
Distr.
GENERAL

CES/PAU/1998/19
9 November 1998

English only

United Nations Economic
Commission for Europe*

Government
of Hungary

United Nations
Population Fund

Regional Population Meeting

Budapest (Hungary), 7-9 December 1998

NATIONAL REPORT

Submitted by the Government of Latvia

Unedited version prepared by the Government of Latvia for the Regional Population Meeting (Budapest, 7-9 December 1998). The views expressed and the designations employed in the paper are those of the Government of Latvia and do not imply the expression of any opinion whatsoever on the part of the Government of Hungary, the United Nations Economic Commission for Europe, or the United Nations Population Fund.

* The Regional Population Meeting is in the work programme of the Conference of European Statisticians.

1. Perception and policy related to the family, fertility and reproductive health

1.1. General overview

1.1.1. Demographic trends and fertility

The levels of fertility and of natural increase now prevailing in Latvia are the lowest in its history and among the lowest in the world. The result of the fall in fertility and the rise in mortality was a negative natural increase.

Table 0.1. Main data of vital statistics

	1991	1992	1993	1994	1995	1996	1997
Births							
total	34633	31569	26759	24256	21595	19782	18830
per 1000 inhabitants	13.0	12.0	10.3	9.5	8.6	7.9	7.6
Deaths							
total	34749	35420	39197	41757	38931	34320	33533
per 1000 inhabitants	13.1	13.5	15.2	16.4	15.5	13.8	13.6
Natural increase							
total	-116	-3851	-12438	-17501	-17336	-14538	-14703
per 1000 inhabitants	-0.1	-1.5	-4.9	-6.9	-6.9	-5.9	-6.0
Number of population	2667870	2656958	2606176	2565854	2529543	2501660	2479870

The total fertility rate during the 9 year period decreased almost twice from 2,11 in 1989 to 1,11 in 1997. This means that given current age-specific fertility rates, a woman would give birth to only 1,1 children throughout her fertile years, 45 to 50 per cent below replacement levels. The declining trend is very likely to continue for some time. For this reason, the issue of generation replacement is one of the most urgent problems facing the country.

Since the restoration of independence, Latvia experienced drastic changes in direction and intensity of migration. Net migration with a minus sign that was first recorded in 1990 reached its maximum negative value in 1992 and has decreased over the recent years (-2,7 per 1000 population in 1997).

1.1.2. Family

Since 1996 we can see the trends of growth in the national economy. During 1997 the industrial output has increased, while the inflation index continues to decrease. These trends are characterised by statistical data. But the real income level of population is still insufficient to secure families with appropriate standard of living. It means that the loss in the households' purchasing power during the last decade has been so large that today the ability to support family and to grow up children is not enough for decent and long-lasting welfare of the families.

The transformation of the economy and all the problems accompanying this process (unemployment, unpaid wages, appearance of the poor, loss of savings) do not encourage people to create families and to give birth to children. Still there is no optimism and belief in the future sustainability of the economic growth in the long term, which influences people very much, when they are making decisions about the future for their family.

The development of families and their stability are characterised by the number of marriages and

divorces. In the period from 1990 till 1997 the number of marriages has decreased by 60%. The number of divorces has also declines, however, it still remains very high against the number of marriages (63 divorces per 100 marriages in 1997).

Many people before reaching age 20 had experienced the divorce of their parent. Having such a family background may affect their own future matrimonial and family decisions.

The decline in the number of registered marriages and divorces may in party be explained by the fact that the number of consensual unions is growing in Latvia. There is very little information about such unions as at present no statistical records are being maintained.

For the first time a comparatively extensive information on consensual unions was obtained in the Fertility and Family Survey (FFS), conducted in the fall of 1995. On the whole among all about 20 ESE member countries participating in the FFS, Latvia is found at the bottom of the intermediate group with cohabitation prevalence. The data show that the proportion of unregistered marriages in the total number of families without children reaches 1/3, amounting to 8% of the total number of families with children. In 1997 the proportion of children born in unregistered marriages reached 35%. In 1990 the said number was 15,2%.

At present two mutually complementary systems are in operation to support families with children in Latvia - the system of tax relief and the system of benefits. The system of tax relief stipulates a non-taxable minimum. This system applies only to individuals who have employment. The system of social benefits was developed in 1991.

In order to improve the welfare of families with children there are several benefits awarded which serve this aim. These benefits are: State Family Allowance, Child Care Allowance and Child Birth Grant. All permanent residents are eligible to these benefits. The cash benefits are financed from the national budget, they are non-contributory, not means-tested and their total volume represents about 1% of the social security expenditure.

Evaluating the efficiency of the regular state social benefits for families with children, it can be inferred that the aim – to provide financial support to families who raise (educate) children is partly achieved, for financial support to families is provided, but practically the amount of the benefits is too small to add essentially to family budgets. In addition, inflation has increased several times since 1995 while the benefits have practically remained at the same level, therefore they do not meet the actual costs of supporting children.

As a result of the overall deterioration of the economic situation characteristic for the transition period and in part also due to the attitude of the society about half of the nurseries were closed, the payment for children's attendance grew. At present single - parent families and families with many children submit declarations of the means for subsistence on regular basis to the Social Assistance Services of local governments and they are provided assistance which depends on the income of the family as well as the resources at disposal of local governments.

Unfortunately, the number of orphans and the number of institutions for children deprived of parental care and the number of children staying at these institutions is growing in Latvia. The national social policy is directed towards placing orphans and children deprived of parental care with guardians and foster families.

1.1.3. Reproductive health

In the conditions of a low birth - rate it is necessary to pay utmost attention to the reproductive health of the population.

The number of abortions in Latvia is very high, however, during the recent years it has shown a tendency to decrease. In 1991 the number of terminated pregnancies per 100 live births and still births was 111, in 1995 - 119, while in 1997 - 114. Up to now it has been the most widespread method for regulating the birth rate. Official statistics show that in 1996 only 20% of inhabitants between the ages of 15 and 44 were using some form of contraception. However, these data are

not entirely reliable, as a comprehensive analyse is not being compiled. The low level of awareness and lack of information on reproductive health issues remain a serious problem for Latvia's inhabitants.

Incidence of sexually transmitted diseases (STDs) in Latvia continues to rise: STDs are second only to tuberculosis as the most threatening communicable diseases in Latvia. Incidence of syphilis in Latvia is among the highest in Europe, alongside the worrisome and dangerous increasing incidence of syphilis in new-borns, as well as in children and adolescents.

The government submitted the draft Law on Reproductive Health to the Saeima (Parliament) already in 1996 where it was reviewed in the first reading. Its further progress was suspended largely due to the existence of differences in the opinion on the abortion issue at the Saeima (Parliament).

1.2. Proposed measures

On 27 October 1998 the Government of the Republic of Latvia has approved the Action Program for the Improvement of the Demographic Situation. The key objective of the Program which also expresses the essence of the Program and its focus on the achievement of a specific aim is to ensure a qualitative and quantitative replacement of the generations.

The Program provides an overview on the long-term, medium-term and short-term measures projected by public institutions, local governments, non-governmental organisations at present and in future which might influence the demographic situation in the country.

Strategic directions outlining the priorities in the achievement of the key objective have been developed: the consolidation of the family and the promotion of the birth rate; the creation of jobs; the stimulation of employment; the promotion of the improvement in the health condition of the population; the promotion of the improvement of the educational and cultural level of the population.

The following measures have been planned in the Program for the support of families and the stimulation of the fertility:

- 1) the development of alternative care (the establishment of the network of foster families, training and the maintenance of operation, the social rehabilitation of children who have been subjected to violence and abuse, the establishment of the network of crisis centres);
- 2) the improvement of special educational programs for families who plan to have children;
- 3) the promotion of the co-responsibility of the man and the woman in family planning, the upbringing of the child (the beginning of the payment of the paternity benefit);
- 4) to improve state guarantees provided to families with children (the establishment of advisory centres on pre-school education related issues in the districts; support to the establishment of the network of private nurseries; the increase of the child care allowance to 80% of the minimum wages for persons who take care of the child up to the age of 1,5; the review of the state family allowance increased it to 15% of the minimum monthly wages established in the country; an additional payment to the state family allowance for the child at the school-going age in August).

It would be worthwhile developing measures related to the establishment of psychological services which would help to promote the consolidation of the family and to reduce the number of divorces.

In 1999 a system is to be established for the co-ordination of reproductive health in the country and a program for the improvement of reproductive health is to be drafted, returning to the enactment of the Law on Reproductive Health by the Saeima (Parliament).

Work is being done on the ante-natal screening program for high-risk pregnancies, improving the timely transportation of high-risk pregnant women and their treatment at specialised medical institutions.

2. Perception and policy concerning mortality and health

2.1. General overview

2.1.1. Mortality

In the last 7 years there are not observed remarkable changes in the mortality structure. The death rate per 1000 population since 1995 decreased from 15,5 to 13,6. However, the mortality rate remains high.

Still the main death cause is diseases of the circulatory system (55-56%), followed by malignant neoplasms (up to 16%), injuries, poisoning and certain other consequences of external causes (11-14%), diseases of the respiratory system (2,8-2,9%), diseases of the digestive system (2,7-2,8%), infectious and parasitic diseases (1-1,3%), of which tuberculosis prevails.

In 1997 mortality in the working age group decreased to 5,19, but it is still high. The high level of the working age male death rate became characteristic for Latvian mortality structure. In 1997 36% men and 13,6% women died at the working age. The main causes of death for men of the working age are: tuberculosis, malignant neoplasm of bronchi and lungs, alcoholism, cardiomyopathy, acute coronary deficiency, acute pneumonia, liver cirrhosis, traumas.

The infant death rate dropped slightly from 15,6 (1991) to 15,2 (1997). In the infant death structure if compared to 1995, the percentage of injuries, poisoning and certain other consequences of external causes increased 1,3 times, infectious and parasitic diseases - 1,5 times, and "other" causes with the prevalence of the sudden death syndrome - 1,2 times. In Latvia perinatal and neonatal mortality indicators since 1996 have positive trends that witnesses about successful neonatologists' and Perinatal Health Care Centers' work. Despite that, the infant death rate for some years already has not declined below 15 per 1000 live births.

The mothers' death rate in Latvia in the 90' is high and without any positive trends. Each year since 1995 there are 8 mothers' deaths (per 100,000) - during the pregnancy, delivery and 42 days after it.

Mortality by the place of death is related to the accessibility of health care institutions. Patients with pneumonia, patients who did not receive the required urgent surgery and infants have died outside in -patient health care institutions. The relative number of doctors' visits per inhabitant has also declined almost twice during the last seven years, as a large portion of the population do not have the resources to be able to use the services of medical institutions.

The deterioration of the living conditions of the population has been accompanied by a significant increase in the TB morbidity. During the recent years there has been an increase in the morbidity rate of sexual-transmissible diseases, diphtheria, encephalitis, hepatitis (in particular the "C" type). Diseases caused by drug addiction and alcoholism are on the increase among young people.

The indicators of the average life expectancy in Latvia (64,2 years for men and 75,9 years for women in 1997) are among the lowest indicators in Europe, in particular concerning men. The most widespread causes of the decrease in the average life expectancy of the population are cardio-vascular diseases, tumours, external causes of death as well as infant mortality. In comparison with the economically developed countries the death rate due to external causes is exceedingly high, in particular among men of the working age.

2.1.2. Health

An unhealthy lifestyle, substance abuse and a frequent exposure to high-risk situations have an adverse effect on the health vitality of the population. 27% of the women at the fertile age and 62% men at the same age smoke regularly. Substance abuse (cigarettes, alcohol, drugs) is growing among teenagers and young people. The morbidity rate of sexual-transmissible diseases (STD) among teenagers is also increasing.

The deterioration of the health condition among the population in Latvia is to a large extent determined by the lack of knowledge about one's health, risk factors which might affect it and a

healthy lifestyle. The passive attitude of the population towards their health is related to the social instability and the feeling of hopelessness about one's future. At present a large portion of the society experiences psychological (emotional) discomfort which is caused mostly by their inability to adapt to the new conditions in the labour market, and widespread of poverty. Therefore educational and preventive measures become very relevant, expanding the knowledge and understanding about factors stimulating health and preventing diseases, rehabilitation measures and programs.

2.2. Proposed measures

Latvia is implementing a gradual health care reform which is aimed at the establishment of a financially balanced and comprehensive system, guaranteeing the accessibility of health care to the population. The health care policy and strategy of the Ministry of Welfare is focused on the reform of primary care. The primary health care will include:

- educating the population about the most widespread health problems;
- prevention and restriction of diseases;
- promotion of healthy nutrition and the purchase of respective products;
- ensuring clean water supplies and sanitary conditions;
- health care for the mother and the child, including family planning;
- prevention and control of endemic diseases;
- immunisation of the population against the most widespread contagious diseases;
- quality treatment in emergency cases and in the case of widespread diseases;
- ensuring the accessibility of medication for the population and promoting its reasonable use.

In order to improve the operation of medical institutions in May, 1998, the Cabinet of Ministers approved the Regulations on the Procedure of Certifying Medical Institutions. The Regulations of the Cabinet of Ministers on Emergency Medical Aid, in line with the EU requirements, are to be approved in the near future, while the draft Law on Psychic Health and the draft Law on Compulsory Health Insurance are to be submitted to the Saeima.

The following measures are intended for the improvement of the demographic situation:

- to establish a system for the general supervision and control over public health;
- to minimise the impact of negative environmental factors on public health.

3. Perception and policy related to population ageing, including change in population age structure

3.1. General overview

During the post war years, with the exception of the second half of 1980ties, there was evidence of a low birth rate in Latvia which did not ensure even the simple replacement of generations. Thus the inhabitants of the country aged rapidly, the proportion of children declined while the proportion of elderly people grew. In 1997 22,4% of the population of the country had reached the age of 60 or more.

During the census in 1989 the average age of the inhabitants in Latvia was 36,3 years, but in 1998 it had already reached 37,5 years which is one of the highest average indicators in Europe.

The development of the ageing process of the population stimulates the necessity to establish a Social insurance network in the country which would ensure that pensioners receive a sufficient pension without levying excessive taxes on the employed population.

Before Latvia restored its independence, the security system in Latvia was an integral part of the Soviet social security system. In 1990-1991 the reform of the inherited system was initiated with the objective to design a new social security model suitable for Latvia. In 1995 an overall restructuring of social security system was carried out. One of the main elements of the reform was the creation of a new pension system.

The need for a pension reform was determined by several factors, which to a great extent were the results of incapability of the existing legal acts to perform their functions in the new market economy situation. The objective of the pension reform was to set up a financially stable income related pension system (based on personalised mandatory social insurance contributions), which would provide a stable income replacement at one's old age, and simultaneously promote the increase of social insurance revenues.

According to the pension reform conception, the new pension system consists of:

First Tier - state mandatory non-funded pension scheme (PAYG). It is regulated by the law "On State Pensions", which became effective on January 1, 1996. The scheme is based on the principle that the pension amount is directly related to the amount of social insurance contributions paid throughout the working life of the insured person. The longer the contributions have been made and the higher the contribution wage is, the larger the pension capital, and consequently, the pension.

In the independent Latvia there was a very high proportion of pensions with a very low retirement age- 60 years for men and 55 years for women. The transition to the retirement age of 60 is carried out on step-by-step basis, in 1996 the retirement age was increased by one year, and it increases by six month each subsequent year. The law "On State Pensions" also provides a possibility of earlier retirement for women from the age of 55.

The proportion of pensioners in the total number of the population is expected to decrease slightly in the coming years.

Second Tier - state mandatory funded pension scheme; has been designed as fully-funded, mandatory state pension scheme, where the reserves from the 1st tier will be channelled into individual pension accounts and invested. The 2nd tier pension depends on individual contributions and returns on investment from these contributions. The law "On State Funded Pensions" has been accepted by the Cabinet and it is envisaged that this law will be passed through the Parliament in the spring 1999. In case the necessary pre-conditions are met, the second tier scheme could start it's operation on 2000.

Third Tier - private voluntary pension scheme. The law "On Private pension Funds" has come into effect from July 1998. Private pension funds will provide a possibility to accrue private accumulations in pension funds, which will guarantee additional income in old age. Establishment of private pension funds will also provide opportunities for developing occupational pension schemes.

During the period from 1990 till 1997 the average size of the monthly pension has grown slower than Consumer Price Index, resulting in the fall of pensioners` purchasing ability by one third. At present the average pension amounts only to 38% of the average wages.

The development of the ageing process of the population has stimulated also the necessity to establish a social care network for the elderly. At present Social care to the elderly is provided as institutional care at residential homes as well as alternative care in their habitual environment at their own homes. Over the recent years the number of residents at old people's homes has slightly decreased, while the number of people provided individual care at their homes has stabilised. In future the range of social assistance services is to be expanded, involving non-governmental organisations in the provision of services and bringing the services closer to the clients` places of residence. However, due to the insufficient funding the state assistance in providing social care is still limited.

3.2. Projected measures

The introduction of market economy has led to several negative transitional tendencies. The numerous problems related to the weak fiscal administration, high level of unemployment and low level of wages caused increase of labour force participation in the black economy. Sizeable black economy is depriving the budget of badly needed revenues, thereby also affecting contributions to

the state social insurance. There are several measures planned for rectifying the situation and minimising revenue loss: improvement of contribution collection through better procedures of control and auditing, improvement of contribution collection and increasing the revenues through the new pension system, development of the accounting and record keeping system, diminishing of the social insurance contribution rate, tax advantages.

In order to reduce the fiscal burden per employee measures are planned for the promotion of employment and the reduction of unemployment.: promotion of employment of young people; integration of the unemployed of the pre-retirement age in the labour market; ensuring remuneration which would correspond to the work done and the respective qualifications; to integrate the long-term unemployed in the labour market; to create a safe and healthy working environment.

The causes and ways of solving the problems in part could be seen in medical statistics of mortality described in the previous section.

The Report was prepared by the Center of Demography of the University of Latvia in conjunction with specialists of the Ministry of Welfare.