

Fight against poverty - Ombudsman of the Republic of Latvia has already submitted five applications to the Constitutional Court

The Ombudsman of the Republic of Latvia Juris Jansons has already submitted five applications to the Constitutional Court on the unconstitutionality of the amount of several state-determined benefits to vulnerable groups in the fight against poverty.

Ombudsman Mr. Juris Jansons pointed out that poverty causes social exclusion, therefore it is the duty of a socially responsible state to create a social assistance system that ensures a dignified standard of living and allows a person to fully integrate into society. Ombudsman explains that the state's obligation to ensure a dignified standard of living also follows from the UN Universal Declaration of Human Rights and the UN International Covenant on Economic, Social and Cultural Rights. The relevant regulation provides that every person has the right to a standard of living necessary for his/her and his/her family's health and well-being, including food, clothing, housing, medical care, primary education, and social services. So far, cases on social assistance have not been considered in the Constitutional Court, but the Constitutional Court has acknowledged that social assistance also falls within the concept of social security included in Article 109 of the Constitution of Latvia.

I. The first application submitted to Constitutional Court was for a level of guaranteed minimum income (GMI). In Latvia, the GMI level per person is 64 euros per month, which in the opinion of the Ombudsman does not comply with the Constitution. Therefore, in April 2019, the Ombudsman sent a letter to the government pointing out the injustice and called on the government to prevent the identified shortcomings and to set the GMI level in accordance with the Constitution. In response, the Ombudsman received a letter from the Cabinet of Ministers with another empty promises, which does not differ significantly from ones received in previous years. In the Ombudsman's view, the GMI level should be based on calculations and close to the established at-risk-of-poverty threshold. Consequently, on October 1, 2019, the Ombudsman submitted an application to the Constitutional Court regarding the non-compliance of the guaranteed minimum income level with the Constitution of the Republic of Latvia. The Constitutional Court has already reviewed this application and the court will announce its verdict on June 25, 2020.

II. As the second application regarding the legal norm that affects public poverty and social exclusion, was submitted in October 2019 on the non-compliance of the amount of the State social security benefit with the Constitution. The State social security benefit (SSSB) is a regular state social benefit for people of retirement age and adults with disabilities who are unable to receive support from the social insurance system and who, for justified reasons, are unable to earn an income on their own. In the opinion of the Ombudsman the purpose of this benefit is to provide basic needs of the

persons who don't receive any other basic incomes - food, clothing, housing, health care and compulsory education, because there are no other basic incomes for these persons.

The amount of the SSSB base in Latvia is 80 euros per month, but for people with disabilities since childhood almost 123 euros per month. However, depending on person's disability group, the SSSB may increase slightly - a maximum of 159.50 euros per month.

According to the World Bank, Latvia is recognized as a high-income country. Thus, based on the World Bank's assessment, the poverty line in Latvia should be 19.79 euros per day or 594 euros per month. Nevertheless, according to the Latvian government, basic needs (food, clothing, housing, health care, compulsory education) should be met with only 2.67 euros per day (80 euros/30 days per month). For example, at the end of 2018, 3509 people had to live on the livelihood of absolute poverty in Latvia. In 2015 the study, funded by the European Commission, "The European Reference Budgets Network" indicated that the monthly budget required for a healthy diet in Latvia is 153 euros per person and 574 euros for a family with two adults and two children. According to the data of the Central Statistical Bureau of Latvia, since 2015 the price of goods has increased by 7.1%. Modeling the situation and referring to the budget expenditures for food identified in previous mentioned study, it can be assumed that for healthy diet in the middle of 2019 one person needs 163.86 euros and a family with two adults and two children already needs 614.75 euros. It just means that SSSB do not even cover all the costs of healthy food, not even talking about other basic needs. The Ombudsman points out that the amount of the state social security benefit set by the government is not sufficient to cover at least part of the basic needs. The Constitutional Court has already reviewed this application and the court will announce its verdict on July 9, 2020.

III. The non-compliance of the income threshold of a needy person with the Constitution was the subject of the third application to Constitutional Court. The family (person) shall be recognized as needy if its average monthly income per each member of the family does not exceed 128.06 euros per month. In the opinion of the Ombudsman, it does not comply with Articles 1 and 109 of the Constitution - Latvia is an independent democratic republic and everyone has the right to social security in old age, for work disability, for unemployment and in other cases as provided by law.

Status of the needy family (person) is important because it provides access to social assistance systems for vulnerable people. This status is linked not only to the right to receive certain social benefits and services, but also to other social support and benefits. The status of a needy family (person) is granted by the municipal social service.

In 2010, the government planned to set the poverty threshold as an amount not exceeding 50% of the minimum monthly wage in country on January 1 of the respective year. The minimum monthly salary at that time - in 2010 - was 180 lats (256 euro) per month. Respectively, 50% of this amount is

90 lats, which, when converted into the euro equivalent, is 128.06 euros. Based on the fiscal consolidation measures to be implemented in the 2011 state budget, the government "froze" the poverty threshold in the amount of 128.06 euros. Although initially such a "freeze" was envisaged only until the end of 2011, it has remained so until today, despite the fact that the amount of the minimum monthly wage has changed during these years.

It should be emphasized that the poverty threshold set by the government and the at-risk-of-poverty threshold calculated by the Central Statistical Bureau are not the same. Between 2010 and 2017, the at-risk-of-poverty threshold has increased by 157 euros, with an average annual increase of 22 euros. People with incomes below the at-risk-of-poverty threshold are potentially more at risk of poverty and social exclusion. This shows that a smaller and smaller part of the population, which actually needed it, was able to receive the social support set by the government during the reporting period. "As this is the lowest income population, the revision of these thresholds needs to be much more regular, taking into account not only the state budget possibilities, but also the economic situation in the country and the average actual consumer price index set by the Central Statistical Bureau," the ombudsman said.

IV. The fourth application to the Constitutional Court is about the non-compliance of the current amount of minimum old-age pension base (80 euros per month) with the Constitution. According to the Revised European Social Charter, the minimum old-age pension in Latvia should be at least 341 euros per month. In the current situation, 14% of all pension recipients in Latvia receive the minimum old-age pension and try to live on less than 3 to 4.5 euros a day.

Explaining the Charter, the European Committee of Social Rights has stated that the minimum amount of social security, if it replaces income, must in any case be at least 50% of the median income (which in the case of Latvia is 341 euros per month) per equivalent consumer. But if it is already below 40% of this median (which in the case of Latvia is 272 euros per month), then it automatically causes non-compliance with Article 12 (1) of the Charter. Thus, it can be concluded that at present, the amount of the minimum old-age pension is not considered sufficient.

V. The fifth application to the Constitutional Court is about the non-compliance of the minimum disability pension with the Constitution. Almost half of all recipients of disability pensions in Latvia receive it in the minimum amount. The purpose of an invalidity pension is to ensure the right to social security for people who, for objective reasons, are denied or have difficulties in earning income independently. From January 2020, the minimum amount of the invalidity pension is from 80 euros to 128 euros per month (from 2.67 to 4.27 euros per day), but for persons with disabilities since childhood - from 122.69 euros to 196.30 euros (from 4.09 to 6.54 euros per day).

Human dignity is the essence of human rights. Thus, ensuring human dignity is a duty of the state, which must be implemented immediately,

regardless of the level of economic development of the state. Considering the current amount of disability pension set by the state, the Ombudsman considers that people with disabilities are placed in a situation that degrades human dignity.

Despite already five applications in Constitutional Court, Ombudsman of the Republic of Latvia is informing that sixth application is already on it way. The Ombudsman's application to the Constitutional Court, which relates to the 2020 State Budget in the section on remuneration of health care workers, is currently being developed. The Ombudsman called on the Parliament to make amendments to the Law "On the State Budget for 2020" and to find financing to increase the salaries of health care workers in accordance with the Health Care Financing Law adopted by the same Parliament. Until the deadline indicated by the Ombudsman - June 1, 2020 - the Parliament did not make any amendments and did not reply to the Ombudsman, therefore the preparation of the application to the Constitutional Court is currently underway.

The Ombudsman of the Republic of Latvia points out that social issues have always been a priority and, despite their unpopularity in government decision-making activities, the Ombudsman is ready to fight for the opportunity of the Latvian population, especially the most vulnerable group of the population, to live a dignified life, as it should be in a socially responsible and democratic state.

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