



Industrial relations and social dialogue
**Latvia: Developments in
working life 2022**

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Eurofound reference number: WPEF23018

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Introduction

The impact of the COVID-19 pandemic and the war in Ukraine was not as dramatic as expected. In 2022, compared to the previous year, GDP grew by 2% (GDP growth in 2021 was 4.1%). In 2020, the first year of COVID-19 pandemic, Latvia's GDP fell by 2.2%.

The unemployment level fluctuated between 7.1% in January to 6.5% in May and back to 7.1% in September 2022. According to Official Statistics portal, in 2022 the unemployment level was lower than in 2020 and 2021. Since 2005, unemployment level was lower for women than for men.

The employment level increased in 2022 compared with 2021 - from 62.5% (2021) to 63.9% (2022). Employment rate for men was higher than for women. It was 66.0% in 2021 and 66.8% in 2022 for men and 59.4% in 2021 and 61.4% in 2022 for women (Central, 2023).

Many sectors experienced labour shortages, among them several publicly funded sectors, including education, health care, the state police and other security services. To some extent the labour shortage was encouraged by epidemiological requirements, most importantly, by strict vaccination policy.

Inflation increased from 9.8% in January 2022 to 33.3% in November 2022, but, again, the government assisted citizens and businesses through grants and subsidies, which did not fully compensate the impact of inflation but reduced social stress. Separation from the Russian energy market was successfully managed and now Latvia is remarkably less dependent on gas and oil from Russia. In the first half of 2022, a political agreement was reached - to completely abandon Russian gas from 2023. The commitment was enshrined in law, and gas supplies from Russia must stop on 1 January 2023.

Precise data on the number of refugees from Ukraine is not available. The government adopted normative regulation and created institutions for the reception of refugees, providing access to housing, education, health care and employment for refugees from Ukraine.

The composition of social partners and normative regulation of their operation and social dialogue did not change. However, in practice, the social dialogue acquired new features. The government tried to achieve wider participation of society groups and traditional cooperation partners, not only social partners in the elaboration of new social and economic policies.

Political context

The main political event in Latvia was Saeima's (Parliament) election on 1 October 2022. Nineteen parties and associations of parties participated in elections. Seven parties and unions of parties received at least 5% of the total number of votes that is required to enter the parliament and were elected. Participation rate was higher in 2022 than in previous Saeima's elections (59,41% of voting citizens in 2022, 54.56% in elections in 2018, 58,85% in elections in 2014) (CVK, 2023).

The new Saeima includes: New unity (26 seats), Union of Greens and Farmers (16 seats), United List (15 seats), National Alliance (13 seats), For Stability! (11 seats), Latvia First (9 seats) and The Progressives (10 seats). Of elected parties four were represented in the previous Saeima. Three parties are newly established, however some of elected politicians from these parties have been deputies in previous Parliaments.

The first meeting of the new Saeima was held on 1 November 2022. After a long discussion the leading coalition was formed from three parties. Unlike in previous Saeima, the coalition parties signed a Memorandum, where they determined their priorities (Laganovskis, 2022).

President Egils Levits invited the representative of the political party which received most seats, the previous prime minister Krisjānis Kariņš to form a new government. Almost all ministers except two were changed. One new ministry was established, the Ministry of Climate and Energy. The new government was approved on 14 December 2022, and the first meeting of the new government was held on 22 December 2022.

Social unrest because of rising costs of living did not occur, because the government was able to propose financial assistance to at least partly compensate inflation (starting with the compensation of energy prices growth for households). Financial assistance was timely, but just for the most urgent needs, such as heating for households.

The pre-election government was in power almost all year, therefore the change of government did not impact responses to inflation. Moreover, the prime minister and the minister of economics did not change. This means, that the previous anti-inflation policy, namely, to mitigate the effects of inflationary factors rather than provide general revenue compensation proportionally to inflation growth will continue.

Actors, institutions and processes

Social partners

The composition, normative regulation and representativeness of social partners and social dialogue did not change.

The single national level employees' organisation the Free Trade Union Confederation of Latvia (LBAS) unites 19 sector level trade unions. On 9 December 2022 the LBAS Board accepted a new trade union as its member – the Latvian Probation Employees' Trade Union, and the Latvian Nursing and Health Care Personnel Trade Union was excluded from LBAS membership (LBAS Vēstis, 2022)., Final decision on these changes were adopted in the LBAS Council.

The single national level employers' organisation the Latvian Employers' Confederation (LDDK) had 182 members in 2021 (data on 2022 is not yet available). (LDDK, 2023).

Mergers or demergers of social partner organisations at sector level have not been announced. Foundation of new social partner organisations has not been announced. All organisations which join LBAS or LDDK acquire the rights of a social partner at sector level.

Social dialogue bodies or frameworks

The official framework governing the institutions related to social dialogue has not changed. The main social dialogue body at national level is the National Tripartite Cooperation Council (NTSP) and its ten sub-councils. The legislative framework for social dialogue and collective bargaining has not changed either.

However, the practice of operation of the social dialogue organisations have changed in recent years because the government organises public consultation on the state policy matters in large groups (60 – 70 participants) where it invites on equal grounds social partners, cooperation partners and other NGOs. The role of special rights of social partners (LBAS and LDDK) and social dialogue infrastructure, provided by law, as well and classical social dialogue as such decreased. Opinion of social partners became “one of many”, specific tripartite discussions in the NTSP were rare held. In order to maintain influence, social partners organised a coalition with the main cooperation partners of the government (the business organisation Latvian Chamber of Commerce and Industry (LTRK), the Latvian Association of Local and Regional Governments (LPS) and the Latvian Academy of Sciences (LZA)), coordinated opinion among them and submitted joint proposals with larger negotiation power.

An unusual event was the signing of a Memorandum among the five above mentioned organisations (LBAS, LDDK, LTRK, LPS and LZA) on 24 May 2022. It envisages further coordination of actions and a unified position in negotiations with the state administration for the achievement of set goals. (LBAS, 2022) The coalition of five organisations was effectively used for forming a common opinion during the design and implementation of COVID-19 pandemic measures.

Other working life related institutions

The main working life related institutions are the State Labour Inspectorate (VDI) and the State Employment agency (NVA). The role and normative regulation of these organisations did not change. Operation of VDI is regulated by the State Labour Inspectorate Law (adopted on 19 June 2008, valid from 10 July 2008). The law was not amended in 2022, while two new fields of activity are open – on COVID-19 (continues from 2021) and on employment of citizens from Ukraine (LV-UKR).

The operation of NVA is regulated by the Regulation of the Cabinet of Ministers No. 876 (Cabinet of Ministers, 2012). The Regulations were not changed in 2022.

Institutions involved in setting the national statutory minimum wage and normative regulation of establishing of minimum wage did not change, still the procedure of setting of the statutory minimum wage was different from the usual practice.

Governmental responses to inflation

In response to inflation the government introduced several benefits to soften the impact of the rise in energy prices. A majority of them are determined by the Law on measures to reduce the extraordinary increase in energy resource price (Latvian Saeima, 2022b), which includes the following measures:

1. Reduction of electricity system service fee;ⁱ
2. Fee reduction for mandatory procurement and capacity components;ⁱⁱ
3. Reduction of fees for consumed electricity and natural gas, the centralized heat supply service;ⁱⁱⁱ
4. Support for households for partial compensation of heating expenses if electricity, wood pellets, wood briquettes and firewood are used for heating and determination of regulated tariffs for centralized heating services during the support period^{iv};
5. Special regime for procurement of fuel for energy production^v;
6. Support measures for certain population groups.

The law envisages support to local governments for housing benefit costs.

An example of the government's response is, state benefits paid to persons who have reached retirement age, persons with disabilities, and persons who have lost their breadwinners. The benefit will be paid from 1 November 2022 to 31 May 2023 in the following amount: €30 per month, if the amount of pension, remuneration or state social security benefit or their total amount does not exceed €300 per month; €20 per month if this indicator is between €301 and €509 per month and €10 per month if it is €510 to €603 per month^{vi}.

This support is envisaged in the Law on measures to reduce the extraordinary increase in energy resource prices. The support is paid by the State Social Insurance Agency (VSAA).

The government widely involved social partners, cooperation partners and other NGOs in the design of anti-COVID-pandemic and inflation related measures. During the COVID-19 pandemic the government organised two working groups - Operational Management Group, led by the State Chancellery, and a working group led by the Cross Sectoral Coordination Centre (PKC). The Operational Management Group was responsible for general issues and designing of anti-COVID-19 and anti-inflation measures, and the working group organised by PKC dealt with specific issues. Later these groups merged in one - Operational Management Group, including 60-70 participants in each meeting. Meetings were held every week. In addition to this group, there was a working group with the minister of finance (established before COVID-19 pandemic) who dealt with financial issues.

Social partners participated in all working groups and therefore were informed and consulted. Within the limits of their capacity they provided comments and proposals, assessed consequences of the proposed assistance measures.

Besides the above-mentioned groups, new permanent institutions dealing with inflation were not established.

Specific anti-inflation packages and price control was not introduced, except public services where tariffs normally are regulated. State-managed wage indexation was not introduced and is not being debated. Wage indexation could be introduced by company level collective agreements, but their contents are not publicly available. In the public administration where wage determination is subject

to salary schemes, as to now, wage indexation is not in place. If salaries are increased, increase is motivated by other factors (for instance, necessity to pay adequate salary in order to attract qualified personnel in case of remarkable increase of deputies and high-level managers in the public administration).

Besides pensions, social benefits are not indexed in Latvia (LV portals, 2022b). The indexation of pensions was not changed, increases due to inflation and rising living costs was not applied and was not discussed. Instead from 1 November 2022 to 31 May 2023, state benefits will be paid to persons who have reached retirement age, persons with disabilities, and persons who have lost their breadwinners. Already in 2008, the Saeima commission proposed to introduce indexation of social benefits (Latvian Saeima, 2008). On 22 September 2022 the Saeima rejected proposals for indexation of social benefits. (LETA, 2022)

During 2023, some benefits were increased by law, but this was not tied to inflation.

ⁱ Eurofound (2022), [Reduction of the electricity system service fee for companies](#), case LV-2022-40/2912 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

ⁱⁱ Eurofound (2022), [Subsidies for citizens to reduce the rise in energy prices](#), case LV-2022-1/2416 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

ⁱⁱⁱ Eurofound (2022), [Additional measures to support for household energy expenses](#), case LV-2022-40/3144 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

^{iv} Eurofound (2022), [Support for household heating expenses](#), case LV-2022-40/2907 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

^v Eurofound (2022), [Support for households with propane-butane gas and diesel fuel heating](#), case LV-2022-19/3145 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

^{vi} Eurofound (2022), [Additional support for vulnerable groups to address energy price increases](#), case LV-2022-45/2909 (measures in Latvia), COVID-19 EU PolicyWatch, Dublin

Collective bargaining and inflation

How inflation features in wage negotiations

Impact of inflation in wage negotiations within the collective bargaining process is better known at national level. Sector level collective agreements exist just in some sectors – wage indexation is not included in these agreements. The contents of company level collective agreements are not publicly available, the impact of inflation on wage negotiations at company level is not known.

The procedures for the determination and review of the minimum wage are determined by Regulations of Cabinet of Ministers No. 563 “Procedures for the Determination and Review of the Minimum Monthly Salary” (Cabinet of Ministers, 2016). This Regulation prescribes ten factors that should be taken into account when determining minimum wage. Inflation is not among these factors. It might be indirectly included in the factor “the macroeconomic forecasts prepared by the Ministry of Economics and the Ministry of Finance, and changes in the economic situation in the previous year, including the development of labour productivity”. However, traditionally the main motivation for increase of minimum wage is increasing productivity.

Social partners use inflation differently in wage negotiations. While trade unions consider the inflation level to claim (minimum) wage increases, employers rarely use inflation as a motivation for wage increases. In negotiations, the social partners use the official consumer price index (CPI) provided by the Central Statistical Bureau (CSP), Eurostat figures may be used to compare with other countries.

The inclusion of inflation in wage agreements is not governed by any higher-level process or agreement. The mandatory content components of collective agreements are determined by Labour law, and inflation is not mentioned there.

There is no information on the number of collective agreements signed in 2022. The statutory minimum wage did not change in 2022, but was increased in 2023, while at the sector level there is only information for the construction sector, in which the minimum wage has not been changed.

Examples of recent responses

Examples when inflation is taken into account in wage negotiations could be found in company level negotiations. Unfortunately, contents and negotiation process at company level is not available for investigation.

Developments in working time

Changes to legislation

On 16 June 2022 the government adopted amendments to the Labour law (valid from 1 August 2022). About 40 amendments were made in 17 sections of the law. Several amendments were introduced regarding organisation of working time and leave (Latvian Saeima, 2022a).

By amendments to the Section 40 of the Labour law which determines items which an employment contract shall include, Clause 7 of the part 2 was significantly changed. Before amendments, the employment contract had to include only “agreed daily or weekly working hours”. After amendments, the norm was expanded and now this Clause regulates two cases:

- if the work schedule of the employee is completely or mostly predictable, only the agreement on the daily or weekly working hours should be included into the employment contract.
- if part-time work is agreed and the work schedule is not completely or mostly predictable, in the employment contract should be indicated:
 - a) that the work schedule is variable.
 - b) information on the agreed working hours.
 - c) information on the time when the employee may or would have the obligation to perform work.
 - d) information on the minimum notice period before commencement of the work or its cancellation.

Amendments introduce additional clauses regarding the duration of the probationary period. Before amendments the term of a probationary period should not exceed three months. According to the amendments, if the overall protection level of employees is not reduced, in the collective agreement concluded with an employee trade union may be agreed longer probationary period - exceeding three months but not exceeding six months. Three new clauses are introduced for employees with short-term employment contracts:

- if a probationary period is determined in an employment contract concluded for a period of up to six months, it should not exceed one month.
- if the contract is concluded for the period of up to one year, the probationary period should not exceed two months.
- if the overall protection level of employees is not reduced, in a collective agreement may be agreed a probationary periods exceeding the abovementioned period but not exceeding three months.

Several new norms increased the responsibility of the employer in the organisation of working time. An employee whose work schedule is not completely or mostly predictable may request that after the end of the probationary period the employer transfers him or her to a job where the work schedule is completely or mostly predictable. This is possible if there is such opportunity in the undertaking and the employee has worked for the employer for at least six months without interruption. The employer has the obligation to provide a justified response to the employee in writing within one month from the day of receiving the request.

Section 52 on Time of Discharge of Work is supplemented by three new clauses. Before there was only one requirement – that an employee should perform work within the limits of a specified working time. If in conformity with an employment contract the timing of acceptance of a result of work is of importance, the employee and the employer had to agree on a specified time period within which such work has to be done.

In the amended law, three additional protective clauses regulate discharge of work:

- an employee whose work schedule is not completely or mostly predictable may be employed only if the employer has set in advance reference hours and days and duly notified the employee about the time for the performance of the work. Reference hours and days within the meaning of the Labour law are the time period (days) when work may be performed.
- an employee has the right not to perform work if the employer has not set reference time. Creation of any adverse consequences for an employee in such case is not permitted.
- if the employer, within the time period specified in the employment contract, has failed to give notice of the cancellation of the performance of the work, the employee is entitled to receive remuneration which he or she would have received for the performed work.

The amendments to the Labour Law introduce norm, that if the Cabinet of Ministers has declared an emergency situation. an employer does not need a permit from the VDI for further overtime work, if overtime work continues for more than six consecutive days (part 4 of the Section 136).

After amendments the employer has the obligation to keep not only accurate accounts of working time (worked hours) but also the furlough time (hours) (Section 137).

Bargaining outcomes

There were no discussions on working time at the national level collective bargaining. In 2022, when the COVID-19 pandemic relaxed, the main consideration was if to continue the flexible arrangement or to return to workplaces. A flexible arrangement means that employees can agree with the employer to work partly in the office and partly at home or other place outside the office.

As mentioned above, the collective bargaining occurs mainly at company level and mainly in large enterprises. The procedures, the negotiated issues and the outcomes of the bargaining process at company level are not open for analysis.

Debates on duration and organisation

Except overtime work, other working time issues were not discussed. The discussion on the amendments to the Labour law also was not publicly evident.

In December 2022, Social and Labour Affairs Commission of the Latvian Saeima (the Latvian parliament) started discussion of the collective proposal of Latvia's citizens for a four-day, 32-hour work week. LBAS Chairmen Egīls Baldzēns was the only one who supported this proposal. As to now, employers do not support this idea, but the discussion is just started.

Labour market shortages and social partners

According to the official statistics, in the third quarter of 2022 there were almost 26,000 vacancies, of which 10,000 were in the public sector and 15,000 were in the private sector. In the private sector most vacancies were in manufacturing, construction, trade, transport, hospitality services, information and communication services, and administrative services sectors (vacancies in these sectors ranged from 1,000 to 3,600). In the public sector the state administration, security and mandatory social insurance sector has reported 5,200 vacancies, health care has 2,200 and education has 1,600 vacancies.

The main measures taken by policymakers to address labour shortages in the public and private sectors and occupations were improving of working conditions and increasing pay for public employees.

In the health care sector and education sector trade unions (the Trade Union of Health and Social Care Employees of Latvia (LVSADA) and the Latvian Trade Union of Education and Science Employees (LIZDA)) advocate for wage increases. In education sector LIZDA has achieved introduction of wage increase schemes agreed with the Ministry of Education and Science, and persistently follow their implementation. In health care sector, LVSADA maintains the discussion with the Ministry of Welfare and year by year achieves agreements on the current additional funding for health care.

The labour shortage in the state police is critical. For example, in the capital Riga, there is a shortage of almost 40% of police officers (LSM.lv, 2022b). As to now, the main measure to improve the situation is improving working conditions of police workers – renovation of offices and obtaining new means of operational transport. Not only low wages but also poor technical equipment and workspaces make working in the police offices unpleasant.

Latvian Prison administration (IeVP) reports that it lacks more than 400 workers, mainly prison guards (TVNet, 2022). Several fire guard stations were closed due to lack of workers and poor working conditions. There also main measure to improve the situation is improving working conditions and pay.

The participation of social partners in the state police and fire guard's sectors is less evident. The Latvian Firefighters' Union has started collecting signatures in the public initiative portal "Mana balss" asking to save stations, because their closing threatens health and security conditions of citizens.

Regarding the private sector, social partners (mainly employers' organisation LDDK) inform the government about appearing labour shortages and propose organisational measures for the solving of the problems – improving preparation of specialists, reducing wage tax burden, thus increasing available income, improving business environment and living conditions of workers (for instance, state support for building of rental apartments in places where there is a greater labour shortage).

Labour shortages are not a topic in collective bargaining negotiations. Skills development may be negotiated at company level collective bargaining. More common approach at company level is employer's paid courses for skills development. The Labour law prescribes rules of such activity, but does not force employer to do so, therefore, this is a legal issue for collective bargaining. At national level, NVA provides measures for improvement of employability of unemployed. Their work is not

subject of collective bargaining, however, social partners are eligible to express their opinions about effectiveness of NVA measures for reducing of labour shortages.

Other important policy developments

Employment status and contracts

Amendments to the Labour law, adopted on 16 June 2022 determined two changes in general normative regulation of collective agreements (Section 6 and Section 7)

- before amendments the law prescribed that provisions of a collective agreement, working procedure regulations, as well as the provisions of an employment contract and orders of an employer what erode the legal status of an employee determined by the legislation are not valid. The amendments introduce additional rule that in the cases specified in the law and if the overall protection level of employees is not reduced the derogation from the provisions determined by the legislation may be permitted with a collective agreement concluded with an employee trade union. The amendments specify one case - determination of probation time;
- the second amendment concerns familiarisation with the collective agreement: an employer has the obligation to familiarise all employees with a collective agreement and amendments to the collective agreement **before** the day when the collective agreement or amendments to the collective agreement enter into effect but not later than on the day when they enter into effect Until 31 July 2022, the employer had the obligation to familiarise all employees with a collective agreement no later than within one month after approval of the collective labour agreement or its amendments.

Several changes were introduced in Section 40 on Form of an Employment Contract which determines items which an individual employment contract shall include:

- 1) before amendments it was required to determine the workplace or the fact that an employee may be employed at various places. The amendments require to indicate in the employment contract that the employee may also freely determine his or her workplace;
- 2) the norm indicating working time was expanded for two specific cases: if an employee's work schedule is or is not completely or mostly predictable (see section "Developments of working time, Changes to legislation");
- 3) after amendments the employment contract should include not only the time period of giving a notice of termination of the employment contract but also procedures for this;
- 4) the amendments add three new Clauses (11,12 and 13): the employment contact now should include also: (11) the probationary period and its duration if such probationary period is set; (12) the right of the employee to training; (13) social security institutions which receive social contributions and any social protection provided by the employer;

A new clause is introduced regarding the work placement: A work placement service provider as an employer should notify the employee about the recipient of the work placement service:

- in writing,
- as soon as this becomes known;
- before the employee is appointed for the performance of work for the benefit and under management of the recipient of the work placement service.

More duties are set in additions to the Section 53. If the official or work trip is longer than four weeks without interruption, an employer has the obligation to notify the employee in writing and in good time before the posting of the following:

- the country or countries in which the work is to be performed;
- the duration of the performance of work;
- the currency in which remuneration will be disbursed;
- the cash benefits or benefits in kind;
- the possibility of and procedures for repatriation.

An employer shall notify the employee in writing of any changes in this information before their entering into effect but not later than on the day when the changes enter into effect.

Other amendments include: several norms increasing security of employment, guaranties to receive pay in the construction sector, several amendments regarding working time, work in holidays and leaves.

Several norms are changed or added in Chapter 35 on Leave. They are described in details in Chapter “Work-life balance”. Here we only refer one new clause: “Exercising of the right of the employee to the annual paid leave may not serve as the basis for a notice of termination of the employment contract or for otherwise restricting the rights of the employee”.

Wage setting

In 2022 the task to determine the level of the statutory minimum wage for 2023 was set forth by amendments to the Labour law (new articles No. 26 and No. 27 were added to the transition provisions, adopted on 27 October 2022, valid from 25 November 2022) (Latvian Saeima, 2022b). Amended Labour law prescribes that the government in the annual Regulations of Cabinet of Ministers on the minimum wage should determine that minimum wage within the regular working time should be not less than €620 from 1 January 2023 and €700 from 1 January 2024 (Latvian Saeima, 2001).

On 13 December 2022 the government by Regulation of Cabinet of Ministers No. 788 (Cabinet of Ministers, 2022) adopted amendments to the Regulation of Cabinet of Ministers No. 656 (Cabinet of Ministers, 2015). Amended Regulation No. 656 determines that the level of minimum wage from 1 January 2023 should be €620.

Health and safety

Due to vaccination process, health and safety issues became an important impact factor for the development of Latvian labour market. On 6 January 2022 the state on emergency (introduced in end of 2021) was prolonged to 28 February 2022.

In the beginning of 2022 several COVID-19 safety measures and preventive measures were in force: not going to public places even with the slightest symptoms of respiratory illness, hand hygiene, correct use of face mask, regular room ventilation, remote work as much as possible. But by mid-January 2022, there was a significant increase in morbidity from coronavirus, however, the situation in hospitals was stable, so on 8 February 2022, the government decided to ease restrictions in schools. The Ministry of Health recommended reducing security measures from March 1. On 28

February 2022, the emergency situation in Latvia ended and from March 1, shops no longer required a COVID-19 certificate, closed industries were opened and working time restrictions were lifted.

The introduced measures helped to stabilize the critical situation of the Latvian health sector and protect health.

Work–life balance

Amendments to the Labour law, adopted on 16 June 2022 changed existing and introduced several new clauses, that are favourable for work-life balance.

Amendments added new clauses to the Sections 148 and 153 of the Labour law regarding the right of an employee who has to personally care for close family member or person who lives with the employee in one household and who requires substantial care or support. Such employee has the right:

- to request from the employer to adapt working time
- to request that the employer restores the previous work regime when the agreed period of adapted working time ends or before the end of the agreed period
- a possibility to perform work remotely.

An employer has to grant a leave for a time period not exceeding five working days within one year without retention of remuneration if it is requested by such employee (caretaker's leave). The employee has the right to use caretaker's leave in increments.

Amendments in Section 155 prescribe that the father of a child has the right to a leave of 10 working days. This right is expanded to other relevant persons in case if paternity of the child has not been acknowledged (determined) or the father of the child has died, or the child custody right of the father has been terminated. The leave to the father of a child or other relevant person has to be granted immediately after birth of the child, but not later than within six months from the birth of the child. Before amendments, the 10 days' leave had to be granted immediately after birth of the child, but not later than within two months from the birth of the child.

Amendments to the clause 2 of the Section 156 specify that an increment of the parental leave should not be shorter than one calendar week without interruption. An employee has the right, if possible, to use the parental leave flexibly. An employer has the obligation not later than within one month from receipt of the request of the employee, to notify the employee of the possibilities to use the parental leave flexibly.

Lifelong learning and skills development

Amendments to the Labour law, adopted on 16 July 2022 prescribe that the employment contract should include “the right of the employee to training if the employer provides training”.

Working life of Ukrainian refugees

Employment and working conditions

The latest data compiled by the Ministry of the Interior (IeM) shows that since Russia started the war against Ukraine, 36,648 Ukrainian residents have been registered in Latvia, while 31,257 refugees have been issued residence documents with the right to employment. Among the refugees, 46% are women, 22% are men, and 32% are children, mostly between the ages of two and 17 (LSM.lv, 2022a).

There are only approximate estimates on the employment of Ukrainian refugees. According to the data of the State Revenue Service, in May 2022, almost 5,000 Ukrainians who came to Latvia were registered as employees. Most often, they worked in the industrial sector (21.6%), trade, automobile and motorcycle repair (17.2%), accommodation and catering services (17.0%), financial insurance, scientific, administrative services and real estate operations (8.9%), and in the construction industry (7.7%). Less than a third (31.4%) of the refugees worked in simple professions, such as cleaners, kitchen workers, goods movers and others, 16.6% were service and trade workers, 12.3% were skilled workers and craftsmen, but the least 0.3% worked in management professions (LV portal, 2022a).

In January 2023, Director of NVA reported in Latvian TV that more than 10,000 Ukrainian citizens have received one-time support for entering Latvian labour market. Four thousand Ukrainian citizens are registered in NVA as unemployed. In total, 17,000 Ukrainian citizens have accessed consultations about the Latvian labour market, support from the NVA, or language training (NVA, 2023b). In 11 months of 2022, 165 Ukrainians started learning the national language NVA (NVA, 2023c).

People fleeing the war in Ukraine (regardless of nationality) have the same rights as citizens of Latvia in the labour market.

In its homepage, VDI provides detailed explanation of normative regulation and procedures of employment of Ukrainian citizens Ukraine and information about general rights of employees in Latvia (job advertisement, employment contract, minimum wage, working time, rest time, holidays and leaves, work safety). The information is provided in both Latvian and Ukrainian languages (VDI, 2023).

NVA also provides assistance to Ukrainian citizens in four directions: Latvian language training for Ukrainians who have arrived in Latvia; employment or self-employment start-up allowance; assistance for Ukrainian civilians looking for job opportunities; and information for employers who want to offer employment to Ukrainian civilians (NVA, 2023a).

Research studies or survey data on the employment of Ukrainian refugees were not found.

Social partner initiatives to support Ukrainian refugees

Trade unions support employed Ukrainian refugees equally as local workers. There are no examples when trade unions have started to organise newly employed refugees. If a refugee starts to work in an institution with a trade union and a valid collective agreement, the agreement is also valid for them.

Support regarding labour rights, including rights that are established by valid collective agreement is available only for those who are employed (1) on the basis of employment contract and (2) by employer who is registered in Latvia. If a refugee keeps working remotely for company in Ukraine, regarding employment rights he or she is subject to normative regulation valid in Ukraine. The exemption is payment of income taxes, earned from the employment in Ukraine. According to the existing regulation, such worker is considered as foreign employee at a foreign employer and should be socially insured, that is, such a person should pay contribution to Latvian social insurance budget and may receive social insurance services.

Members of LDDK support and respect sanctions toward Russia and Belarus.

In addition, the LDDK website has a section “Help for Ukraine”. In this section, LDDK informs about humanitarian cargo support for Ukraine. In July 2022, the second aid package organized by LDDK reached the Borodyansk Central District Hospital in Lutsk, Ukraine. The package included four pallets with surgical gloves and various types of bandages purchased from the company AMedical and sent to Ukrainians with the assistance of approximately 470 donors. The company itself additionally donated two T5 patient monitors, Prime CCS Comp analyser and DEFI defibrillator. Collection of donations was coordinated by LDDK in cooperation with the Federation of Employers of Ukraine (FEU) and Ziedot.lv.

The LDDK homepage also provides information about help for Ukrainian refugees in Latvia: asking or offering help; arrival and stay in Latvia; asylum and residence permits; headquarters, and how to donate to the people of Ukraine.

LDDK has taken contacts with Ukrainian Employers Federation. Two experts from the Ukrainian Employers Federation have started work in LDDK.

Employers organisations have not established job matching platforms or job creation measures specifically for Ukrainian refugees and do not specifically support companies doing business in Ukraine.

Ukrainian refugees are provided with information about their rights in the labour market in Homepages of VDI and NVA. Special campaigns to inform them about their rights in the labour market have not been publicly announced, but they may get all necessary information in consultative services of NVA, VDI and VID.

Measures for promotion of start-ups of Ukrainian refugees, such as providing the infrastructure for new enterprises also are not introduced. There are cases when Ukrainian refugees establish businesses on their own.

Commentary and outlook

The lessening of the COVID-19 pandemic and the war started by Russia in Ukraine determined the developments in the Latvian economy in 2022.

Data published by the Central Statistical Bureau of Latvia (CSB) shows that the impact of the COVID-19 pandemic and the war in Ukraine was not as dramatic as expected. In 2022, compared to the previous year, GDP grew by 2% (by 4.1% in 2021). In 2020, the first year of COVID-19 pandemic, Latvia's GDP reduced by 2,2%. The Bureau also informs that average annual inflation in Latvia in 2022 reached 17.3%. In December 2022 the Bank of Latvia has published its latest macroeconomic forecast. In 2023, the Bank of Latvia predicts a temporary and shallow recession in the Latvian economy. Inflation is expected to decrease to 10.9%. Meanwhile unemployment levels remained low, reaching 7.1% in September 2022. The employment level was over 80% among people aged between 25 and 54 and only slightly less than 70% among people aged between 55 and 64.

A major impact on inflation in 2022 was the rise in prices of housing-related energy resources – electricity, gas, solid fuel and heating, which started already at the turn of 2021 and 2022, and intensified after the Russian invasion of Ukraine. The government introduced support measures to compensate for the rapid increase in the prices of energy resources from 1 January 2022 to 30 April 2022 and from 1 October 2022 to 30 April 2023 (for natural gas already from 1 July 2022), partially compensating households' payments for electricity, natural gas and heating.

In order to provide support to Ukrainian citizens and their family members who leave Ukraine due to the Russian military invasion the Saeima (the Latvian parliament) adopted the Law on the Support of Ukrainian Civilians already on 3 March 2022. As soon as Ukrainian refugees receive a visa or a temporary residence permit in Latvia, a wide range of support is available. Regarding employment, Ukrainian civilians may start employment in Latvia if they have obtained a long-term visa or residence permit with the right to employment without restrictions for a period of up to one year. Upon entering into employment, Ukrainian civilians are entitled to a one-time employment allowance of €620. The State Employment Agency's (SEA) offers help for Ukrainian civilians, and, if a person is registered as unemployed, all SEA programs are available for Ukrainian civilians as well. The latest data compiled by the Ministry of the Interior (IeM) shows that since Russia started the war against Ukraine, 36,648 Ukrainian residents have been registered in Latvia, while 31,257 refugees have been issued residence documents with the right to employment.

Extensive amendments to the Labour Law entered into force on 1 August 2022. They changed certain aspects of employment - the content of the employment contract, the conditions of the agreed working time and probationary period, the conditions for accepting collective agreements and their amendments for informing employees, as well as changes and additions to the regulation of various vacations.

Minimum wage was increased to €620 from 1 January 2023.

The main political event in 2022 was Saeima's (Parliament) election on 1 October 2022. Nineteen parties and associations of parties participated in the election, seven parties and unions of parties were elected.

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WPEF23018

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