

INTERNATIONAL DAY
17 FOR THE **ERADICATION**
OCT. **OF POVERTY**

ERADICATING POVERTY THROUGH LOCAL & NATIONAL STRATEGIES

LATVIA

**POVERTY WATCH
2025**



EUROPEAN ANTI POVERTY NETWORK



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EUROPEAN ANTI POVERTY NETWORK



EAPN-Latvia Poverty Watch 2025

Eradicating poverty through local and national strategies

Riga, July 18th 2025

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INTRODUCTION

The Association “EAPN-Latvia” is a part of the European Anti-Poverty Network (EAPN), which unites non-governmental organizations whose mission, according to the Statute, is to work towards a socially secure Latvia, which is free from poverty and social exclusion. As of July 1st 2025, 23 member organizations are actively operating within the “EAPN-Latvia” network, there is also an ongoing cooperation with 8 associate members.

In 2025, three experts from EAPN-Latvia participate in the work of structures of Latvian Ministries: the Ministry of Welfare (Social Inclusion Policy Coordination Committee and FEAD Managing Authority) and the Ministry of the Interior (Advisory Board).

EAPN-Latvia is a member of the Latvian Social Entrepreneurship Association, it is also represented on the Board of the Latvian Women’s Non-Governmental Organizations’ Cooperation Network. Since 2015, EAPN-Latvia has been a member organization of the Memorandum of Cooperation between NGOs and the Cabinet of Ministers. Since 2020, EAPN-Latvia has been cooperating with the State Education Development Agency, since 2023 - with the Ministry of Culture, and since 2025 - with the Central Finance and Contracts Agency in connection with the development and implementation of financial leverage projects.

In 2025, in the EAPN People Experiencing Poverty (PeP) programme EAPN-Latvia is represented by PeP National Coordinator Olga Borisova. On 27th March in Porto, Portugal, Olga Borisova participated in the *People Summit*, organized by EAPN. The National Coordinator from EAPN-Latvia has been a member of the EAPN Strategic Planning Working Group and also regularly participated in the PeP event planning meetings.

On January 8th, 2025, in Riga EAPN-Latvia representatives Aigars Sveicers, Egils Rupeks and Roberts Karklins participated in the discussion “Impact of tax changes on Latvia's economic growth in 2025”, organized by Meta advisory.

On February 18th 2025, EAPN-Latvia representative Tamara Raine participated in the annual meeting of the FEAD Managing Authority in Latvia on reducing material deprivation in Riga, she also regularly disseminates relevant FEAD information to the non-governmental sector.

On March 19-21st, 2025, in Riga EAPN-Latvia representative Baiba Miltovica participated in the *Eurocities Mobility Forum* with a presentation on transport poverty.

On June 27th, 2025, in Riga, EAPN-Latvia Chairperson of the Board Laila Balga represented the interests of EAPN-Latvia at the Women's Cooperation Network's Annual award ceremony for a Female Leader award.

Projects:

In 2025, EAPN-Latvia continues to implement the first Erasmus+ accredited program's (2021–2027) projects regarding cross-border mobility in adult education. The NGO consortium includes 16 organizations from five regions of Latvia. Within the framework of this program EAPN-Latvia cooperates with more than 20 organizations from different European Union countries, including partners from EAPN.

From January 1st 2025, EAPN-Latvia has been implementing the European Social Fund+ programme's project "The Power of Legal Awareness in Eradicating Discrimination". In cooperation with nine other non-governmental organizations, a study is being conducted in five regions of Latvia on the needs of more than 200 people at risk of discrimination (people aged 50+, people with disabilities, people from different ethnic groups, with different sexual orientations, people from rural areas), we also provide specialist consultations and trainings to these people at risk.

1. Is there currently any plan or intention to develop a National or Local Anti-Poverty Strategy?

In its Poverty Watch report, EAPN-Latvia has planned to provide in-depth information to the European Anti-Poverty Network (EAPN), conditionally adapting to the questions posed, but insisting on a description of the real situation in our country. In its 2025 Poverty Watch report, EAPN-Latvia deliberately includes facts and conclusions that have not been emphasized in the previous years and that have long maintained stagnation in our country's poverty and social exclusion prevention policy.

Latvia still has not developed a National or Local Anti-Poverty Strategy or Plan (NAPS and LAPS), which means that this country lacks a unified, targeted and sustainable approach to poverty reduction. There is no document outlining specific goals, objectives, deadlines, and budget, that is specifically targeted at reducing poverty.

The 2022 EAPN-Latvia Poverty Watch report pointed to serious shortcomings in Latvia's social policy – low income levels, inaccessible healthcare and inflation-induced high cost of living. Three years later – in 2025 – these challenges have not been significantly reduced. Moreover, they have been exacerbated by the ongoing war between Russia and Ukraine, which has significantly increased inflation rates and has had a direct negative impact on increasing the risk of poverty not only in Latvia but in all European countries.

EAPN-Latvia has not currently been able to find any sources of information that could indicate the development of any national or local poverty reduction strategies.

2. What are the main reasons why a NAPS or LAPS is not in place?

EAPN-Latvia has concluded that our country lacks a unified, coordinated strategy with specific goals and action plans, also there is insufficient involvement of people who have experienced poverty in policy-making processes. Moreover, the Russia-Ukraine war has increased the risk of poverty throughout Europe.

EAPN-Latvia can name the main reasons for the failure to implement a NAPS and LAPS in Latvia, and these are the following:

- **Political priorities** – poverty is not considered to be the most pressing problem. Discussions concerning national security, education and the economy predominate over the subject of social justice;

- **Lack of relevant data** – a minimum consumption budget (MCB) has still not been developed, which would make it possible to determine what level of income in Latvia would provide an adequate standard of living. As a result, there is no foundation for the creation of a realistic support system.
- **Administrative gaps** – support for different groups of population is rather fragmented, it varies between different municipalities, also there is a lack of coordination and monitoring mechanisms in place. Different institutions operate in parallel, there is a lack of coordination and the involvement of local governments is often just a formality; it is evident that most local governments do not prioritize structured poverty reduction strategies.
- **Lack of understanding and experience** – there is a lack of suitably qualified and dedicated professionals among local legislators, there is also no designated coordinator or institution at the national level that would manage the implementation of this policy, as well as quite weak connection between advocacy organizations and local decision-makers, also there is a lack of real representation for public participation.

3. In the past, were there any NAPS or LAPS? Why is it not the case anymore?

NAPS and LAPS as formal political guidelines in Latvia are developed and adopted periodically and at the highest level, including them in other, more general national documents. However, as mentioned above, these documents lack a targeted strategy for reducing poverty and social exclusion. Not only have Latvian decision-makers responded inadequately to comparable situation at the European level, they have also failed to do so at the Baltic level.

Data from 2024: in Latvia, 369,000 people are at risk of social exclusion, which accounts for 27.6% of the population in this age group. In Lithuania, 410 000 people, which accounts for 20% of the population in this age group, are in such a situation. In Estonia, 178 000 people, which accounts for 18.9%, are at risk. Thus, this situation in Latvia can be assessed as the most alarming, with the potential for significant consequences.

The Ministry of Welfare emphasises the need to create a 'road map' to help include people from risk groups in the labour market. They indicate that an important issue is diagnosing this problem in order to draw up a road map for the near future, which may not be permanent, but it will be practically useful in the near future.

EAPN-Latvia believes that the Ministry of Welfare's overly cautious approach to the implementation of the NAPS and LAPS is the main hindering factor in this situation.

More information is available here: https://vs.lv/raksts/sabiedriba/2024/06/20/latvija-augstakais-socialas-atstumtibas-risks-baltijas-valstis#google_vignette

4. Which existing policy framework addresses poverty and social exclusion issues in our country?

Various state institutions are responsible for implementing measures to reduce poverty and social exclusion:

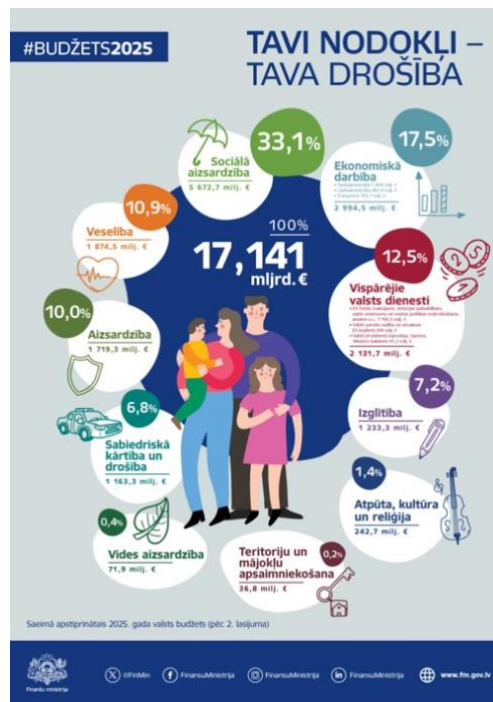
- The Ministry of Finance is responsible for determining the budget allocated to various sectors, including social protection, education, health and economic programmes.
- The Ministry of Welfare is responsible for the provision of social assistance and services.
- The Ministry of Education and Science is responsible for promoting access to education.
- The Ministry of Economics is responsible for supporting employment and entrepreneurship.
- The Ministry of Health is responsible for the facilitation of access to healthcare.
- The Ministry of Climate and Energy promotes the reduction of energy poverty.

The 2025 budget in Latvia, which was approved by the Saeima of the Republic of Latvia (100%), is divided into the following percentages, which have a significant impact on the implementation of poverty eradication measures:

- 33.1% is allocated to the social protection of the population;
- 10.9% – to the health sector;
- 7.2% – to education;
- 17.5% – to economic activity;
- 0.2% – to territory and housing management.

In light of the ongoing war in Europe, which began with Russia's invasion of Ukraine in February 2022, Latvia, a country neighbouring Russia and Belarus, is compelled to escalate its defence expenditure annually. For instance, in 2025, defence spending surged to 10%. High poverty levels in our country are significantly affected by these rising expenses.

Source: <https://lvportals.lv/norises/370765-infografika-saeima-pienem-2025-gada-valsts-budzetu-kam-tiks-novirziti-publiskie-lidzekli-2024>



Several important policy documents have been developed and adopted by legislators in Latvia in order for poverty and social exclusion to be reduced. These documents set out goals and specific measures aimed at strengthening social protection and improving the standard of living for all residents, particularly the vulnerable groups in society.

These key policy documents are the following:

1. **National Development Plan 2021–2027 (NDP2027).** This document sets out specific objectives for reducing poverty and social exclusion in Latvia. The plan aims to improve access to social services, promote employment, and enhance the effectiveness of social assistance.
2. **Government Action Plan.** This plan sets out specific measures to strengthen the social protection system. It includes measures to improve the living conditions of citizens, such as raising the minimum income level, developing social services and offering more support to families with children.

NDP2027 vs. Reality – Poverty Reduction Policy in Latvia

NDP2027 Thesis(objective)	What has actually been done (by 2025)
1. Reducing poverty and social exclusion	The government regularly monitors progress; measures are being developed to reduce inequality. The social objectives are considered to be on track. From 2025:
2. Minimum income reforms	– Minimum wage has been increased to €740. – Tax-free minimum for pensioners has been increased to €1000. – GMI, benefits and minimum pensions increase. Increased income thresholds for receiving social assistance:
3. Access to high-quality social services	– GMI from €137 to €166. – Income level for receiving the poor status from €343 to €377. – Income level for receiving the low-income earner's status from €549 to €604. From 2025:
4. Support for families with children	– The minimum amount of child maintenance increases (25–30% of the minimum wage). – Childcare allowances and other family support mechanisms are maintained.
5. Tackling unemployment and inactivity	Changes to the personal income tax for low-income earners (less taxes for low-wage earners). The labour market is indirectly activated, but specific unemployment indicators still need to be analysed.
6. Reducing regional disparities	Although regional development is included in the plans, specific data on improving services outside Riga is still lacking. However, there is a move towards balanced territorial development.
7. Social entrepreneurship and innovations	Although documentation of specific measures is not widely available, the social sector is considered a priority. Support for innovations in social welfare is ongoing.

• Tax-free minimum – fixed system (€510/€1000) simplifies taxes and increases the net income of employees.
• The minimum wage of €740 came into effect on January 1st 2025, corresponding to 45–50% of the average wage and increasing opportunities for low-wage earners.
• Reform of the personal income tax (PIT) – setting a rate of 25.5% up to a certain income level – eases the tax burden while encouraging workers to return to the labour market.
• The parental benefit (75%) provides additional support for families and strengthens children's well-being.
• Expanding social services: viable examples demonstrate the cooperation between state and local governments in implementing new forms, with a full data collection plan in place until 2026.

Comparison: Minimum wage vs. living expenses in 2025 (at market value).

Indicator	2025 (January 1st)	Market reality	Conclusion
Minimum wage	€740 per month	The statistical average shows a minimum subsistence level without rent of €840 per month	€100 shortfall per person to cover minimum subsistence costs
Fixed non-taxable minimum	€510 (employees); €1,000 (pensioners)	Increasing the tax-free share helps offset expenses	A salary of €740 is not enough to fully cover a real consumption basket, but it does help.
Cost of consumption basket excluding rent (per person)	----	≈ €841 excluding rent: food, utilities, transportation	Minimum wage covers it with only a gap of around €100, regardless of the rent
The cost of the consumption basket for a family of four (excluding rent)	----	≈ €2691 per month	Minimum wage is inadequate for even one family member
Rental prices for apartments on the market (one-room apartment in Riga)	----	Riga centre: €450–650; outside Riga: €300–500	For example, €450 for rent + €840 for expenses = around €1290 per month

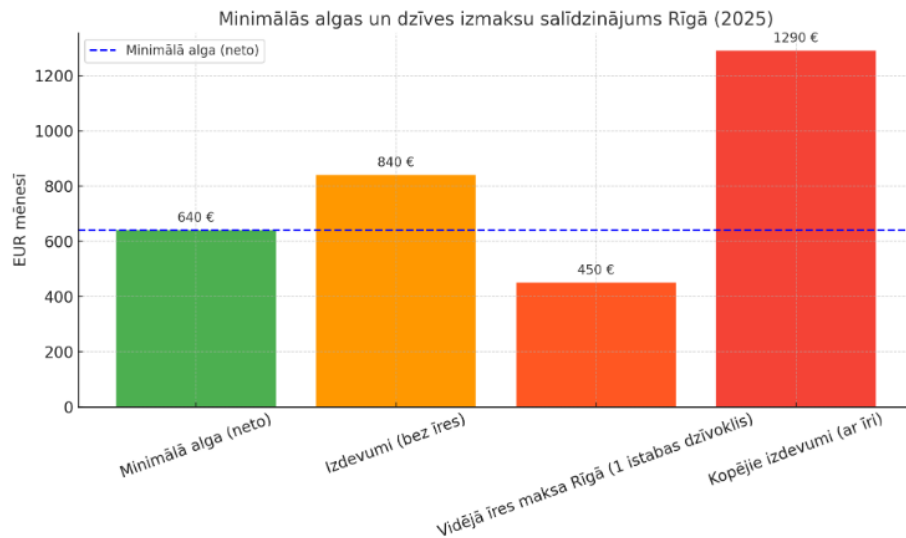
Indicator	2025 (January 1st)	Market reality	Conclusion
Inflation in mid-2025	Forecast – around 3.6%; actual inflation in June - 3.4%	The real cost of living is rising, critically testing the impact of the minimum wage	Minimum wage increase (+5.7%) outpaces inflation, but there is a small amount of support
Social assistance thresholds (GMI, the poor people)	GMI €137 → €166 (+21%); poverty threshold +10%	Significant changes, but based on a lower subsistence base	Despite the expansion of support, it is still inadequate to bring it closer to the real consumption basket

Overall picture:

- 1) The minimum wage of €740 is close, but not quite enough to cover an individual's subsistence costs (excluding rent - around €840). This means that additional resources or support are required.
- 2) Additional tax breaks (tax-free minimum) reduce the tax burden, but it is still not enough to cover even average spending patterns.
- 3) Families in Riga – the minimum wage is more than twice as low as other family spending level.
- 4) In the context of inflation (+3.6%), wage growth (+5.7%) is a positive thing, however, it is clear that real living standards (consumption baskets) are growing faster than support for all households.
- 5) Although the thresholds for state support, such as increasing GMI and criteria for poverty status, are helpful, they are based on a very low subsistence threshold of €137, which does not correspond to reality (around €840).

Conclusions:

- The guaranteed minimum wage and social support thresholds are a step forward compared to previous years, but still fall far short of the real cost of living in Latvia in 2025.
- The gap between "what is enough for basic survival" and "what is guaranteed by the NAP2027 model" is still significant - particularly for families who need different (more) resources monthly to support a child with special needs.



Here, as an example, is a comparison between the 2025 minimum wage and the cost of living in Riga:

- The minimum wage after tax is around €640;
- The cost of a subsistence basket (including food, transport, clothing, medicine, etc.) without rent is around €840;
- The average cost of renting a one-bedroom apartment in Riga is €450.
- In total, these expenses amount to around €1290 per month, which is twice the minimum wage.

This graph clearly illustrates the discrepancy between the objectives set out in policy documents (NAP2027) and the actual cost of living.

The government's action plan, which includes key social protection measures, demonstrates progress towards reducing poverty level in Latvia in 2025:

Increasing the minimum wage and social benefits.

- The minimum wage is set to rise to €740 per month;
- Recipients of parental allowance who are working and not on parental leave will receive 75% of the allowance granted;

Changes to the pension system.

- The retirement age will be increased to 65, and the required insurance period will be increased from 15 to 20 years;
- Contributions to Tier 2 pensions will increase to 5% of the contribution amount;

- Pension supplements for insurance periods up to 1995 will be gradually restored, starting from 2015 pensioners.

Support for children with special needs.

- Childcare allowance for a disabled child will be increased by 100 euros, thus reaching 413.43 euros per month.
- The state budget will cover the cost of psychosocial rehabilitation services for children with autism spectrum disorders and their families.
- The remuneration of assistant and companion service providers will be increased to 5.72 euros per hour of service.

Increasing social security benefits.

- The amount of the State Social Security Benefit for people of retirement age will be 166 euros per month.
- The minimum old-age pension will be increased to 189 euros.
- The minimum disability pension will be increased to 189 euros.
- The minimum survivor's pension for children under the age of seven will be 189 euros, and for children over the age of seven – 226 euros.

Pension payments at the new rate.

- The State Social Insurance Agency (SSIA) will pay out the recalculated minimum pensions and benefits from January 2025.
- State social security benefits and survivors' pensions will be paid at the new rate from February 2025 (for January 2025).

Sources of information:

- Changes in the social sphere in 2025 – <https://lvportals.lv/skaidrojumi/371172-izmainas-socialaja-joma-2025-gada-2024>
- Adequate and sustainable social protection for the population – <https://www.fm.gov.lv/lv/2-adekvata-un-ilgtspejiga-iedzivotaju-sociala-aizsardziba-lm-2025gads>
- Social protection and labour market policy guidelines for 2021–2027 – <https://likumi.lv/ta/id/325828-par-socialas-aizsardzibas-un-darba-tirgus-politikas-pamatnostadnem-2021-2027-gadam>
- <https://www.fm.gov.lv/lv/200100-valsts-socialie-pabalsti-lm-2025gads>

The Strategy “Latvia 2030” sets the goal of reducing the proportion of the population at risk of poverty to no more than 16.0% by 2030. The intention is therefore to provide people at risk of poverty with greater opportunities to improve their well-being.

To achieve this, “it is necessary to identify the population groups most at risk of poverty and develop the relevant social security mechanisms for them”, which include:

- effective social services;
- social assistance;
- support for the most deprived through the social security system.

The Latvian National Development Plan (NDP) for 2021–2027 sets out the specific objective:

- to reduce the proportion of the population at risk of poverty from 22.9% in 2018 to 22.5% in 2024 and 21.5% in 2027.

It is particularly important to reduce poverty levels among the most vulnerable groups in society:

- Pensioners (65+ years): from 53.7% (2018) → to 52.0% (2027);
- Children (under 17): from 17.5% (2018) → to 11.5% (2027);
- Single parents with children: from 26.2% (2018) → to 24.5% (2027);
- Families with two adults and three or more children: from 16.7% (2018) → to 12.0% (2027).

SEARCH FOR SOLUTIONS

To achieve the planned objectives, the following improvements were introduced in Latvia from 1 July 2023:

- Guaranteed Minimum Income Threshold (GMI): – up to 125 euros for the first or only person in the household (previously - 109 euros); up to 87.50 euros for each additional person in the household (previously - 76 euros);
- Income threshold for a poor household: – up to 313 euros for the first or only person in the household (previously - 272 euros); up to 219 euros for each additional person in the household (previously - 190 euros).

In addition to that, the state social security benefit was increased. Minimum pensions and certain other social benefits were also reviewed and increased.

Social policy and support measures gradually expanded in 2024:

- Increase in the thresholds of the Guaranteed Minimum Income (GMI): for one household member – up to 137 euros; for each subsequent household member – up to 96 euros;
- Measures to reduce gender pay inequality: these measures were introduced to reduce the gender pay gap; the introduction of a wage transparency mechanism is also planned;
- Children with disabilities are to be the recipients of greater support, with the amount allocated rising to 160 euros per month.

Although there is currently no specific anti-poverty strategy in place, various support measures are regularly implemented by the state and local governments in Latvia:

- Social benefits: guaranteed minimum income (GMI), housing benefit, one-off social payments (e.g. during periods of inflation or an energy crisis);
- Special support measures for seniors, families with children, people with disabilities;
- Short-term initiatives, such as winter heating compensation or food parcel programmes.

5. What is missing from these policy frameworks for fully-fledged NAPS and LAPS? What are their governance mechanisms? How is vertical and horizontal coordination to be ensured?

EAPN-Latvia would like to draw attention to the situation in Latvia, which requires serious governance mechanisms and funding to address.

POVERTY DATA AND TRENDS (2022–2025)

In 2024, around 24.3% of Latvia's population was at risk of poverty or social exclusion, including 20% of children.

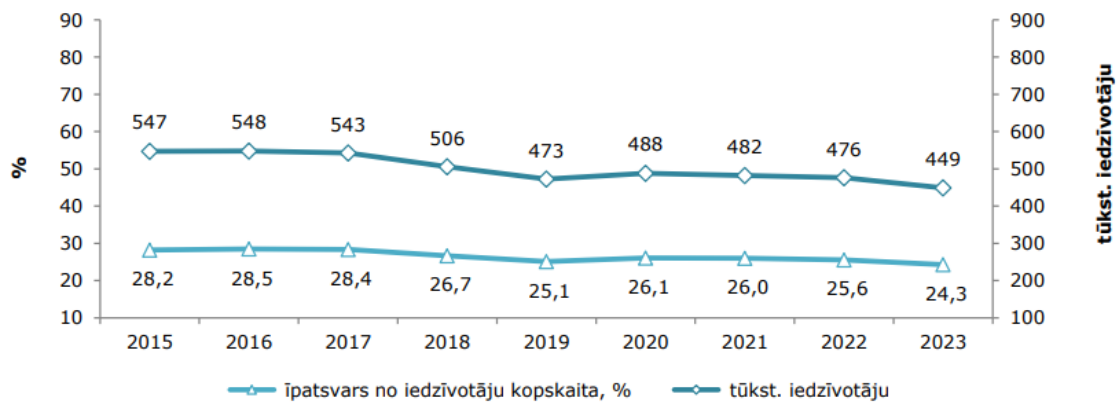
The average salary (gross) was 1703 euros, while the net salary was 1213 euros per month. However, about 16% of workers received only the minimum wage or less, which is below a decent standard of living.

The social assistance system remains fragmented and temporary – measures are not sufficiently coordinated, nor do they cover all necessary population groups.

People whose income is only slightly above the GMI threshold are particularly vulnerable, as their income is still not enough to cover their daily expenses. Often, these people do not receive any social support because they do not formally meet the eligibility criteria.

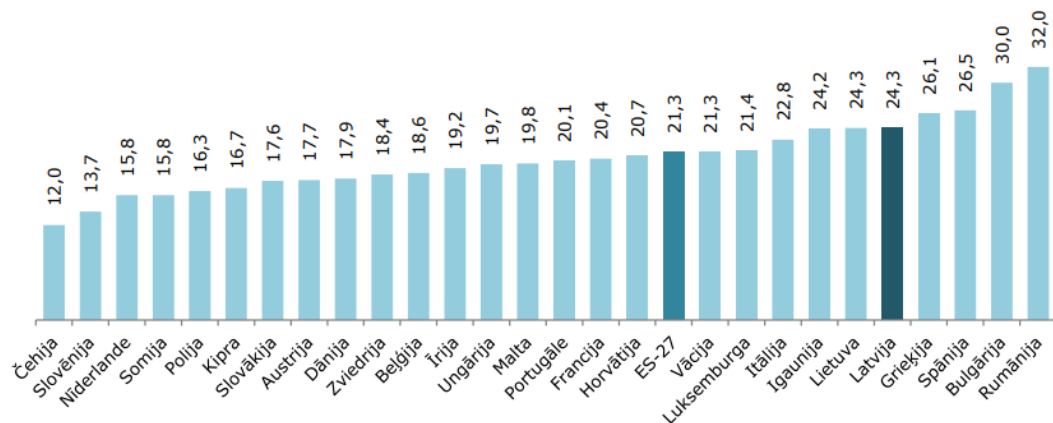
Inequality in terms of money is characterised by differences in the risk of poverty between women and men. From 2010 to 2021, the poverty risk for women in Latvia increased from 20% to 27%, whereas for men it remained unchanged at 20%. In 2023, the largest gender gap in this area was observed among people living alone: 54% of women living alone were at risk of poverty, which is 20 percentage points higher than for men.

Nabadzības vai sociālās atstumtības riskam pakļauto iedzīvotāju skaits un viņu procentuālais īpatsvars no iedzīvotāju kopskaita 2015.–2023. gadā¹

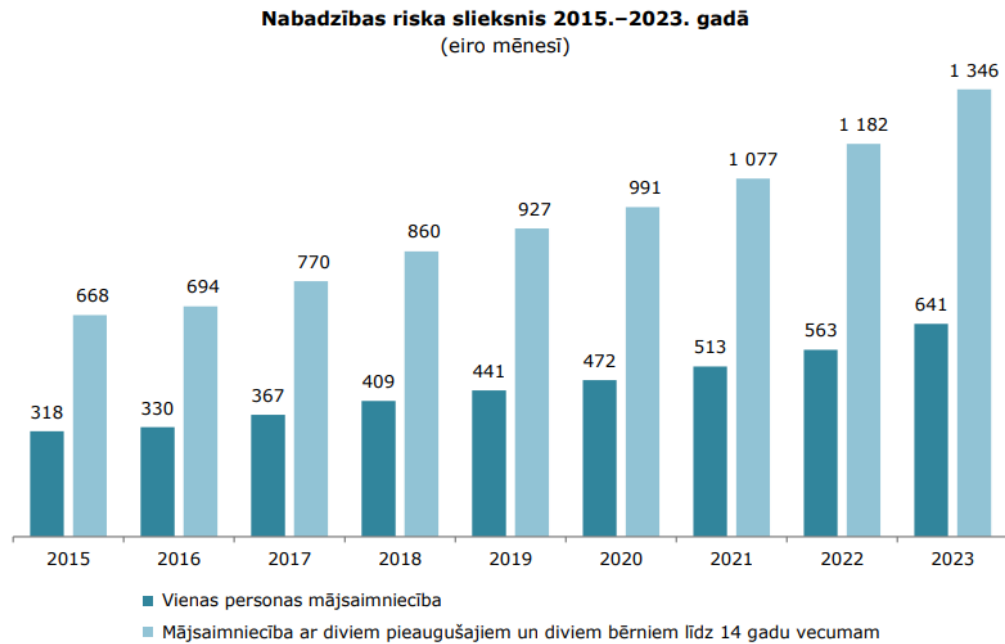


 Eurostat [ILC PEPS01N] 07.12.2024.
 CSP provizorisksie 2024. gada apsekojuma dati.

Nabadzības vai sociālās atstumtības riskam pakļauto iedzīvotāju īpatsvars ES dalībvalstīs 2023. gadā²
 (procentos)



 Eurostat [ILC PEPS01N] 07.12.2024.
 CSP provizorisksie 2024. gada apsekojuma dati.



Sources:

- https://admin.stat.gov.lv/system/files/publication/2025-03/Nr_07_Nabadzibas_risks_un_sociala_atstumtiba_Latvija_2023_%2825_00%29_LV_0.pdf
- <https://www.fm.gov.lv/lv/200100-valsts-socialie-pabalsti-lm-2025gads>

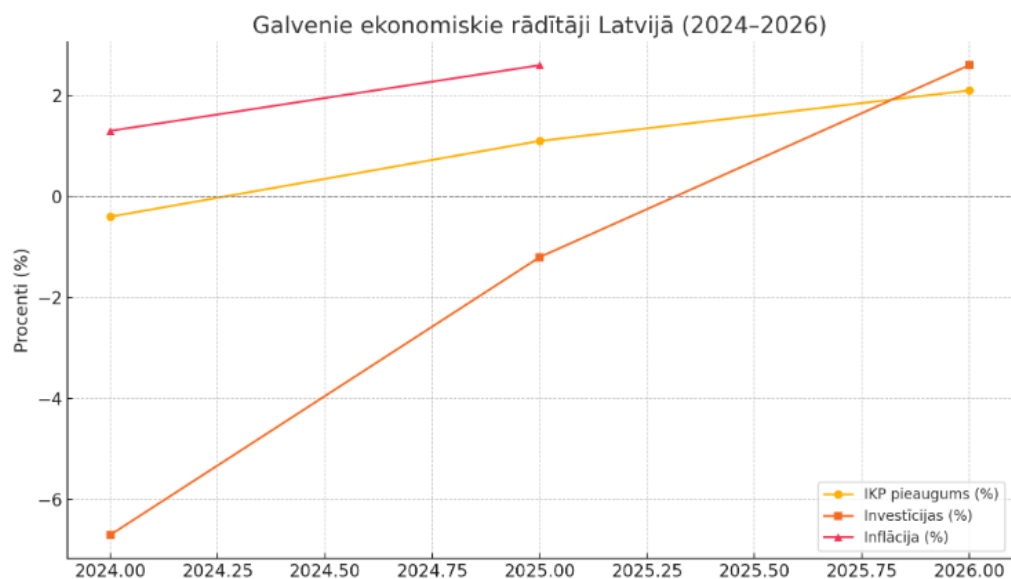
Over the past three years in Latvia:

- The risk of poverty has remained at around 22–24% (the data varies from year to year and depending on the group);
- The GMI level remains below the realistic subsistence minimum;
- The average monthly pension is between €400 and €500, which is not enough to cover the high cost of living;
- The cost of food, housing and energy has increased significantly in recent years due to inflation;
- Around 6–8% of the population experience material deprivation, particularly seniors and large families;
- Healthcare co-payments, utility bills and food prices create a situation in which people are forced to choose between buying medicine and buying food.

Economic situation and challenges in Latvia

- GDP growth: Real GDP decreased by 0.4% in 2024, but a small recovery rate of around +1.1% is forecast for 2025, rising to +2.1% in 2026;
- Investments: Following a decline of 6.7% in 2024, a further decline of 1.2% is expected in 2025, followed by a recovery of 2.6% in 2026;
- Inflation: average of 1.3% in 2024. Forecasts for 2025 were between 2.2% and 3%, but it is now 3.4%;
- Employment: the unemployment rate is close to 6.8% in 2024, but it rises to 7.4% in the first quarter of 2025, with employment rate at around 77%;
- Public debt/deficit: fiscal deficit of 1.8% of GDP in 2024, rising to 3.1% in 2025; public debt of 48–49% of GDP.

The graph below shows the main economic indicators for Latvia from 2024 to 2026: GDP growth, investment and inflation.



Economic indicators with sources:

Indicator	2024	2025 (forecast)	2026 (forecast)	Source
GDP growth (%)	– 0,4 %	+1,1 %	+2,1 %	OECD
Investment (real)	– 6,7 %	–1,2 %*	+2,6 %*	wiiw (2025-26 forecasts)
Inflation (%)	1,3 %	~2,2 % – 3,0 %	—	Wikipedia & Allianz
Unemployment rate (%)	6.8% (December 2024)	~6.9%–7.7% (January - April 2025)	—	CSB / Trading Economics / Eurostat

Demographic situation in Latvia

- Population: 1.849 million (as of March 1st, 2025), trending downward by around 1.1% per year;
- In 2024, 13.7 thousand people entered Latvia, 18.3 thousand people left;
- A total of 2756 newborns were registered in the first three months of 2025, which is a decrease of 12.6%, or 398 newborns, compared to the same period in 2024;
- A total of 6870 deaths were registered in the first three months of 2025, which is 6.9% (or 513) fewer than in the same period of 2024, when 7383 deaths were registered;
- As of 2025, 46 512 Ukrainians were registered under temporary protection status in Latvia, with an average of 468 new registrations of Ukrainian civilians every month.

Galvenie iedzīvotāju dabiskās kustības rādītāji 2020.–2024. gada deviņos mēnešos



Skatīt OSP datubāzē: IRS010c

The demographic challenges of ageing populations, emigration and insufficient birth rates have major implications for the labour market, social systems and regional balance.

The impact of Russian aggression in Ukraine

Economic hardship: War disrupts exports and energy supplies, increases inflation across the EU, thus severely limiting Latvia's growth. Energy and trade: pre-war Europe was 100% dependent on natural gas imports, and now the export market has been reduced or even banned, which affects GDP figures.

Refugees: In 2025, approximately 32 000 Ukrainian refugees are registered in Latvia. This places an additional burden on the social budget, while also helping to replenish the labour market.

The impact of war on the increased risk of poverty in Europe:

- The war and the necessary sanctions have resulted in widespread inflation. In 2022, inflation exceeded 10–11.5%, particularly affecting food (+14.7%) and energy prices (+14.5%) <https://www.lasproceedings.lv/en/publikacija/the-economic-and-social-impact-of-the-russian-ukrainian-war-in-latvia/>
- In 2022–2023, energy prices increased by 43–45% (for gasoline/diesel), significantly increasing household expenses.

These conditions have had a significant negative impact on the Latvian economy, which is closely integrated with the European Union:

- At-risk-of-poverty rate: In 2024, the proportion of the population at risk of poverty or social exclusion was between 21.6% and 24.3%.
- Social inequality indicators: Gini coefficient was around 34% in 2023 and remained unchanged until 2025.
- The high level of the shadow economy and the high tax burden on low-income earners limit the potential for reducing poverty.
- Demographic risks: pensioners, women, families with children and regions such as Latgale region, which is located next to the Russian and Belarusian border, are the most vulnerable.
- The impact of the war: inflation and rising energy and food costs, which increase the risk of poverty, especially among low-income households. Support measures for Ukrainian refugees require additional social spending not only from the state and local government budgets (a total of more than 2.5 million euros was paid out from public donations). A significant proportion of the Latvian population donates its resources to support people who suffer from the war in Ukraine, thereby limiting their own well-being.

6. How should people experiencing poverty be involved in the design or evaluation of anti-poverty measures in the absence of a formal strategy?

To better understand the reality of the situation and reflect the experiences of different people in relation to poverty and social exclusion in Latvia, in this report we have compiled several

STORIES OF PEOPLE'S EXPERIENCES:

Janis Z., a retired disabled person who has been denied low-income status because of owning property, said:

"I have been retired for two years. I receive €495 a month and have no other income because I no longer work. My wife is also a pensioner; her pension is €465. We live in a private house and most of our income goes towards utilities – gas, electricity, water, television, internet and telephone services. In summer, we also have to buy firewood and briquettes. As well as this, we need to allocate a significant amount of money each month for our medications. Unfortunately, we have not been granted low-income status because the property we own does not 'formally' allow us to obtain it, despite our actual living situation. We grow some of our own food - in our backyard garden. We are no longer welcome on the labour market due to our health problems and a lack of demand for people our age. We are both disabled and have joined a disabled people's association. For 10 euros a year, we receive four food parcels there, as well as the opportunity to get clothes for ourselves and our grandchildren. That is the only tangible help we receive. We survive as best we can, and we consider ourselves to be people living in poverty."

Zane A., a disabled person of pre-retirement age with the status of a poor person and long-term unemployment, said:

"I am a group 2 disabled person of pre-retirement age. I receive 241 euros a month and that's it. I don't work — my health doesn't allow it, and it's almost impossible to find a job as a disabled person. Despite being a qualified cook, in reality there are no job opportunities for me in the labour market. It's impossible to live on this amount of money. I have the status of a poor person. I receive food parcels and household supplies from the Red Cross. The disabled people's association that I have joined also provides some food and clothing. Sometimes I can attend free rehabilitation sessions or amateur theatre performances where tickets cost €3. My everyday life is very hard — it's not living, it's just surviving. It's a terrible existence with no way out in sight."

Vesma H., a young woman with disability and two children, who is unemployed, said:

"I am 39 years old. I am married and currently unemployed. I have a group 3 disability and I am raising two school-age children. Our family income, including child allowances, is around €1400 per month. We live in a well-equipped apartment but in winter our utility and telephone bills amount to €600. The rest of the budget goes on food, school expenses and clothes. We can't afford to make savings and sometimes we have to ask our relatives for help. I have joined a disabled people's association where we receive food parcels and clothes and we can participate in various activities. We survive as best we can. The quality of our lives is very poor. We are afraid to go abroad as we have no knowledge of foreign languages or relevant education."

Story 1: A mother of many children on the housing waiting list:

"I waited in the queue for an apartment for more than ten years with my four children... We waited and hoped, but things didn't improve. We moved from one rented place to another. Then everything in my life went wrong and I ended up in prison. I got some professional education while I was in there and, paradoxically, when I got released, I was offered an apartment pretty quickly. It was only because I was in prison that I finally received some necessary attention. Why aren't large families given equal priority?"

Story 2: About refusals to rent an apartment:

"We are a family with three children. As soon as people hear that we have children, the refusal comes immediately. They don't even bother to look into whether we are tidy tenants or pay rent on time – our children are immediately considered a risk to them. Cats and dogs are accepted more easily than us. It feels like children have become a burden rather than an asset."

Story 3: On the obstacles faced by low-income families with many children when trying to rent a property:

"When we try to rent an apartment, we are asked to pay the first and last month's rent upfront. We can't afford it. Many landlords don't even want to talk to us when they hear that we are a large family. They often don't offer us a rental agreement - everything is unofficial, without any security. Social services don't provide any guarantees and they don't cooperate with us – we are simply not considered convenient."

Story 4: About the injustice of utility bills:

"We live next door to a neighbour who lives alone. We are a family with seven children. When the bill for waste and utilities arrives, it's us who have to pay the most of it because

the costs are divided based on the number of people declared living in our house. But our children cannot pay anything — they're too young! Our neighbour lives alone but pays less than each of us individually. It's unjust."

CONCLUSION:

These stories of large families vividly reveal systemic injustices and discriminatory attitudes surrounding housing accessibility. These families often encounter obstacles that are not the result of their own efforts or responsibility, but rather the consequence of stigmas and bureaucracy deeply ingrained in our society and its institutions.

One of the most significant obstacles is the unavailability of rental apartments — landlords are even more reluctant to sign rental agreements with families with several children than with people who have pets. In such situations, children become an obstacle rather than an asset to society.

Most of these families do not have the opportunity to rent housing officially – there are no rental agreements, social services do not provide any guarantees, and despite having many children and being in real need, support is either denied or delayed. Meanwhile, people who have been released from prison are given priority in the housing allocation, which creates a strong sense of injustice, particularly among large families who have been waiting for an apartment for over a decade without success.

Another problem is the utility payment system, which often puts large families at a disadvantage. All payments are calculated based on the number of people declared, without taking into account the fact that children are not able to work and do not generate income. Consequently, the payment burden becomes disproportionate, particularly if the apartment is shared with others, such as a neighbour living alone.

These stories reveal not only the economic deprivation, but also deep emotional and moral exhaustion arising from long-term struggles with bureaucracy, as well as the bureaucrats' apathy and indifference. Large families do not feel protected in their own country and feel that, in order for them to receive support, they must experience a drastic life change or a change of status that is considered "extreme" by society.

Story 5: A woman with three children who has been denied poverty status.

"I am raising three children by myself. We live in the countryside in the Kraslava region. I am unemployed as there are no jobs in this region, and employers are reluctant to hire me due to my very limited Latvian language skills. In order to have something to eat, we

cultivate a backyard garden and grow our own vegetables. We also used to have a cow. We cut firewood in our forest nearby, because otherwise we would freeze in the winter. We have never asked for too much support, just enough to survive. However, when I applied for poverty status, the local government refused it. They looked at the paperwork, but not at me or my children. I was forced to sell the land. It was impossible to maintain it on my own, without the support of a man. We get our food from „Paēdušai Latvijai” (food bank), clothes - from the Red Cross, seeds and necessary tools - from various funds. You know, I would like to work. But no one gives me that opportunity. There are no jobs in here, my Latvian language skills are insufficient and I don't have the money to go live anywhere else, so I'm stuck here.”

Story 6: about the spread of quick loans among socially vulnerable groups:

“A couple of years ago, some people drove into our parish in cars promising jobs. Some local people signed contracts on the spot — all they asked for was a passport. So, people handed over their documents in the hope of earning a salary and providing for their families. No one got a job though, but after a while, they discovered that loans had been taken out in their names. Now their accounts are blocked and interest has accumulated. In real life, they still survive on social benefits and just a bowl of soup.”

“Here's another story from a neighbour: A young man with several young children in his family home. At one point, he took out a quick loan to pay for electricity and food. A month later, he was unemployed. That loan has increased, but there was no income. The bailiffs were persistent, but nobody could help his family. He has fallen out of all state assistance mechanisms.”

CONCLUSION:

These latest stories shine a light on a series of systemic problems that affect the most socially vulnerable members of Latvian society. Fraudulent schemes are being uncovered in which people are exploited due to their ignorance or naivety. One example of this is when loans are taken out in their name without them knowing. Furthermore, the availability of mobile loans without sufficient verification process promotes indebtedness, particularly among the most socially vulnerable groups, thus exacerbating their situation even further.

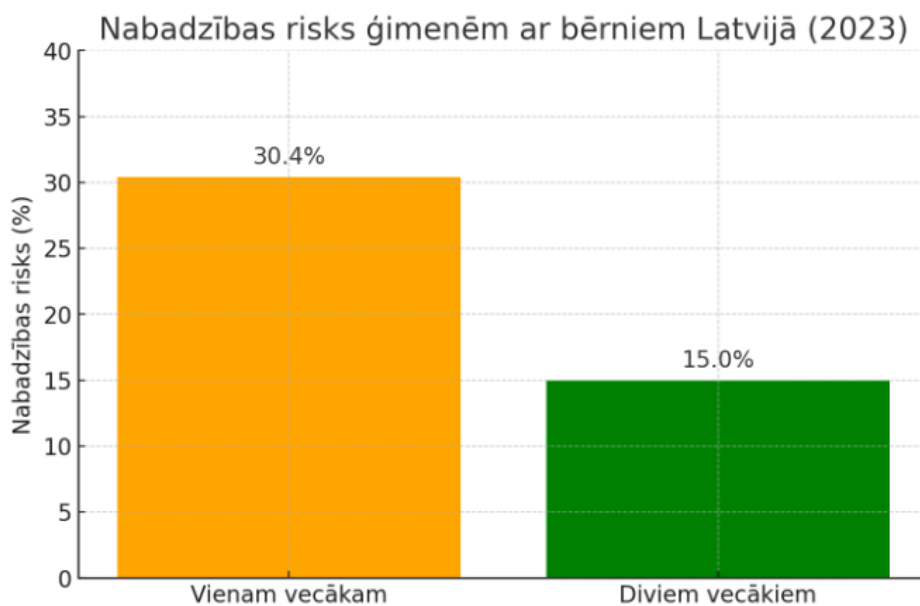
Another significant problem is car ownership, which often prevents people from obtaining the poverty status and accessing the necessary social benefits, even if these vehicles are technically unusable or do not really belong to them.

The inequality between the availability of social support between cities and rural areas is also evident, with different approaches in municipalities that do not promote equal opportunities. Ultimately, these stories reveal the limited ability or willingness of local governments to respond flexibly to the individual needs of residents. This indicates the need to review both the legislation and the mechanism for providing practical support.

Large families are being effectively marginalized – not only financially, but also socially and institutionally. This creates a vicious circle in which children growing up in poverty and insecurity are exposed to an increased risk of social problems. The main problems are: - Inaccessibility of housing; - Injustice in the queue for apartments; - Unfair utility payments; - Inaction of social services.

In 2023, 30.4% of households in Latvia with one adult and dependent children were at risk of poverty, which is an increase of 0.8 percentage points compared to 2022. This figure indicates that one-third of such families have an income below the poverty risk threshold.

<https://stat.gov.lv/lv/statistikas-temas/jedzivotaji/monetara-nabadziba-nevienlidziba-un-sociala-atstumtiba/preses-19>



How can people experiencing poverty be involved in combating poverty?

Participation in social policy in Latvia is currently insufficient and often merely for show. Those people living in poverty or experiencing social exclusion are often not heard, and their experiences are not considered in policy-making processes.

- Their participation opportunities are often limited to filling out questionnaires or taking part in simulated public consultations, the results of which are not being considered in the decision-making processes;
- People lack information about how their opinions will be used further and whether they will be taken into account at all;
- Non-governmental organisations, such as EAPN-Latvia, regularly collect stories of people's experiences, organise discussions and submit relevant recommendations to state institutions. However, it is unclear whether and how this information is used in policy planning;
- Public trust in participatory processes is currently rather low because residents do not feel involved in these processes as equal partners, but rather as passive observers.

To create inclusive and effective anti-poverty policies, the system of public participation must be significantly improved, particularly by including people with experience of living in poverty.

Public participation is not just an empty form or a formality of democracy. It is an essential component of sustainable and fair anti-poverty policies. Without integrating real people's experiences into policy planning, it is impossible to create a system that reflects real-life circumstances.



Riga, National Library of Latvia, June 3rd, 2025

EAPN-Latvia recommends the following:

- **To create simple and understandable participation mechanisms.** These methods should be accessible to all residents, including those living in rural areas, low-income earners and people with limited digital skills. The development of community participation groups and digital platforms is essential;
- **People with lived experience of poverty should be included in policy-making processes.** They should be represented in both national and local planning and monitoring processes. Their life experiences should be recognised as a valuable form of knowledge;
- **Participation must be meaningful, not just formal.** We should develop mechanisms that guarantee the use of people's views in policy decision-making processes and provide feedback on how and what exactly the state has used from it;
- **Strengthening participatory capacity.** People with fewer opportunities should be provided with necessary support measures, such as relevant information, training activities and covered expenses, so that they can meaningfully participate in participatory processes;
- **Open and inclusive communication should be established between the state, local governments and general society.** Trust must be developed by ensuring transparency and fairness in participatory processes.

SUMMARY

1) Latvia still lacks a unified anti-poverty strategy.

Although different ministries are implementing individual measures, these measures often lack coordination and sustainability. There is no structured, national-level approach, such as a NAPS or LAPS, with clear objectives, deadlines and budget.

2) The existing minimum wage and GMI do not cover even the minimum cost of living.

In 2025 the minimum wage of €740 does not cover the subsistence minimum of €840 (excluding rent), while the GMI of €166 is significantly lower than the amount of money required for basic survival.

3) There is no minimum consumption budget (MCB) in Latvia.

Without an MCB, it is impossible to objectively determine what is a sufficient level of income for a dignified life. Policy planning is therefore based on assumptions rather than reality.

4) Government-implemented measures are often short-term and fragmented.

Social assistance is often just a temporary solution. – these are seasonal benefits, food packages and similar solutions that do not cover all target groups and do not ensure long-term sustainability.

5) Large families and people with disabilities are particularly vulnerable in this situation.

Stories told by these people have revealed discrimination in the housing market, insufficient support and difficulties in accessing necessary services. A lack of relevant information and unequal treatment particularly affects rural areas.

6) Inflation and the cost of living are rising faster than provided support.

Wages and benefits are not keeping pace with the rapid rise in prices, particularly in relation to food and energy.

7) Access to the social support system is often just a formality.

People are sometimes denied social assistance based on their ownership of property or vehicles, or on their declared place of residence, despite being in a very difficult situation.

8) Public participation is merely symbolic and formal.

People with experience of poverty are not involved in policy planning processes, evaluation or monitoring. Recommendations from EAPN-Latvia are rarely taken into account in policy documents.

9) Support from local governments is often inconsistent and bureaucratic.

Quite often decisions are based solely on formal criteria (e.g. land ownership, vehicle ownership, etc.), which do not accurately reflect a person's actual financial situation.

10) There is no coordinated structure at the local government level.

Local governments have not established a system or institution that works continuously to reduce poverty and social exclusion in Latvia. There is also a lack of long-term vision and strategy at the local level.

11) In many places, social services are too passive.

In many regions, social workers operate in a limited capacity, individual solutions are not implemented, nor is support offered, outside of formal schemes.

12) Regional differences tend to exacerbate inequality.

Big cities, for example, have soup kitchens and social services that rural areas often lack. Social support tends to depend on where people live rather than on their actual needs.

13) Local government policies do not allow for citizen participation.

People with lived experience of poverty are not involved in local government decision-making processes or policy development.

14) An urgent national strategy is required.

Only a clear National Anti-Poverty Strategy based on real data and people's experiences can ensure fair, sustainable and coordinated support for people across Latvia.

RECOMMENDATIONS:

- **The development and implementation of a National Anti-Poverty Strategy (NAPS) is to be undertaken.** This strategy should address housing, health, education, income and the demographic challenges. It should include clear objectives, action plans, indicators, and regular evaluation.
- **It is important to implement and maintain a calculation of the minimum consumption budget (MCB).** The MCB should be differentiated by population groups and regions in order to accurately determine the minimum subsistence income and the cost of providing for basic human needs.
- **It is necessary to establish an inflation crisis mechanism.** When inflation reaches a certain threshold, automatic support measures should be introduced, such as price ceilings for essential goods — especially food, medicines and heating.
- **The VAT rate on essential goods should be reduced.** Reducing VAT on food, medicines and energy would directly affect the purchasing power of low-income households.
- **Cross-sectoral cooperation must be strengthened.** In order to prevent policy fragmentation, closer cooperation must be established between ministries and between national and local government officials.
- **Adequate and predictable funding must be ensured.** A clear long-term budget should be provided for social protection measures, so that they are not dependent on short-term funds or projects.
- **The improvement of data collection and analysis is to be achieved.** A high-quality data system on poverty and social exclusion should be developed to allow for a more accurate assessment of the impact of policies on different groups in society.
- **People with lived experience of poverty should be involved.** These people should be involved at all stages of the policy: planning, implementation, evaluation and monitoring.
- **A structured anti-poverty coordination mechanism should be established.** Each municipality should establish an anti-poverty working group or unit that would report directly to the municipal leadership and be integrated into strategic documents.

- **A local anti-poverty strategy (LAPS) should be developed.** This should be based on a needs assessment of the local community and its residents' experiences, as well as the real data.
- **Specific measures should be included to ensure adequate support.** The action plan should include the following:
 - 1) improving housing accessibility;
 - 2) child nutrition in educational institutions;
 - 3) public transport in rural areas;
 - 4) access to information;
 - 5) targeted support for single-parent families, etc.
- **Poverty indicators at the municipal level are to be analysed and published.** Data on social assistance, the profile of poor households, income dynamics, housing risks and other factors should be collected regularly, at least over a three-year period.
- **NGOs and local researchers should be involved in data analysis.** To ensure a multidimensional perspective, local governments should collaborate with local organizations, researchers and community representatives.
- **Mechanisms for citizen participation must be established.** People with experience of living in poverty must be represented in policy planning and monitoring processes. This participation must be genuine, not just a formality.
- **Regular community consultations should be conducted.** Local level meetings, citizens' hearing meetings, thematic councils and similar formats should be integrated into the decision-making practice of local governments.
- **The adoption of good practices from other countries is recommended.** Examples:
 - France: Regional observation councils (known as “observation locale de la pauvreté”) bring together NGOs, municipalities and researchers;
 - Estonia: Social policy strategies are implemented at a local level, with an annual review and public participation;
 - Portugal: The “Local Social Network” system ensures partnership and coordination between all the actors involved in the municipality.

SOURCES USED

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- Latvian Ministry of Finance – 2025 Plan
- LV portal – <https://lvportals.lv>
- Official publication "Latvijas Vēstnesis" – <https://www.vestnesis.lv>
- OECD economic forecasts
- EAPN-Latvia 2022 Poverty Watch report
- EUISG, EAPN Europe, SMES-Europa – data sources from international organizations
- Stories of personal experiences
- "Children in Latvia 2024" – CSB publication
- https://admin.stat.gov.lv/system/files/publication/2025-03/Nr_07_Nabadzibas_risks_un_sociala_atstumtiba_Latvija_2023_%2825_00%29_LV_0.pdf
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This EAPN-Latvia Poverty Watch report 2025 was prepared by a working group led by Olga Borisova, the National Coordinator of the EAPN People Experiencing Poverty (PeP) programme.

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