficulties putting oneself into such a situation. The potential situation is perceived as relatively equally difficult for all social groups regardless of income and education.

Figure 5.11 Sense of economic security. Per cent. "If you lose your main income, e.g. because you get sick or become unemployed, to what extent do you think that you are covered by a system of social insurance and benefits?"



Source: Latvian omnibus survey 2005

### 5.3 Income differences in Latvian society

Income differences in Latvia have increased dramatically in the period since Latvia regained independence in 1991. In line with other countries of the former Eastern bloc, the rather strongly egalitarian society underwent a new process of polarization, as new market principles were employed. Indeed, increasing inequality has been a trend for the majority of Western Europe and North America, indeed globally as well, but nearly nowhere at the speed witnessed in the countries of the former Soviet Union. In Latvia, while the gini coefficient, a common measurement of income inequality, was estimated to 0.23 in 1988–89, it had increased to 0.32 by 1998, an increase of 43 per cent (Palma *et al.*, 2001). This is about the same level as in France, somewhat below the UK, substantially higher than in the Scandinavian countries, but far below Russia and most of the CIS countries.

The NORBALT living conditions surveys in 1994 and 1999 showed great skepticism in the population about the increasing chasms between different social groups in Latvian society. The same question that was asked in 1994 and 1999 was repeated in the 2005 survey, and it is therefore possible to discern trends in shifts in attitudes in the 1994–2005 period.

Let us first look at the responses in the freshest 2005 survey. The question asked was whether the respondent thought the income differences should be much smaller, slightly smaller, whether they were considered acceptable, should be slightly bigger or much bigger. The responses show a clear tendency for the majority of the population to wish for smaller income differences in society. Of those who expressed their view on this question<sup>27</sup>, 69 per cent thought that income differences should be much smaller, while 23 per cent thought they should be slightly smaller. Only seven per cent thought the income differences were acceptable, while virtually no respondents (one per cent in total) thought that income differences should be slightly or much bigger.

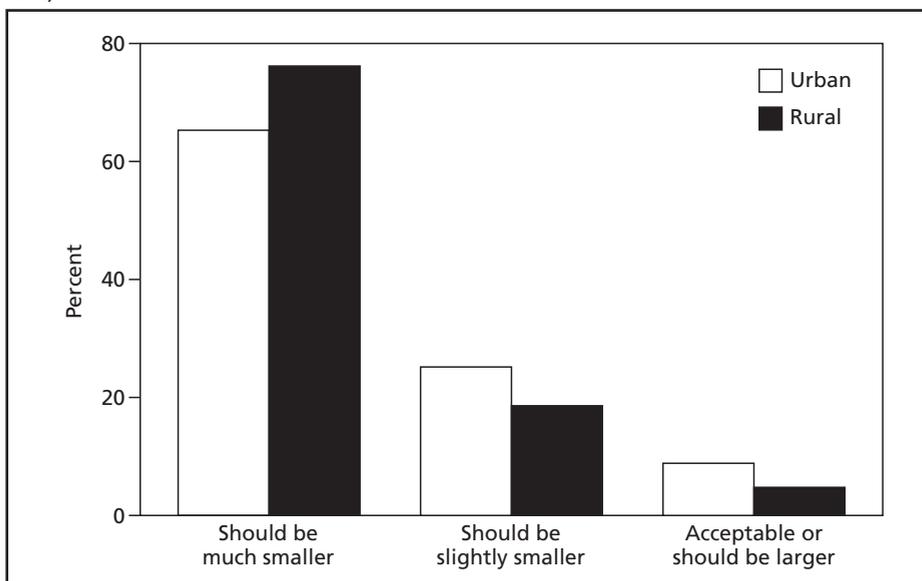
There is room for different interpretations of these results. Firstly, they can be seen as an indication of widespread egalitarian attitudes among the public, whether this is seen in the context of the socialist past or not. Secondly, it may suggest that income differences indeed are so vast that they are unacceptable to most people. A third possibility could be that people accept income differences as such, but think income is distributed in an unfair fashion. A distribution of wealth through a privatization process that few people would consider completely transparent and open, undoubtedly may have contributed to this. Alarming reports of corruption up to the highest echelons of Latvian society give even more reason for concern.

It is in this context interesting to note that there are small differences between the social groups in terms of their evaluation of income differences in the country. People with high income or higher education are just as likely to find income differences too large as those who are not so well off economically. When controlling for a number of background variables<sup>28</sup> in a logistic regression model (not shown here), the only factors that has statistically significant impact on the likelihood of supporting much smaller income differences is urban/rural residency. All other factors in the model being constant, going from urban to rural residency increases the likelihood of being skeptical of income differences. This can probably be explained by the more severe economic problems experienced in the Latvian countryside. A bivariate correlation with ethnicity and citizenship status, indicating that non-citizens and ethnic minority groups are more prone to accept income differences than citizens of Latvia and ethnic Latvians disappear in the multivariate regression analysis. This can probably be explained by the fact that more ethnic Latvians live in the countryside where the attitude towards income differences are the most negative. Figure 5.12 (next page) shows that bivariate relationship between type of residence and opinion about present income differences.

<sup>27</sup> 8 % of the respondents said that they did not know.

<sup>28</sup> The background variables that were controlled for were age, sex, household income, education, ethnicity, employment sector and urban/rural residency.

Figure 5.12 Opinion about present income differences by urban or rural type of residence. (Per cent)



Source: Latvian omnibus survey 2005

Negative attitudes towards income differences have been prevalent in the whole period from 1994 to 2005. From 1994 to 1999 the acceptance of income differences was somewhat reduced. The proportion thinking income differences should be much smaller was 77 per cent in 1999, while it had been four per cent lower in 1994. The trend from 1999 to 2005 is in the different direction, when as noted above 69 per cent thought they should be much smaller. At the other end of the scale, the proportion believing income differences are acceptable or should be greater has been quite stable with the lowest figure in 1999 (five per cent), while the proportion opting for slightly smaller differences has increased substantially in the 1999–2005 period.

Even though there has been a trend towards more acceptance of income differences, the general mood is still one of clear preference for a more egalitarian income distribution.

## 5.4 Reasons for poverty

In the last section of the chapter we will examine what Latvians perceive to be the causes of poverty. The answers offered for the respondents to choose from were:

1. Because they have been unlucky;
2. Because of laziness and lack of willpower;
3. Because of injustices in our society;
4. Because it's an inevitable part of modern progress
5. None of the above.

The distribution of answers can be found in Table 5.3. In this table responses from Latvia can be compared to those of the World Value Survey 2001 with the EU25, EU15 and the 10 new EU member states.

The responses to the question can be grouped in two categories: individual reasons and structural reasons. While the first and the second belong to the individual reasons, the third and the fourth can be labeled structural. As can be seen from Table 5.3, the majority of respondents in Latvia give structural reasons for the phenomenon of poverty. The clearly most prevalent reason mentioned is injustice in society. The other three reasons are more rare and all reported by less than 20 per cent of the population.

Respondents were also asked about the second most important reason (see second column in Table 5.3). If we sum up the first and the second reasons, we find that almost two thirds of the respondents believe injustice in society is an impor-

Table 5.3 Perceptions of reasons for poverty. Per cent.

	Latvia (2005)	Incl. 2nd	Latvia (1999)	EU 25 (2001)	EU 15 (2001)	EU AC10 (2001)
Injustice	43	63	32	37	35	50
Modern progress	19	47	24	22	23	20
Laziness/willpower	17	40	29	18	18	16
Unlucky	14	36	12	17	19	9
None of these	8	11	3	5	6	5
Total	100	-*	100	100	100	100

Note: Apart from the Latvian omnibus survey 2005, the results are taken from World Value Survey 1999 and 2001. The answer category 'do not know' has been omitted. EU 15 are the 15 old member states of the European Union, while EU AC 10 are the 10 new member states of 2004.

\* Since more than one answer per respondent, the total sum exceeds 100.

Source: Strapkova 2003; Gallie and Paugam 2002; Latvian omnibus survey 2005

tant explanation of poverty. The order of items is not affected by the follow-up question on the second most important reason.

Compared to 1999, the proportion indicating injustice as the main reason for poverty has increased substantially. At the same time the answer category laziness and lack of willpower has dropped from second to third place as the main cause of poverty. This is a strong indication of recognition in Latvian society that poverty is a structural phenomenon and cannot be solely explained by individual characteristics.

If we see Latvia in a comparative perspective, we find that Latvia is somewhere between the average of the old and the new EU member states of 2001. We do not know, however, in which direction the other new member states have moved over the last few years. Injustice in society is mentioned even more often in the new member states than in Latvia of 2005.

Analysis of the EU member states showed a clear link between socio-economic status and responses to these questions (Gallie and Paugam 2002). This, however, appears not to be the case in Latvia. This could point in the direction of less social polarisation in Latvia than what is found in many other countries. Logistic regression models (not shown here) with age, sex, educational level, urban/rural residency, income and ethnicity as independent variables and each of the four responses as the dependent variables, showed that only ethnicity could explain some of the variation in responses to this questions, while none of the other factors were statistically significant. Ethnic Latvians proved to be more likely than Russians and other ethnic groups to give individual explanations, particularly laziness and lack of willpower, as reasons for why people are poor, while ethnic Russians and other ethnic groups (further analyses showed that this was even more so for non-citizens), were more in line with the rest of the accession countries in blaming injustices in society for poverty in Latvia.

## 5.5 Conclusions

Based on the analysis above, we can make several conclusions among Latvians about attitudes towards the welfare system in their country.

*Firstly*, Latvians tend to be critical of the present income polarisation and increased differences between rich and poor in society. There are strong reasons to suggest that this tendency should be seen in relation to the socialist past and not solely be explained by a high level of income differences. In fact, several surveys have shown that in societies where the tradition has been liberal economic policies, people tend to be more tolerant of such differences and to give individual

explanations for poverty more often than in countries with a strong socialist or social-democratic tradition (Gallie and Paugam 2002). In this connection it is worth noting that there has been a tendency towards slightly more acceptance of income differences since 1999. One may ask whether the rather liberal economic policies that have been promoted by the various Latvian governments since independence will stimulate a continuation of this trend. Most likely, continuous economic growth will reinforce such a trend, while economic setbacks may lead to even stronger resentments and demands for a more egalitarian income distribution.

*Secondly*, the survey clearly shows that there is a strong sense of lack of economic security in Latvian society at present. This is the case both in regard to the perception of own security and in the assessment of security for various social groups in the country. Traditionally, the State has assumed at least partial responsibility for addressing the needs of the vulnerable in society. Despite a welfare system that has undergone substantial reforms in the past 10–15 years, both unemployment and illness are seen as risks that may seriously alter the living conditions of those affected. Most likely, it is not the direction of the reforms that is the main concern of the majority of people, but the low level of contributions and benefits.

*Thirdly*, the survey shows that the impressions of the general public about the level of economic security for various groups of the population are in line with survey results (from income and expenditure surveys) on actual vulnerability of the different groups. As the most vulnerable are considered the unemployed, followed by families with many children and the working poor, while the economic security works better for the ill and disabled as well as for the pensioners. It is particularly interesting that the group of families with many children is regarded to be one of the most vulnerable, which is also in line with government rhetoric. Thus, there appears to be a general consensus between the politicians and the general population when it comes to identifying the vulnerable groups, which should bode well for making policy priorities in the years to come.

A *fourth* main conclusion that can be drawn from the survey material is that there is surprisingly little polarisation between the different social groups in their attitudes towards the welfare system and understanding of poverty and economic security. Although there are some small differences between those with various levels of education and income, the general trends are very similar for all groups. This may be a strong indication that Latvia has still not developed into a typically class-based society where attitudes and views are formed mostly by position in the social hierarchy. Similarly, age, sex, type of settlement and employment can only account for a very small part of the variance for all the items of the omnibus survey. Furthermore, differences between ethnic groups and citizenship status are small. It is nevertheless worth mentioning that people of ethnic minorities and those

without Latvian citizenship are more tolerant of income disparities and are more likely to provide structural explanations of poverty compared to ethnic Latvians and citizens of Latvia. Thus, there are no grounds in the survey material to identify the Slavic population with more socialist or Soviet legacy attitudes compared with the majority group.

## 6 Conclusions

### *Feliciana Rajevska*

Both quantitative and qualitative analyses of poverty and social exclusion provide a good basis for evaluation of achievements and shortages in social policy and social work.

As an achievement could be mentioned GDP growth. Since 1995 Latvian real GDP has grown by nearly 60 per cent. Latvia has made good progress in creating the right legislative framework in many areas such as labour relations and the creation of social protection institutions. In fact the labour market situation has improved in significant areas, e.g. the decrease in the share of long-term unemployment in total unemployment from 58 per cent in 2000 to 41 per cent in 2003 along with the decrease of the total unemployment rate.

As the promotion of employability is considered as a precondition for the reduction of social exclusion, establishment of consultative councils at every branch office of the State Employment Agency can be assessed as a positive and significant step. Every council includes representatives of NGOs, employers, municipalities and state institutions, and their task is to develop their respective suggestions to promote the employability for every region.

There are long-term objectives for reducing poverty and social exclusion defined in the Joint Memorandum on Social Inclusion, signed between the Latvian Government and the European Commission in December 2003. The first Latvian National Action Plan for Reduction of Poverty and Social Exclusion is to be implemented from 2004 to 2006.

The number of social workers, especially during the last five years, has increased. They became more professional in their attitude to clients and municipality, and have developed clear system thinking, which resulted in a much clearer understanding of their own roles and tasks as well as those of other institutions, and the social services became more specialized and mobile.

Assessing the development of the institutional co-ordination network and the fostering of co-operation among state, municipalities, non-governmental organisations and private institutions in order to promote the implementation of the objectives included in the JIM, it should be emphasized that significant real im-

provements can be reached with the support provided by the Community initiative EQUAL. Even now active discussions over ideas of the potential proposal applicants occur and development of different co-ordination networks on every level have been clearly observed. Significantly, state and municipality institutions are becoming more active in planning co-operation with the most active non-governmental organizations.

Since 2003 paying out the guaranteed minimum income (GMI) benefit to the needy community members has become an essential job for social services as well as social workers, and affected their daily practices. The introduction of GMI-shaped social assistance target group excluded pensioners and included more families with children. In general the social workers estimate the GMI benefit as reaching the right target. The GMI concept involved significant changes in delivering social assistance. However these changes in the social workers' duties have resulted neither in a salary raise nor a personnel extension. Being based on an individual-targeted approach, the GMI benefit cannot but involve a greater workload for policy implementers and demand a more qualified and detailed assessment of the benefit applicants. The GMI benefit is based on the principle of establishing the mutual rights and obligations of the individual and of society. This particular idea of *an agreement* between an individual and society has laid the basis for the GMI benefit conception. Accordingly, a recipient agrees to co-activities aimed at his/her integration into the labour market and in turn she/he is granted a GMI benefit. The *agreement* concept views the benefit recipient not just as a needy person, but also as an autonomous individual responsible for his/her current, though critical, situation improvement.

Interviews with marginalized clients indicate that support of family members and neighbours and the responsibility for children are significant factors for changing the lifestyle. A positive trend is that the awareness about social workers' role has been increasing. Interviews with users indicated that empathetic respondents have considered encouraging the social worker and his/her advice and information received in this time as an important factor for reducing exclusion.

The most vulnerable client groups have not changed since 2000 – they are single-parent families and families with many children. There is a common recognition among the state institutions, local municipalities and public opinion on this issue. There are also other groups such as the disabled, people from prison and pensioners. However, compared to 2000, the latter group seems to create much less concern and is much less frequently mentioned than before. Explanation may be related to the introduction of GMI and the consequent reduction of various benefits for elderly people – the elderly are simply not viewed as a target group any more.

In 2005 the amounts of childbirth and childcare benefits have been increased considerably. The above-mentioned increase of the childcare allowance should be emphasized as one of the most important and real family solidarity strengthening decisions. As the wage of a man is higher than the wage of a woman in Latvia, in case when father was willing to take care of a child in the initial period of its life, it was frequently impossible due to economic considerations. The new system of allowance calculation no longer makes parents lose one source of income, and it may foster the participation of the father in the upbringing process of the child.

The Alimony Guarantee Fund has started work. The Fund provides budgetary resources for material support to the child when a divorced parent is not paying alimony. Since August 2005, when the fund started its work, the number of applications submitted to the fund continue to grow. Specialists of the fund have regular consultations with a growing number of clients that approve the urgency of the problem mentioned above in Latvia.

The project research has detected several negative trends as well.

The vicious circle – a phenomenon when social problems are inter-generational – is observed in both case locations. Given the market economy and the Latvian education system, the exit of the circle is very unlikely. There are no state policies to support those individuals who wish to enter a less risky social group.

There are serious disparities of income between individuals and disparities of income, employment and unemployment across regions, as well as significant numbers of socially excluded persons. Thus, the Gini coefficient in Latvia has been steadily rising from around 2.5 in 1991 to 3.6 in 2003. Real GDP in the Riga region is above 2.5 of that in Latgale, while the level of registered unemployment in Latgale is nearly 3.5 times as high as that in Riga region. Thus the evidence suggests that while in recent years Latvia has prospered at the aggregate level, significant sections of society have not shared in this bonanza.

The share of the so-called working poor is disproportionately high. There is no clear remuneration system for those employed in the public sector. Dissatisfaction with this situation has been expressed publicly in 2004 and 2005.

Important changes took place in public opinion. Five years ago Latvian society demonstrated the view that poverty and social exclusion are the results of a person's disregard of social norms and values as well as the lack of initiative to resolve his/her problems<sup>29</sup>. The majority of Latvian respondents in the Omnibus survey in May 2005 give structural reasons for the phenomenon of poverty. More than half of the respondents mentioned injustice as the main reason (or the sec-

<sup>29</sup>Gassmann F. *How to Improve Access to Social Protection for the Poor? Lessons from the Social Assistance Reform in Latvia*. Paper prepared for the conference on "Social Protection for Chronic Poverty" at IDPM, University of Manchester, UK, 23–24 February, 2005.

ond most important) for poverty. Compared to 1999, the proportion indicating injustice as the main reason for poverty has increased substantially. At the same time the answer category “laziness and lack of willpower” has dropped from the second to the third main cause of poverty. This is a strong indication of recognition in Latvian society that poverty is a structural phenomenon and cannot be solely explained by individual characteristics.

The Omnibus 2005 results demonstrate that the majority of people do not feel protected by the income security system in Latvia. More than three quarters (78 per cent) believe that they would be insufficiently covered to make ends meet.

A warning for policy makers is that the majority of the population wants smaller income differences in society. Of those who expressed their view on this question 69 per cent thought that income differences should be much smaller, while 23 per cent thought they should be slightly smaller. In his chapter Aasland stressed that the attitudes of the general population are formed by a number of factors, the most important being the performance of the system itself. However, they are also influenced by the legacy of the past, the level of knowledge about and familiarity with various aspects of the system, as well as political values and opinions.

The Omnibus survey figures have been approved by qualitative interviews with social assistance users and in focus groups with social workers. The major conclusion is that social problems in Latvia are only increasing and becoming more complex. Stratification of people in Latvia is rather a serious process. There is a tendency for poverty to become deeper. Interviews with social assistance users indicate that poverty had been inherited. Individuals endangered by social exclusion are hardly able to get off the risk zone themselves.

In the town municipalities, more than in the rural ones, there are a growing number of “complicated” cases – alcoholics and drug-addicts, Chernobyl victims suffering from alcohol problems, people with HIV/AIDS in combination with other health problems, mentally disabled people who also have health problems, people who do not speak Latvian.

The share of money spent for GMI differs a lot across municipalities from 3 to 80 per cent. The amount of GMI is inadequate to meet basic needs. Poor municipalities have to spend almost all the social assistance resources to cover the GMI benefit. The present situation shows that it is necessary to continue to monitor this system development and to combine it with social networking. The analysis of the GMI benefit is full of contradictions, because it is still a new benefit in Latvia, which is paid not only in cash but also in goods and services, offering beneficiaries to do public work or co-activities in order to get the allowance. The rapid increase of rural poverty is accompanied by an acute shortage of funding, so the poorest municipalities are incapable of paying the GMI benefit to all applicants.

For example, Latgale region faces a serious problem of municipalities failing to grant the GMI benefit to the poor, which is ignored by the state. Such municipalities need, at least partial, state funding as well as monitoring and assessment in order to secure the GMI to the population. Latvian policy-makers define the GMI rules but fail to provide additional GMI funds. The status of the public work still creates a lot of debate.

From the focus group discussions we can conclude that in practice, social workers today use a coping strategy instead of a problem solving approach, but the users of social assistance expect a more individual approach. This approach is highly valued by clients.

Social exclusion deepening factors can be divided into two groups. The first one is traditional factors such as lack of regular income, lack of contacts with relatives, violence and addiction problem. The second one is caused by deep and radical changes in the society during the transition: problems with legal status, unlawfulness, unawareness of one's rights – particularly in the employment sphere, and outdated work skills.

The problems of poverty and social exclusion, due to their multidimensional and complex character, take an interdisciplinary, inter-institutional and inter-regional co-operation as well as an individually coordinated and integrated co-operation at different levels. Until now the co-operation between different national structures in providing social assistance cannot be considered as active and coordinated enough; the national government just sets the policy guidelines, while local governments have to implement such a policy relying on their own resources. Furthermore, successful combating of poverty and social exclusion is closely related to solving problems in the housing, health care, employment and education spheres.

A thorough research, comparing the existing social assistance options available in Latvia with the needs of clients, would allow working out a unified state strategy for developments in the social sphere.

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