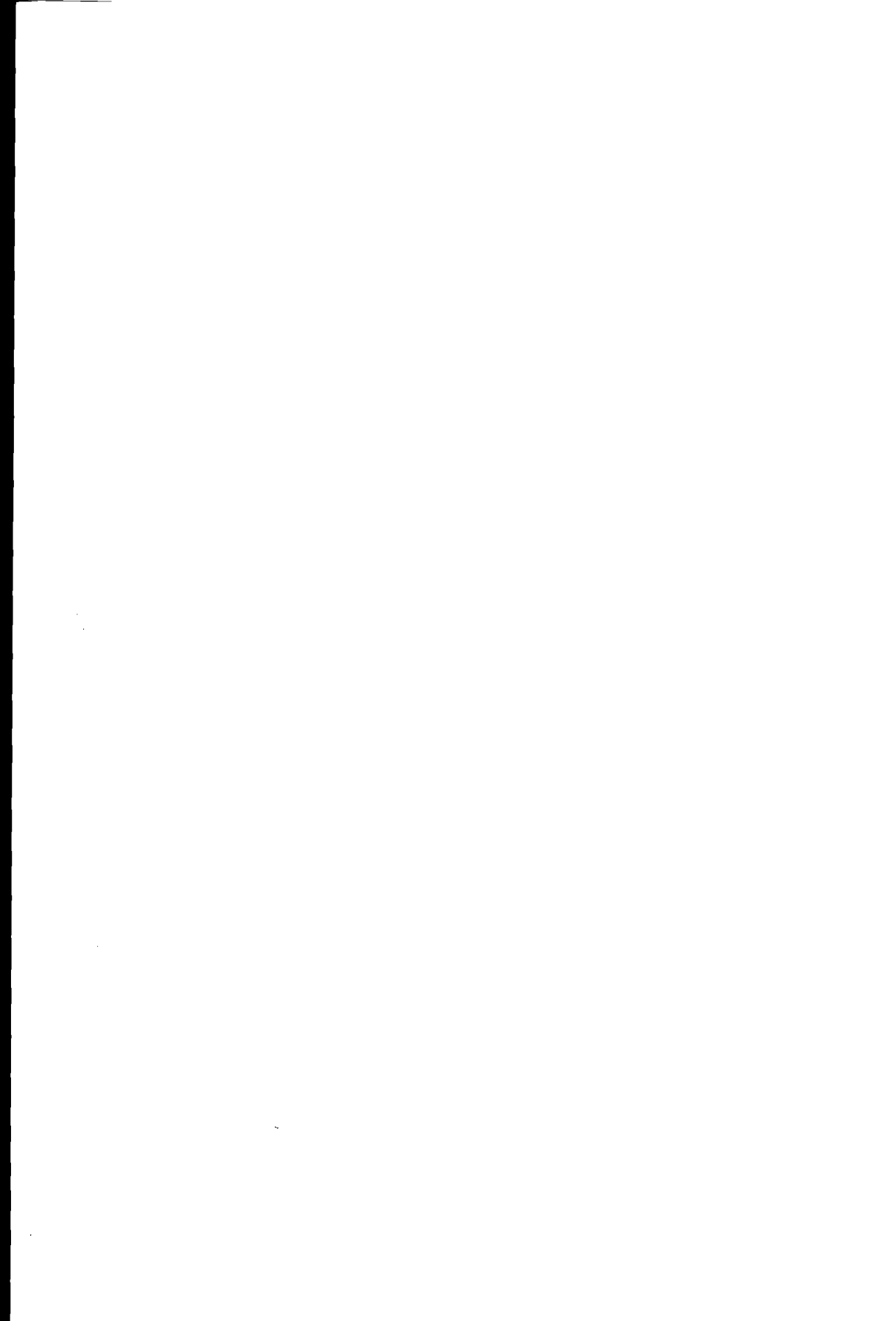


Aadne Aasland (ed.)

Latvia: The Impact of the Transformation

The NORBALT Living Conditions Project

Fafo



AADNE AASLAND (ED.)

LATVIA:
THE IMPACT OF THE TRANSFORMATION

THE NORBALT LIVING CONDITIONS PROJECT

AUTHORED BY:

AADNE AASLAND
MARANDA BEHMANE
BIRGIT JACOBSEN
ZAIGA PRIEDE
ANITA ŠVARCKOPEA
INTA VASARAUDZE

FAFO REPORT 188

© Forskningstiftelsen Fafo 1996
ISBN 82-7422-145-1

Cover page: Agneta Kolstad
Printed in Norway by:  **Falch** Hurtigtrykk

CONTENTS

Fafo's Preface	7
Editor's Preface.....	9
Latvian Living Conditions in Transition	11
<i>Aadne Aasland</i>	
Two Events in August 1994	11
An Historical Overview	12
Restored Independence.....	14
The Economy.....	15
Ethnopolitical issues	16
Ecological and Social Challenges	17
The Concept of Living Conditions	18
Living Conditions in Latvia.....	19
The Composition of the Report	20
Population	21
<i>Aadne Aasland</i>	
Introduction	21
Population Growth	22
Fertility	23
Mortality	24
Migration	25
Urban and Rural Distribution	27
Regional Distribution	28
Gender and Age	31
Ethnicity	33
Regional Distribution of Non-Latvians	35
Citizenship	36
Conclusions	38
Household Composition	39
<i>Aadne Aasland</i>	
Household Size: The Household Perspective	39
Household Size: The Individual Perspective	41
Household Types	42
Age of Leaving Home and Marital Status	46
Dependency and Consumer Ratios	49
Conclusion: Households and Living Conditions	52

Housing Conditions and the Residential Environment	53
<i>Anita Švarckopfa</i>	
Introduction	53
Historical background	53
Type of dwelling	55
Form of ownership	56
Living space	58
Household amenities	61
The local environment	64
Crime and safety in the home	66
Satisfaction with housing conditions	67
Conclusions	70
 Health	 71
<i>Inta Vasaraudze</i>	
Introduction	71
Health Care Insurance	73
Demography	76
Self-evaluated General Health Condition	77
Illnesses of a Lasting Nature and Chronic Afflictions	79
Contact with Health Care Institutions	81
Dental Health	82
Mental Health	85
Measuring Nervous Conditions	87
Alcohol Consumption	89
Smoking Habits	91
Physical Activities	93
Conclusion	94
 Education	 95
<i>Maranda Behmane</i>	
Introduction	95
The historical context	96
The present system	96
Preschool Education	97
Compulsory and secondary education	99
Higher education	101
Educational level	101

Employment and Working Conditions.....	111
<i>Zaiga Priede</i>	
Introduction: Definitions, structure of the chapter	111
The Employed	114
The Latvian Work Force.....	114
Employment by age	115
Employment Structure	117
Occupational status and educational level	120
Working hours and work schedule	121
Workplace Conditions	123
The physical working environment index	126
Organisational working environment	129
Unemployment and Exclusion from the Labour Market	131
The unemployed	131
Mobility in the labour market	136
Unemployment benefits	138
Hidden unemployment	138
The economically inactive population	139
Conclusions	141
 Economic Resources	 143
<i>Aadne Aasland</i>	
Introduction	143
Sources of Income	144
Compensation Strategies.....	149
Consumer Durables	151
Economic Hardship	154
Latvian Households in Transition:	
Concluding Observations	157
 Social Networks and Participation	 161
<i>Aadne Aasland</i>	
Introduction	161
Social Networks in Latvia	162
Contacts with Parents and Family Members.....	163
Contacts with Neighbours and Colleagues	165
Exchange of Help and Services	167
Social Participation	171
Conclusions: Social Isolation is a Rare Phenomenon	173

Political Attitudes	175
<i>Birgit Jacobsen</i>	
Introduction	175
Privatisation	177
Increased Inequalities	179
Confidence in Government Authorities	181
Women in a society in transition	182
Political Interest and Perceived Influence	184
Emigration – an Alternative to Deteriorating Living Standards?	186
Conclusion	189
Appendix	190
Model 10.1: Opinion on privatisation	190
Model 10.3: Political interest and perceived influence	192
 Cumulative Aspects of Living Conditions	 195
<i>Aadne Aasland</i>	
Introduction	195
Selection of Variables and Indices	196
Two Major Dimensions of Living Conditions	198
Explaining inequalities	199
Socioeconomic resources	200
Security and Control Resources	204
Health and Living Conditions	208
Vulnerable groups	210
The Privileged	213
Conclusions	215
Appendix	217
A. The Factor Analysis	217
B. Multiple Linear Regression	220
 Bibliography	 223
 The Organisation, Training and Execution of the Field Work	 227
Responsibilities, Recruitment and Training	227
The Organisation and Execution of the Field Work	228
Control and Incentives	229
Non-response	230
 The Sample Design	 233

FAFO'S PREFACE

The present report is an offshoot of the NORBALT Living Conditions Project. In many respects, NORBALT is a continuation of the pioneering effort made in 1990-91, when Fafo and its Moscow-based affiliate Soteco carried out a living conditions survey in Lithuania. The favourable reception enjoyed by this project, which was the first in its kind in one of the transitional economies, spurred further contacts with representatives of other countries in the region. Soon, the idea of a repeated survey, comprising not only Lithuania but the entire Eastern Baltic Rim, was launched as a joint initiative by Terje Rød Larsen, then Fafo Director, and Baltic diplomats in Brussels. It was decided that the project should cover the three Baltic states of Estonia, Latvia and Lithuania, as well as the Kaliningrad enclave and St. Petersburg in Russia. Survey goals were formulated in close cooperation between Fafo and authorities and professional bodies in the Baltic countries. The project marked a new departure in several ways. With the exception of Lithuania, Scandinavian-style living conditions surveys had not been conducted in the region before, and secondly, the scope of NORBALT was almost breathtakingly broad, as it comprised five parallel surveys in five separate areas, and no less than 16.000 households.

Success, it is fair to say, was not a matter of course. It gives me great pleasure to record that the first main stage of the NORBALT project has now been successfully finished with the simultaneous publication of four country reports, for Estonia, Latvia, Lithuania and Russia (St. Petersburg and the Kaliningrad enclave) respectively. Numerous individuals and institutions have contributed to this happy result. Our Estonian, Latvian, Lithuanian and Russian partners are too many to be counted here; for due acknowledgement, please consult the editor's preface in each report. On the Norwegian side, we owe a particular debt of gratitude to Deputy Foreign Minister Helga Hernes and her successor Siri Bjerke. Both have been firm supporters of the project. At Fafo, I want to pay tribute to the two project managers, Erik Hansen (Russia) and Aadne Aasland (the Baltic countries), who have worked with impressive energy, commitment and professional skill. Professor Knud Knudsen and Jens B. Grøgaard join ranks with Hansen and Aasland as conscientious editors. Research Director Kåre Hagen has provided valuable advice. I wish to thank Special Adviser Jan Dietz for helping to organise the project. We are also grateful to Julia Ferkis for her contributions.

All five areas are in the middle of a transition for which there are no precedents or ready prescriptions. Notwithstanding the uncertainties, there are grounds for believing that the living conditions of ordinary citizens can be improved. Up-to-date, reliable socio-economic knowledge is an essential requirement, maybe even the key to progress. Our ambition has been that the project should play a useful role in

current work to modernise local scientific capabilities. Above all, we hope the four reports can be put to good practical use by policy planners and decision-makers. The NORBALT material is exceedingly rich, and should be made the most of in future research. In the next phase, therefore, we hope it can be utilised in Baltic-Nordic comparative studies of living conditions.

The project has been funded through generous grants from the Norwegian Ministry of Foreign Affairs and the Norwegian Ministry of Defence.

Dag H. Odnes
Director General

EDITOR'S PREFACE

The present study is the result of a joint effort by Fafo and the Central Statistical Committee of Latvia (CSB). The cooperation between the two institutions dates back to December 1993. From the very start of the survey the two parties have worked closely together; in survey design, field-work, and - as this report illustrates - in the analysis of the survey results.

Personally, working on this project has been rewarding and given me new perspectives on life in Latvia. Having studied ethnic relations in Latvia, and having visited the country regularly since 1989, I feel privileged in being able to follow Latvian developments so closely. I wish to thank all my friends in Latvia, old and new, for their kindness, support and hospitality.

The authors have had considerable freedom in their approach to each chapter of the report, and thus, the contributions are diverse. However, a certain structure has been attempted. A common criterion has been that the report should have a form which does not require any experience from the reader in the use of statistics. Some chapters include the use of statistical methods which may be of particular interest to researchers and other specialists, and the documentation has then been enclosed in appendices towards the end of the chapters. Each chapter can be read separately.

The CSB has been a reliable, constructive and enthusiastic partner throughout the project period. Fafo has greatly appreciated the high priority assigned to the project by its Chairman, Arvils Sautiņš. Ina Vasaraudze has been a competent and devoted project director and deserves warm thanks. I would also like to express my gratitude to other representatives of the CSB: Maranda Behmane, Vladimirs Daineko, Karmena Daudzvarde, Zaiga Priede, Anita Švarckopfa, and Edmunds Vaskis. Professor Peteris Zvidriņš from the University of Latvia gave useful comments on the chapter on population.

The quality of a living conditions survey to a large extent depends on how the field work has been conducted, i.e. on the contributions of the supervisors, interviewers and data-entry operators. I had the opportunity to meet with all of them at training courses organised prior to the survey, and was impressed by their skills and their eagerness to learn. A number of random field work visits confirmed my initial impression of professionalism and conscientious work.

A large number of people at Fafo have been involved in the Latvian living conditions project during its various stages, starting with preparatory work on the project design, to commenting on the draft chapters. My thanks are due to Tor Bukkvoll, David Drury, Eli Feiring, Julia Ferkis, Tone Fløtten, Kåre Hagen, Erik Hansen, Jon Hanssen-Bauer, Birgit Jacobsen, Jon Pedersen and Steinar Tamsfoss for their contributions. I feel particularly indebted to Jens B. Grøgaard and Jan Dietz who have spent a great amount of time reading carefully all the draft chapters and

providing invaluable comments and suggestions. The final production of the report has been handled with great efficiency and much appreciated flexibility by Agneta Kolstad, with inputs from Bente Bakken and Jon Lahlum.

Linda Sivesind has provided valuable advice on language and style. And, finally, I wish to thank Martin Dewhirst, Joseph McCormick, Evita Kursite and Dace Paegle for their help.

Aadne Aasland
NORBALT Project Director (the Baltic States)
and Editor of the report

CHAPTER 1

LATVIAN LIVING CONDITIONS IN TRANSITION

Aadne Aasland

*Mēs gribam savu latvju dvēseli,
Mēs gribam savu latvju mēli,
Mēs gribam savu latvju zemi,
Mēs gribam brīvī!
Mēs gribam savu dzīvī!
Un to mēs gūsim!*

[We want our own Latvian soul,
We want our own Latvian tongue,
We want our own Latvian land,
We want to be free!
We want our own life!
And this we shall obtain!]

Jānis Rainis (1865 - 1929)

TWO EVENTS IN AUGUST 1994

A major, symbolically significant event took place in Latvia in August 1994. The departure from Latvia of the last Russian soldier on August 31, which received extensive media coverage both inside the country and abroad, ended half a century of Moscow's military presence in the country. This was a new and very important step in the consolidation of Latvian independent statehood, which had been restored and internationally recognised three years earlier. This first important event marked the achievement of one of the main goals of the strong, popular movement for independence that had developed during the latter half of the 1980s.

The same newspapers that reported the Russian troop withdrawal could also inform their readers about a survey to be conducted by the Central Statistical Bureau of Latvia, and Fafo, the Norwegian Institute for Applied Social Science. A major nation-wide survey of living conditions was launched, and people were kindly asked to cooperate with the interviewers in order to ensure a representative sample of the population. Subsequently, more than three thousand randomly selected Latvian households were approached in September 1994.

How are the two parallel and seemingly quite unrelated events linked? They symbolise, perhaps, the end of an old era and the start of a new. Although in a highly different manner, the living conditions survey may, just like the troop withdrawal, contribute to the consolidation of Latvian statehood. By providing a reliable and comprehensive overview of Latvian living conditions at a pivotal point in Latvian history, the survey can be used not only to design modern policy instruments, but also serve as a benchmark for future developments.

Information was gathered on more than 9,400 individuals from all parts of the country, representing both sexes and a variety of ages and ethnic affiliations. As a matter of fact, the much publicised troop withdrawal in August involved less people! Less than 2,500 Russian servicemen were left in Latvia at the beginning of August 1994 (RFE/RL Report No. 150, 9 August 94).

Although the Latvian population has achieved its main goal by restoring independence, perhaps faster than even the most optimistic activists in the popular independence movement had hoped, there are numerous challenges ahead. The two main priorities of the decision-makers across the political landscape have been to continue the transition which started in the late 1980s from a totalitarian to a democratic society, and the transformation from a planned economy to an economy based on market principles. In the few years that have passed since Latvia regained independent statehood, the country has had considerable success in both respects. By 1994 the country had acquired a noticeable degree of political and socio-economic stability. However, the human costs of the transition have been hard to bear for large segments of the population. The living conditions survey was conducted at a time when the GDP per capita had decreased by more than a half since 1990. If, as many prognoses indicate, Latvian living conditions had reached a low point at the time of the survey, and are now slowly improving, repeated surveys should indicate the speed of improvement in the living conditions of Latvian households and individuals, and should be able to tell whether the improvements are evenly distributed within the population.

AN HISTORICAL OVERVIEW

Latvia is situated on the eastern coast of the Baltic Sea, bordering Estonia in the north, Russia and Belarus to the east and Lithuania to the south. Latvians can trace their roots back more than 4,000 years. Following many centuries of German, Swedish, Polish and Russian rule, during which time administrative and national frontiers often crossed territories which today are Latvia, independence was proclaimed on 18 November 1918. It was only in the late 1919, however, that the eastern part of the country, Latgale, was united with the rest of Latvia. A peace treaty was concluded with the Soviet state on 1 August 1920. Yet independence did not last long. Latvia was annexed and incorporated into the Soviet Union in the summer of 1940.

Two decades of independent statehood were nevertheless enough to strengthen and further develop the national consciousness which had evolved in Latvia during the nineteenth century. The symbolic significance of the period of independence for the *atmoda* (reawakening) process in the late 1980s should not be underestimated. Despite severe damages and loss of population during the war, as well as the loss of the traditional Russian market, the Latvian economy recovered relatively rapidly in the 1920s. Industrial production was reduced, but agricultural output and produc-

tivity increased. Butter and meat products were exported to Western European countries, especially Great Britain and Germany. Other important export products were timber and wood (van Arkadie and Karlsson 1992: 63–64).

The first years of independence were characterised by important democratic achievements. Latvia established a single-chamber parliamentary system with a president elected by the parliament, the *Saeima*. Minority rights were respected and protected through legislation (von Rauch 1974). Cultural life flourished, and Latvia ranked very high in terms of the number of university students as a percentage of the population. The prevailing political culture, combined with an electoral system that encouraged small political parties, resulted in frequent changes of government: In the period from 1920 to 1934, Latvia had 16 different governments. This political instability was one of the main reasons why it was possible for Karlis Ulmanis, the then Prime Minister and former President, to establish an authoritarian regime in 1934. He appointed himself to both posts. Political and economic power was concentrated in the hands of the state government, parliament being dissolved.

As a result of the Molotov-Ribbentrop Pact, the Soviet Red Army marched unhindered into Latvia on 17 June 1940. The event was followed by Latvia's incorporation into the Soviet Union in August the same year. Starting in 1940, the wave of deportations grew to massive proportions in the summer of 1941. After the German occupation and the restoration of the Soviet regime, the deportations continued. Population losses due to deportations, executions, emigration, territorial changes and evacuation have been estimated at 30 per cent of the pre-war population of Latvia.

In Latvia, the post-war years were characterised by rapid Sovietisation (Misiunas and Taagepeera 1993). The centralised Soviet rule led to a wide-reaching reorientation of the economic structure. Huge industrial plants were built in Latvian cities, attracting vast numbers of skilled and unskilled labourers to the republic. The influx of non-Latvians was so large that the ethnic composition of the country was altered dramatically. While ethnic Latvians had made up 75 per cent of the population before the war, their share was reduced to 62 per cent by 1959 and was a meagre 52 per cent in 1989. This development, and the linguistic and cultural Russification associated with it, was perceived by many ethnic Latvians as a threat to the survival of their nation. Agriculture was collectivised and, accompanied by a new wave of deportations in March 1949, it took some time for agricultural production to be restored to pre-war levels. The produce from collective and state farms was now exported to the other Soviet republics, trade with Western countries becoming virtually impossible.

By the early 1950s, the Latvian Soviet Republic was fully integrated into the Soviet centrally planned economic system. Latvia had a comparatively highly skilled work-force and a well-developed infrastructure. The relatively greater efficiency of Latvia's economy contributed to one of the highest standards of living in the Soviet Union. Russians and other Soviet citizens often referred to Latvia and the two

other Baltic republics as the "Soviet abroad" (*sovetskaya zagranitsa*). The living standards of Latvian farmers also gradually improved; a large share of family incomes of collective farmers came from small private plots. However, Latvians continued to compare themselves first of all with Western Europe, even though they had lost nearly all contact with that part of the world. In terms of material welfare, the contrast in living standards between Latvia and the West was stark.

RESTORED INDEPENDENCE

Although there had been some minor attempts at political and economic reforms during the 1950s and 1960s, it was only in the late 1980s that more profound, systemic reforms appeared on the political agenda. It was the policies of *glasnost* and *perestroika* that paved the way for expressing views that did not always conform with those of the Communist Party in Moscow. Until that time, all political opposition had been ferociously repressed.

The economic stagnation characteristic of the Soviet Union from the late 1970s also hit Latvia. In addition, Latvia faced serious social and ecological problems. The Soviet planned economy was better suited for 'extensive' resource-intensive growth than for growth based on increased productivity. To Latvia, the high degree of centralisation meant that the economic development of the republic was largely determined by industrial branch ministries based in Moscow. Moreover, Latvia was extremely dependent on the rest of the USSR for the import of energy and raw materials. In 1985 about 91 per cent of Latvia's total fuel and energy requirements were met by imports (Bradshaw et al 1994: 170).

Gorbachev encouraged a more open debate on how to turn economic stagnation into progress. However, this new openness also allowed the Latvians and the other Balts to become more vocal about their political demands. The policy of *glasnost* permitted the voicing of the Latvian nation's wish for statehood and self-determination. Gradually the agenda changed from attempts to reform of the Soviet system to a struggle for full political independence. On 4 May 1990, a Declaration on the Renewal of the Independence of the Republic of Latvia was adopted. Yet the declaration only went so far as to declare the intention to re-establish the Republic of Latvia after a transition period.

It was events outside of Latvia which accelerated the speed of transition. In response to the August 1991 coup attempt in Moscow, the Latvian Parliament, like the Estonian one, took the opportunity to suspend the transition period and proclaim the restoration of full independence and Constitutional (*Satversme*) power in Latvia. The highest elected institution is, as in the previous independence period, the one-chamber multi-party Parliament (*Saeima*), elected for a term of three years in direct, proportional elections. The first elections took place in the summer of 1993, and the largest party, *Latvijas Ceļš* (Latvia's Way), has formed

the core of two coalition governments since then. New elections are scheduled for October 1995.

THE ECONOMY

The newly emancipated nation, now free to pursue independent policies, faced major economic, social and ecological challenges. Latvia has encountered the same problems as many other countries in making the transition to a market economy, including weak capital markets, hyperinflation, and supply and demand crises. Until the end of the 1980s, Latvia had been fully integrated into the Soviet economic system. However, old economic links and production patterns were disrupted as a consequence of the Soviet break-up. Thus, economic activity declined sharply in the early 1990s. Industrial production declined as a result of the disappearance of export outlets in the former Soviet Union as well as access to cheap raw materials and energy. In fact, production fell even more than GDP. In response to the disappearance of the markets in the East, Latvia has tried to break into Western European markets, and trade with the West has expanded significantly. While trade with the CIS states accounted for 88 per cent of total exports and 72 per cent of imports as late as in 1991, by 1994 the CIS trade statistics had fallen to 43 and 30 per cent respectively.

The liberalisation of prices in early 1991 and in 1992 created shockwaves in the population. In 1991 inflation reached 262 per cent, rising to as much as 958 per cent in 1992. This hyperinflation was also a result of the general increase in prices across the rouble zone caused by the policy of monetary expansion pursued by the central banks of the then-Soviet republics. The Central Bank of Russia was not able to provide the whole rouble zone with liquid assets, which resulted in an urgent shortage of cash for paying wages in Latvia. In March 1992, the Latvian rouble was put into circulation with an exchange rate of 1:1, filling the cash gap. Tight monetary policies were implemented, and in order to avoid imported inflation, the Latvian rouble was made the only legal tender the same summer. The introduction of the convertible Latvian national currency, the *lat*, in June 1993 marked the successful completion of monetary reform. Inflation has been under control since 1992; it dropped to 35 per cent in 1993 and 25 per cent in 1994 (Latvian Ministry of State Reforms 1995: 10–11).

Wages did not keep up with inflation, so the real income of the population fell, at least until mid-1993. Also, purchasing power declined by an estimated 11 per cent from December 1991 to November 1994. As a result, restructuring caused severe human distress. Unemployment, which officially did not exist in the Soviet Union, became a serious problem, and the official data for the beginning of 1995 showed an unemployment rate of 6.5 per cent of the economically active population (UNDP 1995: 17). The real unemployment rate, which includes hidden unemployment, is assumed to be far higher. There were also regional differences.

Unemployment hit the hardest in the eastern region of Latgale, where many of the large Soviet-run industrial enterprises were located. Here, the official unemployment rate was three times higher than the average for the country as a whole.

Privatisation is one of the most important factors in economic restructuring. By April 1994 approximately 60 per cent of all small and medium-sized municipally-owned enterprises had been privatised. The speed of privatisation was much slower for the large state-owned enterprises, and only a small fraction of them had been privatised in 1994. One of the main reasons for the slow privatisation in the state sector was the lack of legislation concerning ownership by non-citizens.

Thus, by 1994 when our survey was conducted, Latvia had achieved a considerable degree of macroeconomic stability with a relatively low inflation rate, a stable currency, and an improved budget and balance of payments situation. There were also hopes that the human costs of the transition could be reduced based on signs of economic recovery.

ETHNOPOLITICAL ISSUES

One important domestic policy issue facing Latvia as an independent state was to resolve the challenges related to the large number of non-citizens living in the country. According to a resolution adopted in October 1991, only those who were citizens of pre-war Latvia and their direct descendants would automatically be recognised as citizens of Latvia. In the summer of 1994, almost three years after independence had been restored, a Citizenship Act was adopted, stipulating the requirements for the naturalisation of non-citizens. Although ethnicity was not a requirement for citizenship, the issue had important ethnic connotations (Aasland 1994a). While more than 98 per cent of the ethnic Latvians were citizens, according to March 1995 data, the same was true only of 38 per cent of the ethnic Russians living in Latvia. Russians and other non-Latvians who wanted to become citizens had to pass a language exam, which was seen as the main barrier to many non-citizens, the majority of whom did not know the Latvian language fluently.

During the period of Soviet rule, the Russian language enjoyed a privileged position compared to Latvian, which was one of the reasons why many non-Latvians never learned the local language (Aasland 1994b). Almost all Latvians knew Russian. In fact, according to the 1989 census, 81 per cent of the population had a fluent command of that language. In the big cities where the ethnic Latvians were often in a minority, the Russian language dominated in all spheres of social life as soon as one or more non-Latvians were present. While most Russians went to schools where Russian was the language of instruction, the majority of Latvians went to their Latvian-language schools. There were also so-called mixed schools, where Russian-speakers were in one class and Latvian-speakers in another.

Latvian is now the only official language in Latvia. The Language Act of 1989 was amended in 1992, and the new law caused some controversy because of the

language requirements stipulated for different job categories. Language proficiency testing was initiated. The school system was reformed, placing more emphasis on the Latvian language, although the system of separate schools with different languages of instruction was preserved. However, the number of Russian-language schools and the number of pupils choosing Russian as the language of instruction declined somewhat. In addition to the Russian and Latvian-language schools, several schools were opened to other ethnic minorities once Latvia became independent. By 1994 it was possible to acquire an education in eight different minority languages in Latvia.

ECOLOGICAL AND SOCIAL CHALLENGES

One of the main problems that Latvia has inherited from the Soviet period is extensive environmental damage. Environmental issues were in focus during the initial stages of *atmoda*, partly because they were the only issues safe to discuss; still, there was genuine concern among people about the appalling state of the environment. Much indignation was directed towards the Soviet Armed Forces, which had never shown much sensitivity to the ecological consequences of their activities and installations.

Water pollution represented a particularly serious environmental problem. Due to chemical fertilisers, herbicides and pesticides from industry and agriculture, and a lack of satisfactory waste conversion systems, there was a sharp deterioration in the ecological situation, starting with the small and medium-sized rivers, running, in turn, into greater rivers and lakes. No more than 10 per cent of Latvia's water-sources were classified as clean (Ernšteins and Segliņš 1993: 94). The pollutants ended up in the Gulf of Riga, where a complicated ecological situation developed.

There are also serious social problems facing a country in the midst of a difficult transition period. Poor economic and social conditions have contributed to the deterioration of public health. Infant mortality, a strong welfare indicator, has been rising. Moreover, alcohol consumption and drug abuse have been increasing, as Latvia has been flooded by cheap, low-quality alcohol, tobacco products and drugs. Customs control is casual, and often determined by the size of the wallet of the traveller. One serious problem that pervades all levels of society is the widespread incidence of corruption and bribery. Finally, although the fight against crime has been a top priority for successive Latvian governments, the crime rate is still discouraging.

Thus, the Latvian authorities and the entire population face overwhelming tasks in almost every sphere of social life. However, most people have also been able to appreciate the many signs of progress, such as a broader selection of products, an improved outlook for many cities and towns, and increased contact and integration with other European countries. The range of personal choice has been widened for

most people, – culturally, economically and politically. Although times have been tough, and hard times probably lie ahead, very few want to return to the past.

THE CONCEPT OF LIVING CONDITIONS

The Latvian NORBALT survey was conducted against this background, in an environment characterised by rapid social and economic change. The initiative was inspired by Scandinavian experiences. It was thought that a survey of living conditions along Scandinavian lines would be pertinent in a country emerging from Soviet rule, suffering from a lack of reliable, up-to-date socio-economic data. The present study, then, is based on the traditional Scandinavian concept of living conditions, which was particularly elaborated in the 1970s. Living conditions studies are concerned with the measurement *welfare* in a broad sense. The quality of living conditions is assumed to be determined by the choices people have when making decisions which concern their own lives. Good living conditions imply that people have a wide scope of action within which they can shape their lives according to their own values and needs. To a large extent this is a matter of individual conditions such as good health, a well-developed social network, and a high educational level. These individual capabilities can be called *resources*. However, an individual's living conditions do not depend exclusively on his or her access to resources. The individual's use of these resources depends on specific contexts and social institutions – such as labour and housing markets and an educational system – also called *arenas of action*. Thus, a person with many resources in terms of good health, high education, and a family background with high social status, can use these resources as inputs and convert them into assets in other arenas, in the labour market, for example.

Every society differs in terms of how this conversion of resources takes place. In market economies, the process is usually based on market principles. In a nutshell, what you get in terms of welfare depends on what you have in terms of resources. Obviously, in the former Soviet Union, transactions were strictly regulated in many arenas. Let us take housing as an example: Flats were distributed not according to the economic resources of the households but in accordance with fixed norms of living space per person. In practice, however, market principles often played an important role in alternative distribution systems created by the shadow economy. Moreover, many of the mechanisms for the conversion of resources in the arenas of action tend to apply also in societies different from the Scandinavian welfare states.

A consensus has emerged in the research community as to the dimensions or components that should be specified in living conditions studies. It is generally acknowledged that a living conditions study should at least include health care, employment and work conditions, economic resources, education, social integration, housing and neighbourhood facilities, safety and security of life and property,

and political resources. These are all dimensions which will be analysed in this report.

There is general agreement that the living conditions dimensions have to be studied together, as a coherent whole. It has been harder, however, to agree on the relative importance of each of the various dimensions. How should one evaluate the living conditions of a person who is in good health, highly educated and fully integrated into the labour market, but who lives in appalling housing conditions and has a low salary? It may perhaps be even more difficult to compare the living conditions of this person with those of a person who, for example, has a high score on economic resources but suffers from poor health.

The problems of weighting and the fact that there will always be a subjective factor involved, are the main reasons why it has been so hard to develop a general measure of living conditions which takes all the various dimensions into account. However, although it might not be possible to work out a valid, general index of living conditions, it is important not to lose track of the cumulative aspects involved. It will often be useful to look for strong tendencies of poor living conditions (living conditions deficits) within certain segments of the population. After examining each living conditions component separately, therefore, the last chapter of this report will look more closely at questions related to the possible clustering of living conditions in various groups of the population.

LIVING CONDITIONS IN LATVIA

A living conditions study is of particular relevance for Latvia, which is in the midst of a difficult transitional process. For individuals as well as households, the effects of the changes in living conditions caused by the decline in economic activity are likely to be serious. A living conditions study can play an important role in uncovering the social implications of the transition across a variety of dimensions and for all segments of the population. New or consolidated disparities between social groups can be identified. Thus, comprehensive data are needed to develop targeted policies to ease the human costs of transition.

The primary aim of the Latvian living conditions study is to overcome the lack of data available on the relative situation of individuals and groups in areas such as health care, education, leisure, and working conditions. Although there are relevant statistics available in many of these areas, the unique contribution of a living conditions study is that these dimensions can be analysed jointly to bring out the relationships between different social components. Hence, it is possible to identify groups characterised by especially poor living conditions along several dimensions. Since the present report focuses on inequalities between social groups, it is hoped that it can be used as a relevant tool for social policy.

The 1994 Latvian NORBALT survey is the first comprehensive living conditions study ever conducted in Latvia. As such, it can only give a "snapshot" of living

conditions in the country at a specific point in time. Such living conditions surveys should ideally be conducted regularly in order to study and monitor developments over time. This study, therefore, should be seen as a baseline report. In Norway and Sweden living conditions surveys are carried out on a regular basis, every six to seven years. There could in fact be strong arguments for accelerating this frequency in Latvia, where changes are currently taking place at a much more rapid pace than in Scandinavia. By comparing living conditions data from different periods, major social trends can be identified. Policy makers will be able to get feedback, and use it to correct or adjust policy measures implemented during the preceding period.

Similarly, one can also compare living conditions across different countries and across geographic regions. Latvian authorities have expressed an interest in comparing Latvian living conditions with those of other countries in the Nordic-Baltic region. Although the social and political frameworks are highly different, it is still interesting – and may also be very useful – to study the experiences of other countries. How are they organised and which results do they derive from their social policies? In particular, countries that bear some similarity in terms of history, political systems or traditions can draw significant benefits from such comparisons. The Latvian NORBALT survey has been made in a standardised format to facilitate comparative studies with other Baltic countries. Similar surveys have been conducted simultaneously in Latvia, Estonia and Lithuania, as well as in the Russian city of St. Petersburg and the Russian Kaliningrad enclave. Furthermore, as indicated, it is possible to compare Latvian living conditions with data from the Nordic countries. Such comparative studies are already underway and, hopefully, a common research strategy will emerge, with a view to identify interesting similarities and important differences between the countries.

THE COMPOSITION OF THE REPORT

The report consists of eleven chapters. The following two chapters, authored by the editor, contain basic information about the Latvian population and household composition, providing a backdrop to the analysis in chapters 4 through 11. Anita Švarckopfa discusses Latvian housing conditions, with the household as the primary unit of analysis. The individual is the focal point in the subsequent chapters, also written by representatives of the Central Statistical Bureau of Latvia: Inta Vasaraudze looks at the health of Latvians, Maranda Behmane writes about education, while Zaiga Priede analyses employment and working conditions. Following chapters by the editor on economic resources and social networks and participation, Birgit Jacobsen (Fafo) completes the analyses of individual dimensions by discussing the political attitudes and personal opinions of Latvians. In the final chapter the editor gives an overview of the various living conditions components, tracing some of the cumulative processes of inequality.

CHAPTER 2

POPULATION

Aadne Aasland

*Taupiet cilvēku! Dārgāks par visu ir cilvēks.
Taupiet latviešus! Latviešu paliek maz.*

[Take care of the people! Nothing is more valuable than people.
Take care of the Latvians! There are not many Latvians left.]

Kārlis Skalbe (1879–1945)

INTRODUCTION

It is common knowledge that living conditions in societies tend to differ according to age, gender, family situation and place of residence. The size and composition of the population are therefore important background variables when describing and analysing living conditions. Factors that influence people's welfare will vary in importance from one segment of the population to another. For example, the availability and price of kindergartens is normally an important issue for parents with young children, but of less concern to the elderly or people without children. Similarly, the importance ascribed to health care is directly related to age, since health problems obviously are more common among the elderly. As this report looks at parameters which vary in importance among the various segments of the population, it may be useful for the reader to know something about the composition of Latvia's population in terms of the most relevant demographic variables. This will provide a context for a discussion of the other parameters included in this report.

Like prognoses regarding future developments, information about population trends is also crucial to policy-makers who want to influence the distribution of welfare and burdens throughout society through public policies. Invariably, the size and composition of a population will change with time; this understanding needs to underpin all policy planning. Otherwise one runs the risk that remedial efforts will have few or even unintended effects. Knowledge about the present and expected age composition and the geographical distribution of a population makes it easier to plan where to build new schools and educational institutions. Pension schemes must take into account the number of people expected to join the ranks of old-age pensioners in the years ahead. It is, of course, difficult to plan such trends in detail. Demographic trends have a tendency to fluctuate, and they are not always consistent with the expectations of policy-makers. Both socio-economic developments and

measures taken by policy-makers themselves can influence demographic trends in ways other than those predicted by previous projections. Accordingly, policy planners must be willing and able to take account of new circumstances.

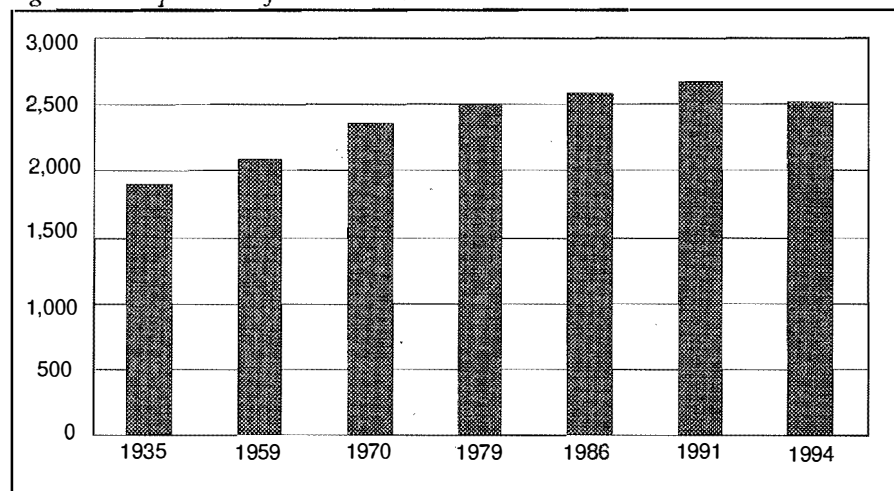
Although planning is always uncertain, detailed knowledge of the population, combined with information about expected population trends – given certain, and often alternative, assumptions about the future – does offer a useful starting point. Successful public policy planning in modern societies is inconceivable without it.

In this chapter and in the next, we shall present some essential background data on the population of Latvia. This chapter focuses on changes in the size of the Latvian population, as determined by fertility, mortality and migration rates, and it also looks at its composition in terms of age, gender, place of living, ethnicity and citizenship status.

POPULATION GROWTH

The national census held in Latvia in 1935 registered a population of 1,906,000 people. This number was reduced during the Second World War when many Latvians suffered terror, deportations and killings. Deportations continued during the first years after the war. In particular, there were great population losses during the collectivisation of the agrarian sector in the late 1940s.¹ However, the following years

Figure 2.1: Population of Latvia 1935 - 1994. Thousands.



Source: CBS 1994a: 43.

¹ Various estimates have been put forward regarding the number of victims. One informed source estimates that there were between 58,000 and 85,000 deportations in 1941 and 1949. It has also been estimated that the total number of Latvian inhabitants killed or arrested during the periods from 1940-41 and 1944-53 was roughly 180,000. Moreover, some 120,000 Latvians fled to the West. (See Karklins 1994: 126.)

also marked the start of a long period of large-scale immigration into the Latvian republic. Thus, during the period subsequent to the Second World War, Latvia had the most rapid population growth in all of Europe, and by 1989 the population had increased to 2,667,000. That was the largest number of inhabitants ever to live on Latvian territory. Since then, however, the population has decreased slightly, particularly as a result of emigration. According to the figures produced by the Central Statistical Bureau of Latvia (CBS), the resident population of the country is estimated at roughly 2,530,000 at the beginning of 1995.

The Department of Immigration and Citizenship was established in the spring of 1992. One of its most important tasks was to create a register of the resident population of Latvia. At the beginning of 1994, a total of 2,410,800 people had been through such registration and, according to estimates made by the Population Register, approximately 95 per cent of the people actually living in Latvia had been registered. Since our survey population is defined as the registered population, this means that approximately five per cent of those actually residing in Latvia are not included in the analysis in this report. It is, therefore, appropriate briefly to consider exactly who these people might be. Some groups were not allowed to register, and it is likely that they make up the largest part of the unregistered population living in Latvia. They were mainly people who served in the armed forces of the USSR at the time when Latvia regained its independence, and non-citizens living in buildings formerly owned by the Soviet armed forces. In addition, there was a small group of Latvian citizens who still did not regard Latvia as a completely independent country and who therefore decided not to register.

FERTILITY

Most of the increase in the population in the post-war years was a result of large-scale immigration to Latvia, while less stemmed from natural population growth. Latvian birthrates generally have been low, remaining well below the Soviet average in the post-war years. In 1965 the birthrate (number of births per 1,000 population) reached a low of 13.8. In contrast, the average birthrate for the former Soviet Union in the mid-1960s was more than 18. Latvian birthrates also remained low in the 1970s, then increased somewhat in the 1980s, reaching 16.1 per 1,000 in 1986. However, since then birthrates have dropped again – to as low as 9.5 per 1,000 in 1994.

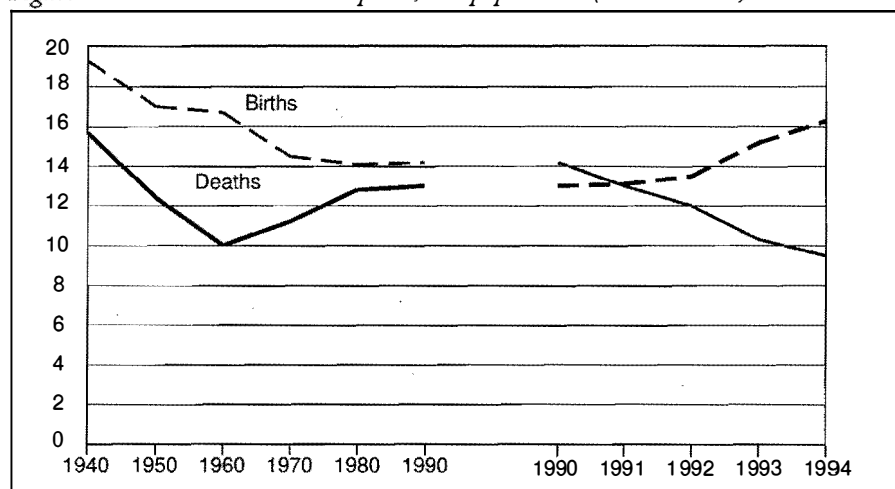
Why, then, are birthrates in Latvia so low, even compared with average European standards? Low birthrates may be a result of various factors: First, they may be caused by a low number of women being of reproductive age; second, by women of reproductive age having few children; and, third, by women having children late in their reproductive period. The first two reasons tend to be closely related, as fewer children per women eventually result in fewer women of reproductive age. In

Latvia, the main reason for the low birthrate is a combination of the first two. The total fertility rate² in Latvia has decreased rapidly over the past few years. While the total fertility rate in 1990 was 2.0, in 1994 it was as low as 1.4, which is far below what is needed to sustain the current numbers. The fertility rates of women of all age groups have fallen rather dramatically, and it is not uncommon to hear the current situation described as a demographic crisis. The major concern is the same as in other European countries: How can a steadily declining number of people of working age manage to support an increasing number of old-age pensioners?

MORTALITY

The ageing of the Latvian population is also reflected in relatively high crude death-rates (number of deaths per 1,000 population). They climbed from 11.3 in 1970 to 12.8 in 1980. By 1991 the deathrate was 13.1 and had surpassed the birthrate, which meant that Latvia was experiencing a negative natural increase for the first time. This tendency was strengthened even further in the years that followed, and in 1994 the crude deathrate reached a dramatic 16.4 per 1,000. Higher death-rates were caused not only by the ageing of the population, but also by a drop in life expectancy for all age groups. The reduction in life expectancy was particularly dramatic for the male population, especially in the younger age groups. While the life expectancy of a newborn male was 66.3 years in 1988, a boy born in 1994 could

Figure 2.2 Birth and death rates per 1,000 population (1940 - 1994)



Source: CSB 1994a: 367 and Misiunas and Taagepeera 1993: 367.

² The average number of children that would be born per woman if all women lived to the end of their childbearing years and meanwhile bore children according to a given set of age-specific fertility rates.

only expect to live 60.7 years. Girls, however, could expect to live longer, although their life expectancy at birth had declined by more than two years, from 75.1 years in 1988 to 72.8 in 1994. Figure 2.2 shows birth and death rates in selected years in the period from 1940 to 1994.

Although immigrants on average were younger than the native population, birth-rates among the immigrant population were not higher than the average for the population as a whole. This may be explained by the fact that the immigrants included many footloose temporary visitors without children (Misiunas and Taagepera 1993: 214). However, due to the ageing of the native population, overall death-rates were, at least for quite some time, somewhat higher for ethnic Latvians than for the immigrants. Owing to these differences in death-rates, the non-Latvian share of the population would have increased faster than the native Latvian population even without any further immigration in the 1970s.

Fertility and mortality patterns must be seen in relation to general health conditions in Latvia, and these issues should be kept in mind when reading the chapter on health.

MIGRATION

As mentioned above, while natural growth rates have been relatively low in Latvia, the mechanical increase in the population, caused by large-scale immigration, was substantial from the Second World War to the late 1980s. This growth must be seen in the context of the extensive post-war industrialisation of Latvia. The republic, which had already experienced industrial development before the war, provided favourable conditions for capital investment: The level of education and training was higher than in most other parts of the Soviet Union, the republic offered a skilled labour reserve and, compared with other industrialised areas, relatively little of the well-developed infrastructure had been destroyed during the war (Misiunas and Taagepera 1993: 108).

Immigration was particularly pronounced in the years immediately following the war, then declined after Stalin's death in 1953, especially in the 1956-1959 period. During this period, the leadership of the republic instituted registration requirements for those living in the cities. Many jobs also called for a knowledge of Latvian. During a purge in 1959, however, the Communist Party in Moscow condemned Latvian efforts to reduce the influx of immigrants, and immigration was once again encouraged. Figure 2.3 shows the annual influx of immigrants. It is noteworthy that the number of people who moved to Latvia from other Soviet republics (immigration from other countries was negligible) from 1959 to 1988 was markedly higher than the natural increase. Immigration accounted for 51.2 per cent of total population growth in 1959-69, 66.7 per cent in 1970-78 and 58.1 per cent in 1979-88 (Bungs 1990: 28).

There is some disagreement among scholars regarding the question of whether the large influx of immigrants into Latvia was caused by a deliberate policy of Russification devised by the Soviet authorities, or whether it can be explained by strictly socio-economic factors such as shortages of labourers needed in industry (Kolstø 1995). A detailed discussion of the issue is beyond the scope of this book, but what is clear is that large-scale immigration had important consequences for the structure and composition of the population as well as for the composition of the labour force. The ethnic implications are evident, and will be discussed below. It must also be stressed, however, that many of the newcomers did not stay in Latvia for long, and that the figures for net migration do not reflect the large number of people who came to Latvia and then left after a short period. For example, while annual net growth due to immigration to Latvia was close to 16,000 in the years from 1960 to 1965, the actual number of immigrants averaged 48,000 a year, while 32,000 left the republic. In consequence, many of the newcomers were not interested in integrating into Latvian society, learning the Latvian language and striking roots in the country.

Since the end of the 1980s, the intensity of immigration has fallen, while emigration began to increase significantly in the early 1990s. Thus, net migration was negative for the first time in 1990, except for a few years in the 1950s. The number of emigrants was particularly great in 1992, when 53,130 people left Latvia. The big changes in migration figures in this period are closely linked to Soviet disintegration and the restoration of Latvian statehood. Interestingly, negative net migration is due more to declining immigration than to increased emigration. New legislation on migration, most notably the new Migration Act which was passed in June 1992, made it much more difficult for potential immigrants to enter the country. Such immigration was now restricted to family reunion, business migration and repatriation. The latter category relates to the return of ethnic Latvians to Latvia.

Figure 2.3: Net migration to Latvia. Annual average. Thousands.



Source: CSB 1995: 134

At the same time, the recruitment policies pursued in earlier years were halted as Latvian authorities took control over most of the large enterprises that had formerly been under the direct control of Moscow. Perhaps somewhat surprisingly, less of the change was attributable to increased emigration. As noted above, there had been a substantial flow of emigrants from Latvia throughout the entire post-war period, so this was not a new phenomenon. What was new was the fact that there were hardly any immigrants coming in to replace those who left.

The large emigration increase in 1992 nevertheless deserves some attention. It is likely that factors such as the proposed citizenship legislation and new language requirements for certain types of jobs, created a climate in which some Russian-speakers felt compelled to leave the country. It has also been argued that some left the country because their privileges had been taken away. Moreover, to a certain extent government policies encouraged voluntary resettlement. According to a Council of Ministers resolution of 10 January 1992, persons emigrating from Latvia were to receive monetary compensation for their expenses and for any state-owned housing they left. However, due to a poor financial situation of most local authorities, the compensation tended to be very low and not sufficient to cover the real expenses of settling somewhere in Russia. Moreover, options were limited for potential emigrants since Russia could hardly accommodate all the newcomers from the former Soviet republics. Migration issues will be discussed in more detail in Chapter 10, where we analyse the NORBALT survey data on geographic mobility.

URBAN AND RURAL DISTRIBUTION

In the 1920s and 1930s there were not many big cities in Latvia, and the majority of the population lived in rural areas. In 1939 only 35 per cent of the population lived in cities or towns. Parallel to the general population growth, the urban population of Latvia expanded rapidly, while the number of people living in rural areas declined. This process started with the collectivisation of agriculture, and was briefly reversed in the late 1950s and early 1960s, when thousands of deported farmers returned to Latvia. The construction of large industrial enterprises in the cities attracted people from rural areas as well as foreign immigrants. Thus 69 per cent of the population lived in cities and towns in 1994. Industrial employment surpassed agricultural employment in about 1960. The size of Riga increased in absolute terms, and also in comparison with other regions in Latvia. Seventeen per cent of the population lived in the capital in 1940, but by 1980 the proportion had increased to one third, and has remained quite stable since.

The average population density within Latvia is around 41 persons per sq. km. The distribution of the population, however, is quite uneven. Roughly half the population lives in the agglomeration of Riga (Riga, Jelgava, Jurmala and other neighbouring cities, towns and villages within a 40–70 km radius from Riga), which makes up only 6 per cent of the territory of Latvia (Joeste and Kaevat 1991: 92).

The density of the population in the greater Riga area (not including the city of Riga), which makes up most of the agglomeration, is 48 persons per sq. km, while the lowest density is found in the district of Ventspils in Kurzeme, where it is 6 per sq. km., (CSB 1994a: 46).

Since our survey data are representative of the registered population in Latvia, they reflect the distribution of the population according to various types of settlements. It transpires that 70 per cent of the population live in urban areas, while 30 per cent live in the countryside. One third of the population resides, as mentioned above, in the capital, Riga. Due to its large size (more than 800,000 inhabitants) and its special status as a capital city, Riga will be treated separately in our analysis. Another 18 per cent of the population dwell in relatively large cities with populations varying from just over 40,000 (Rezekne) to just over 120,000 (Daugavpils). These cities are independent administrative units (municipalities) and are not subject to the authority of the counties (*rajoni*) in which they are geographically located. In the map on the next page, these cities are marked in capital letters. Another 19 per cent of the population live in smaller towns which, according to the Latvian classification system, are regarded as urban areas. The sizes of these towns vary widely, but they all have fewer than 40,000 inhabitants. The current analysis differentiates not only between urban and rural districts, but also between cities and towns of various sizes, in an effort to determine how the size of the settlement is related to various living conditions parameters. It is expected that smaller towns will share some of the characteristics of other urban areas, while they will be more similar to rural areas in other respects.

REGIONAL DISTRIBUTION

Latvia is traditionally divided into four regions which, for historical and cultural reasons, have acquired rather distinct identities. This is especially true of Latgale, the easternmost region of Latvia that borders against Russia and Belarus. Latvia has been under a great variety of rulers, and Latvian territories were united only in 1920 after Latvia had declared its independence. Beginning in the 16th century, Latgale was part of Poland and it also remained segregated from the rest of Latvia, which was under Russian rule from the end of the 18th century. As a result, most Latgalians have remained Roman Catholic while the majority of the rest of the ethnic Latvian population belongs to the Lutheran Church. Latgalians also speak a dialect which is markedly different from the Latvian language, further intensifying the notion of a separate Latgalian identity. Latgale has two relatively large cities: Daugavpils, which is the second largest city of Latvia, and Rezekne.

Kurzeme (or Courland) is the name of the southwestern region of present-day Latvia, and Zemgale (Semgallia) is the central southern region. These two regions made up the so-called Duchy of Kurzeme and Zemgale from the 16th to the 18th century. Although the Duchy was under Polish sovereignty, it was dominated by



The map is printed with the permission of the Latvian Institute of International Affairs (Štaners 1995).

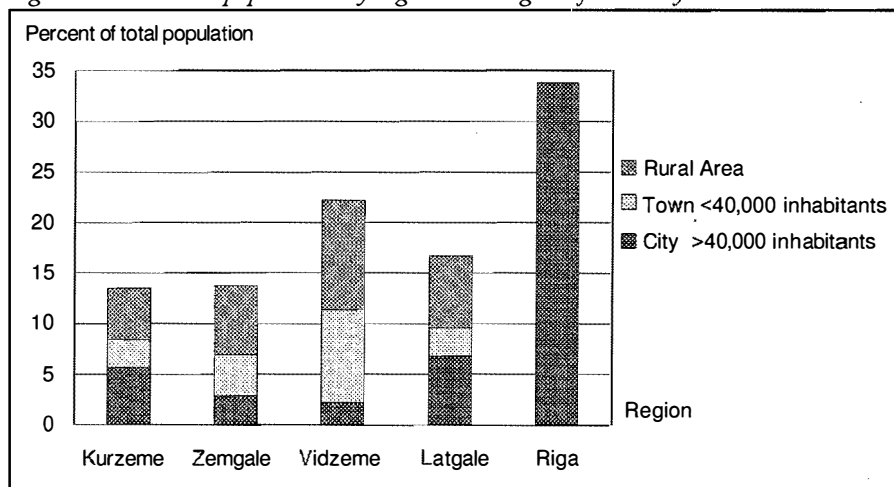
German landlords and remained under German cultural influence. Thus, the Catholic church had much less influence here than in Latgale. Today Kurzeme is quite sparsely populated, except for its two large seaport cities: Liepaja and Ventspils. Zemgale is more densely populated, and the city of Jelgava is situated in this region.

The largest region in Latvia is Vidzeme, which occupies the northern and central areas of the country. Apart from the city of Jurmala just outside Riga, Vidzeme does not have any large cities, and the majority of the region's population lives in small towns and rural areas. Vidzeme is also historically distinct in that it was under Swedish rule for about a century from 1629 to 1721. Moreover, it was administered together with the southern territories of what is now Estonia as the Liflyand province when it was part of Tsar Russia.

It may be difficult to decide exactly where to draw the boundaries between the four Latvian regions today, as traditional regional boundaries and administrative boundaries have tended not to correspond. As a result, when the Soviet counties (*rajoni*) were established, traditional regional divisions were hardly taken into account. The boundaries of the four regions do not automatically correspond to present administrative demarcations. Since there is an interest in looking at regional differences in living conditions, and since we have information about the exact geographic location of each respondent, it was thought that it would be useful to divide the survey population into four regional groups (not including Riga, which is treated separately). It should be noted that the boundaries between the regions are primarily historic, serving no administrative purposes today. The boundaries have been drawn based on information from the Central Statistical Bureau of Latvia.

Figure 2.4 shows the distribution of the Latvian population by region and by type of settlement within each region. Latgale and Kurzeme are similar in that approximately 40 per cent of their populations live in cities and rural areas while less than 20 per cent live in towns. In Zemgale and, particularly, Vidzeme, much smaller

Figure 2.4: Latvian population by region and degree of urbanity. Per cent.



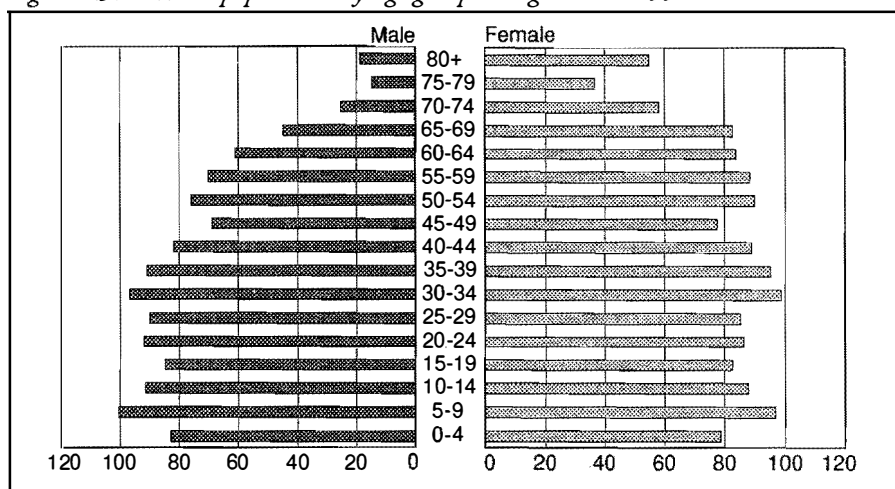
proportions live in towns, and these two regions also have very large rural populations. Thus, when analysing living conditions of the geographical regions in Latvia, one should bear in mind that the regions differ in terms of the character of settlements and their distribution.

GENDER AND AGE

Latvia's male/female ratio, which was below the average European distribution already during the period of the interwar Republic of Latvia, fell drastically during the Second World War. Thus, in 1959 males made up only 43.9 per cent of the population, while the corresponding figure in 1935 had been 46.7 per cent. Although the disproportion between males and females has been somewhat reduced since 1959, the share of males is still lower than it was before the War. Of the 2.6 million people living in Latvia in 1994, 46.3 per cent were males and 53.7 per cent were females.

The great gender disparity can partly be explained by the fact that the life expectancy of males is much lower than for females. Although women have a longer life expectancy in most countries of the world, the male-female differential in life expectancy at birth is exceptionally large in Latvia where, according to the latest (1994) estimates, women outlive men by an average of more than 12 years. While a newborn girl can expect to reach an age of almost 73, an average boy will not even reach 61. Moreover, the differences in life expectancy have increased over the past few years, contributing to widening the gap between the number of men and women. As we can see, the fact that more men than women died or left Latvia as a result of the War and deportations, still has an impact on the population distribution today.

Figure 2.5: Latvian population by age group and gender in 1994. Thousands.



Source: Data from the CSB

The gender distribution of the various age groups in Latvia is illustrated in Figure 2.5 (see previous page). One would, as is the case in most of the countries of the world, expect the gap between the number of men and women to increase with increasing age, but the gap observed here is larger than would have been expected with normal gender distribution. Although life expectancy for women has decreased somewhat since peaking in the late 1980s, the drop is not nearly as dramatic as it has been for men.

What, then, is the explanation for the decrease in life expectancy, particularly for men? The trend should be borne in mind when discussing living conditions in Latvia because falling life expectancy rates is something which in itself can be indicative of deteriorating conditions. There may be several reasons why men are more strongly affected than women. Since men have traditionally had the main responsibility for the material welfare of the household, increasing insecurity in the job market and other welfare arenas may have influenced men more strongly than women. Also, the increasing consumption of tobacco and alcohol is unlikely to be distributed evenly between the two sexes, and could affect life expectancy rates. Poor working conditions in industry and a higher propensity for accidents could also be contributing factors. We will return to this discussion in later chapters of the report.

The low and dwindling Latvian fertility levels are also reflected in the Figure 2.5. There is a clear drop in the population in the age group 0–4 years. As the figure shows, there are more females in the 65–69 age group than in the age group below five years of age. Moreover, the age groups from 10 to 30 contain relatively fewer people than the age groups from 31 to 40. In this respect Latvia is similar to many other European countries, where low fertility rates have led to a smaller number of people in the younger age groups.

One should note that there are some significant differences between the various regions and types of settlement in Latvia in terms of age distribution. The countryside tends to have a larger proportion of young people than the cities and towns. While 20 per cent of the population in urban areas is under 16, the same is true of 27 per cent of the population in rural districts. The proportion of people of working age is larger in urban than in rural districts. Here as elsewhere, young adults have a tendency to leave the rural districts where they have grown up and to look for education or a job in the city. Many of them have stayed in the city after moving away from home. However, the proportion of those above 70 is about the same (9–10 per cent) in both types of settlements.

The oldest population in Latvia, apart from in Riga, is found in Latvia's eastern region, Latgale. Latgale has a smaller number of children than the three other regions, and there are even fewer children in the rural districts of Latgale than in the urban districts of other regions. The urban districts of Latgale also have the highest proportion of people in the old age groups; 14 per cent of the population are above the age of 70. In contrast, only 7 per cent of the population in the rural districts of Kurzeme belong to this age group.

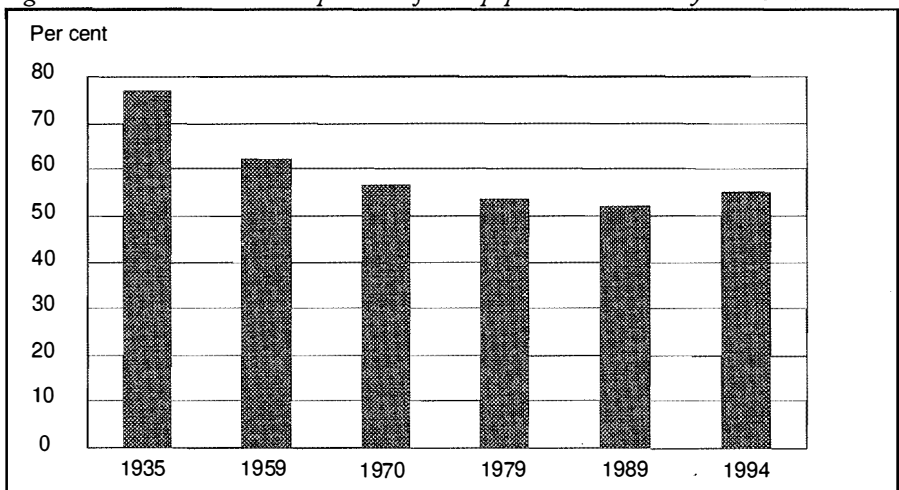
Since there are close connections between the structure of the population and social needs, the age differences in the various districts and regions of Latvia have important implications for the demand for public services in each place. One must, however, differentiate between the regional and the national level. It is, for example, noteworthy that even though Riga has a smaller proportion of children than other regions, the number of children living in Riga is still very large; they make up 28 per cent of all children in the country. More than six out of ten children live in urban areas. Thus, although regional policies in the rural districts of Kurzeme must reflect the fact that almost one third of those living there are children, it is important that those responsible for planning childrens' and family policy at the national level have an intimate knowledge of the major issues of importance to children in the country as a whole.

ETHNICITY

Although the Latvian state is named after the main ethnic group living in Latvia, ethnic Latvians make up only 55 per cent of the population of the country. Latvia was not a mono-ethnic society during the first period of Latvian independence between the two world wars, but the non-Latvian share of the population was much smaller then than it is today. In 1935 Latvians made up more than three quarters of the population, as can be seen in Figure 2.6.

The massive industrialisation of the republic which started after its incorporation into the Soviet Union profoundly transformed the ethnic composition of Latvia. Due to the scarcity of labour resources, the expansion of industrial production in Latvia was supported by workers and engineering/technical personnel from other,

Figure 2.6: Ethnic Latvians in per cent of total population. Selected years 1935 – 1994.

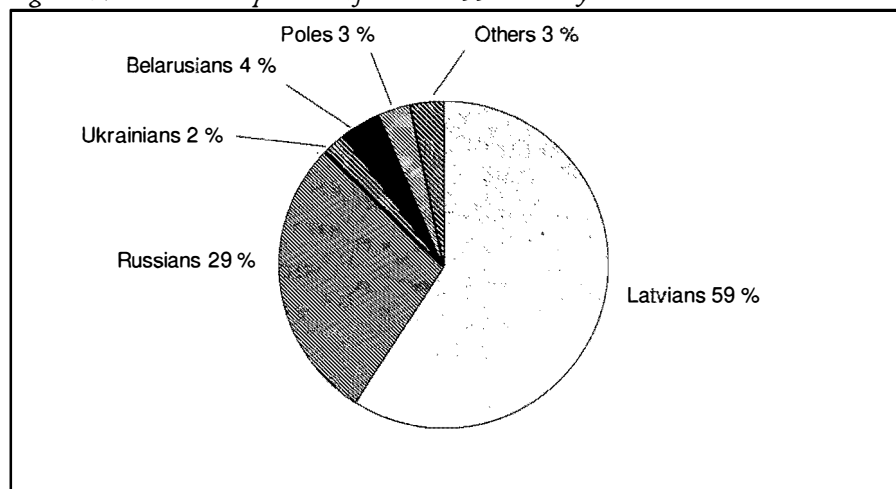


Source: CSB 1994a: 55.

mainly eastern Slavic, republics. As a result, the Latvian share of the population had dropped to 62 per cent by 1959, and continued to fall in the 1960s and 1970s. In 1989 the share of Latvians was as low as 52 per cent and there was a widespread fear that the trend could eventually lead to an extinction of the Latvian nation. As noted above, since then, most immigration to Latvia has stopped and a substantial number of non-Latvians have left the country, so the proportion of Latvians has increased somewhat. Thus, according to the 1994 estimates of the Central Statistical Bureau, the Latvian share of the population has now bounced back to roughly 55 per cent.

The ethnicity of the respondents and all the household members has been registered in the NORBALT Latvian living conditions survey. As can be seen from Figure 2.7, the survey data indicate a somewhat larger proportion of Latvians than suggested by official statistics. There are two main reasons for this. First, while official statistics include all those who live in Latvia, the survey sample comprises only those listed in the population register. The vast majority of the non-registered population is made up by non-Latvians, which is one reason why ethnic Latvians are overrepresented in our survey. Second, and perhaps more importantly, the interviewers in the survey were instructed not to emphasise the official nationality registered in all Latvian passports. If respondents were in doubt about their ethnic affiliation, the interviewer would allow the respondent to settle the issue according to his or her own perceptions. They were told to leave it to the respondents to define their ethnicity according to their ethnic identity. There is still an entry for ethnic nationality in Latvian passports. Children automatically inherit the official nationality (read: ethnicity) of their parents at the age of 16, provided their parents are of the same nationality. However, there are some non-Latvians who, in the present situation, want to bring up their children as Latvians. They would also tend to say that their children are Latvian when asked about nationality of the members in the household. This, along with the relatively higher birthrates among ethnic Latvians, is proba-

Figure 2.7: Ethnic composition of Latvia 1994. Survey data.



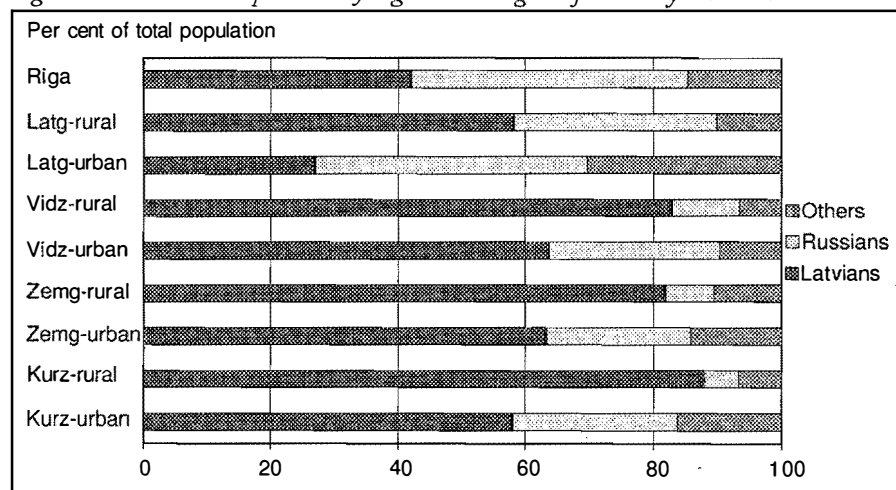
bly one of the main reasons why the share of Latvians is significantly larger among children and young people than among adults. While 56 per cent of the adult population (18 and over) are Latvians, the same is true of 65 per cent of those under 18.

REGIONAL DISTRIBUTION OF NON-LATVIANS

As Figure 2.7 shows, most of the non-Latvians in Latvia are Eastern Slavs, predominantly Russians. Russians have a long history of settlement in Latvia, but most of the Russians living in Latvia today arrived or are the descendants of Russians who arrived in Latvia after the Second World War. The other ethnic groups are smaller but include substantial numbers of Belarusians and Ukrainians, Poles and Lithuanians. The proportion of non-Latvians in the population is very different in urban and rural areas. Since Slavic immigrants predominantly settled near the large industrial plants located in or near the big cities, they were to make up a much larger share of the urban than of the rural population. In many of the largest cities, including the capital Riga, Latvians are still in a minority. They make up slightly more than 40 per cent in cities with a population of more than 50,000 inhabitants. In smaller towns, non-Latvians comprise one third of the population, while less than one in five rural dwellers are non-Latvian.

Apart from in the capital Riga, Latgale is the only region in Latvia where Latvians are in an absolute minority. As illustrated in Figure 2.8, Latvians make up only 27 per cent of the population in Latgalian urban areas (14 per cent in the largest city Daugavpils), while they make up 58 per cent in the Latgalian countryside. In contrast, in the other regions Latvians make up from 82 to 88 per cent of the pop-

Figure 2.8: Ethnic composition by region and degree of urbanity. Per cent.



Explanation: Latg - Latgale, Vidz - Vidzeme, Zemg - Zemgale, Kurz - Kurzeme.

ulation in rural areas. Non-Latvians living in Latgale are often descendants of Russians who arrived in the region several centuries ago and many are from families with a long continuous history in the area. As we shall see later, this has implications for their sense of affiliation with Latvia. There has been much debate in Latvia regarding the living conditions of the various ethnic groups in the country. By breaking down the living conditions components by ethnicity, we hope that this report will provide reliable data about the actual situation.

CITIZENSHIP

One of the most controversial issues in Latvia since the country regained its independent status, has been the question of who should be entitled to Latvian citizenship. After a long and heated debate a Citizenship Act was adopted in the summer of 1994. It confirmed that, with a few exceptions, only those who were citizens of Latvia at the time of the Soviet annexation in 1940 – and their direct descendants – were automatically entitled to Latvian citizenship. However, most of the other people living in Latvia could become citizens through naturalisation, and the regulations and requirements for naturalisation were stipulated in the law.³ When the Latvian living conditions survey was conducted in September 1994, the naturalisation of non-citizens had not yet started. Since citizenship status has been put forward as one of the explanations behind differences in living conditions in Latvia, it is useful for an analysis of Latvian living conditions to identify the proportion of Latvian citizens in relation to the whole population, and to look more closely at their common characteristics.

According to the survey data, which are based on information about the 95 per cent of the population that were listed in the population register, 73 per cent of the population were citizens of Latvia, while 27 per cent were non-citizens. Naturally, the factor which is most strongly related to citizenship status is the ethnicity of the respondent. While 98 per cent of the ethnic Latvians were citizens, the same was true of 40 per cent of Russians and, on average, 31 per cent of members of other ethnic groups living in Latvia. Only some repatriated ethnic Latvians who had not lived in Latvia in 1940 and their descendants were initially not automatically entitled to Latvian citizenship.⁴ The fact that four out of ten Russians were citizens, shows that many Russians had strong ties to Latvia, since at least one of their an-

³ Citizenship through naturalisation could be granted to persons registered in the population register, who had lived in Latvia for at least five years (counting from 4 May 1990), who had a command of the Latvian language, did not hold the citizenship of any other state and who fulfilled a few other requirements. However, certain groups, such as children or spouses of ethnic Latvians or Livs (a small, indigenous ethnic group), were eligible for citizenship through so-called extraordinary naturalisation, which meant that they did not have to prove a command of the Latvian language and that they would be the first to be granted citizenship.

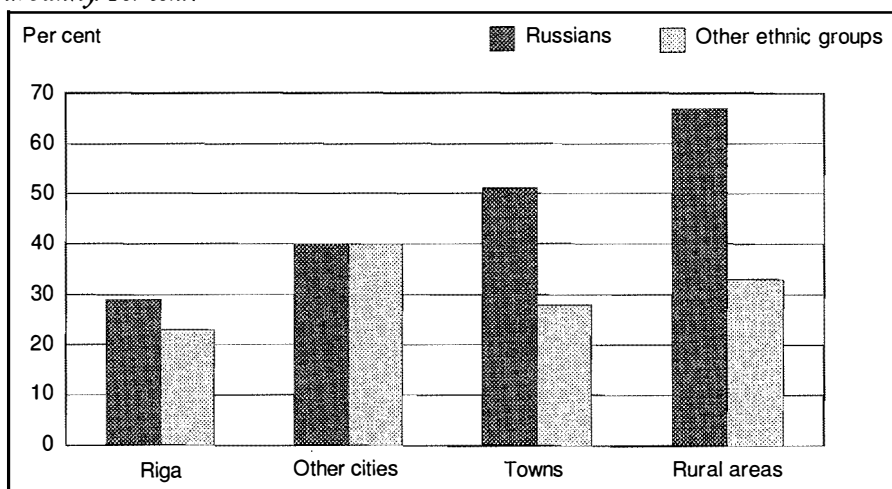
⁴ In later amendments to the Act all ethnic Latvians and Livs living in Latvia, as well as some other groups such as people of other ethnic backgrounds who have graduated from schools with Latvian as the language of instruction, have been defined as citizens of Latvia and do not have to go through naturalisation procedures.

cestors had to have been a citizen of the interwar Republic of Latvia. Nevertheless, the majority of Russians were not citizens, and the number of citizens among members of other ethnic groups was even smaller. Most of the non-citizens were immigrants who arrived after the Second World War.

Most of the immigrants who came to Latvia from the late-1940s onwards, worked in large industrial enterprises situated in the cities, something which is also reflected in the uneven relative distribution of people with citizenship in urban and rural areas. Thus, not only is there a greater tendency for Russians and other non-Latvians to live in urban areas, but there are fewer citizens among non-Latvians living in urban than in rural areas. For Russians the tendency is particularly clear, as illustrated in Figure 2.9. Two thirds of the Russians living in rural areas are citizens. This is an indication that the Russian population in the Latvian countryside is relatively strongly rooted in the country. The proportion of citizens is, as the figure shows, much smaller among Russians in Riga (29 per cent) and other large cities (40 per cent). Furthermore, just over half the Russians living in smaller towns are citizens. The tendency is less systematic for other ethnic groups. The differences in the distribution of different ethnic groups in different types of settlements calls for a more thorough analysis than is possible in this chapter. It is noteworthy, though, that no more than 23 per cent of Riga residents belonging to such ethnic groups, are citizens. Only citizens have the right to vote in national and local elections; yet the electorate in Latvia's capital is dominated by ethnic Latvians, in spite of the fact that they only comprise a minority of the population of the city. This phenomenon is likely to change as the naturalisation of potential new citizens gets underway.

Although the proportion of citizens in the various regions of Latvia correlates with the proportion of ethnic Latvians living in the region, several factors other than ethnicity are also of importance for explaining citizenship status. The proportion of citizens among the ethnic groups in Latvia varies significantly from one region to

Figure 2.9: Proportion of non-Latvian residents with Latvian citizenship by degree of urbanity. Per cent.

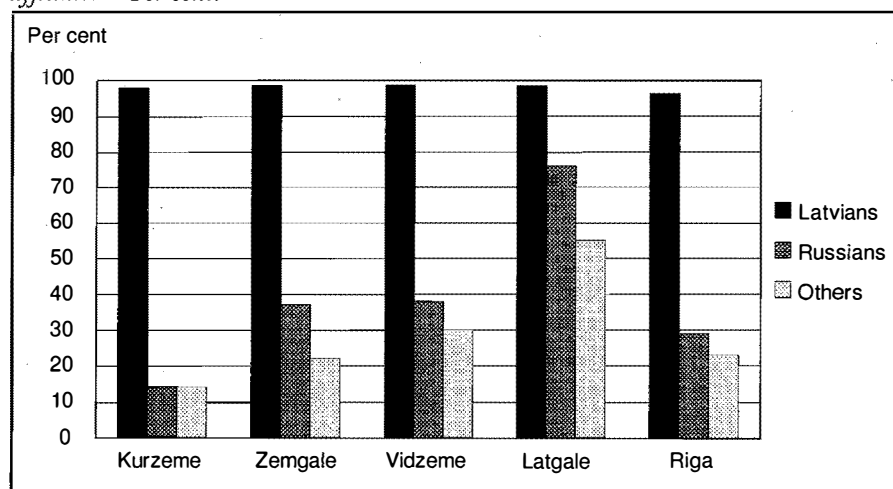


another, as illustrated in Figure 2.10. The most interesting finding may perhaps be that Russians and representatives of other ethnic groups in Latvia's eastern district Latgale are much more likely to be citizens than their co-ethnics in other regions. In Latgale's rural districts as many as 90 per cent of the local Russians are citizens. Also a large share, more than two out of three, of the Russians in Latgale's cities and towns, are citizens. Russian settlement in Latgale has very long traditions; some Russian old-believers are descendants of Russians who arrived in Latgale in the 17th century (Pshenichnikov 1910). In contrast, the immigrant population in Kurzeme's port cities of Liepaja and Ventspils is less firmly rooted in Latvia, as indicated by the fact that only 11 per cent of the Russians and 13 per cent of the members of other ethnic groups in Kurzeme's urban districts are citizens. Altogether, only about 14 per cent of the non-Latvians in Kurzeme are citizens.

CONCLUSIONS

The present demographic situation in Latvia has been influenced by five decades of Soviet occupation but is also a result of trends commonly found in many European countries. Seen from the perspective of living conditions, the most significant demographic problem today is the extremely low birthrate. The sustained low birthrate has led to a marked ageing of the population: The average age of a Latvian inhabitant is 36 years, which is one of the highest average ages in Europe. The implications for the size of the active labour force are serious, because there will be fewer people to support the growing non-working share of the population. Although government family policy programmes directed at increasing the size of families may contribute to higher birth rates, such programmes are unlikely to have a major impact unless general living conditions improve.

Figure 2.10: Proportion of population with Latvian citizenship by region and ethnic affiliation. Per cent.



HOUSEHOLD COMPOSITION

Aadne Aasland

*Es būt' laba saimentece,
Ja man būtu tā saimīte –
Kas neēda, kas nedzēra,
Kas naksniņu negulēja.*

[I would be a good housewife
If I had a household
That did not eat,
that did not drink,
That did not sleep either.]

From a Latvian folk-song

It remains true that no man is an island. The resources and welfare available to the individual usually depend on the income-generating capabilities of the household as a whole. In an economy in transition, like the Latvian, marked by scarce sources for redistribution, the importance of the household as a mediator of welfare should not be underestimated. In living conditions studies, therefore, it is helpful to use the household as the basic unit of analysis for several parameters.

In the Latvian NORBALT living conditions survey, the household was defined either as a single person living alone, or as persons who live together and who pool their financial resources. Respondents were asked to list the persons they live with, and with whom they share at least one meal per day or with whom they shared the food supplies of the household even if the actual meals are not shared. Relevant information was then recorded about the household and all its residents.¹ In this chapter we will use this information to create a profile of the Latvian household structure. This information will also be central in the discussion of many of the living conditions components addressed in subsequent chapters.

HOUSEHOLD SIZE: THE HOUSEHOLD PERSPECTIVE

The number and size of households in a country depend on several factors: Fertility and mortality rates are important, but socio-economic, legal, cultural and often religious aspects may also have a great impact. When analysing household size, one can use either the household or the individual as the primary unit of analysis.

This section begins with an examination of the distribution of households according to the number of people living in them. Figure 3.1 illustrates the distribution of households in Latvia after proper weighting of the sampling units. As shown by the figure, the majority of households comprises either one or two people,

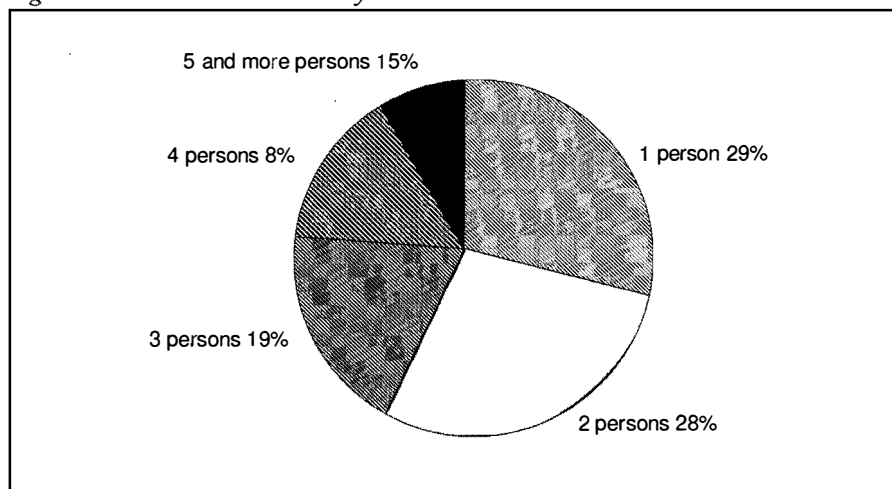
¹ In cases in which the respondent did not have sufficient information to answer all the questions concerning other household members, a responsible adult in the household was asked to do so (see Appendix 2).

and these types of households are about equally common (29 and 28 per cent of all households respectively). Households with three or four persons are also relatively common (19 and 15 per cent), but only 8 per cent of all Latvian households consist of five or more people. An average household in Latvia consists of 2.5 persons. In this respect, the Latvian household structure is very similar to that in Norway, where the average household size in 1990 was 2.4 persons, and the proportion of large households was as small as in Latvia (Statistics Norway 1993: 295). However, in Norway the proportion of one person households was even larger than in Latvia. On the other hand, Latvia has a larger proportion of one person households than its neighbouring country to the south, Lithuania, where 23 per cent of the households consist of only one person (Knudsen 1996).

Perhaps somewhat surprisingly, there is no major difference between urban and rural districts in terms of household size. The percentage of households consisting of five persons or more is somewhat higher in rural areas (13 per cent) than in cities and towns (6 per cent), but apart from that, there are no clear distinguishing features. The main reason for the small differences between urban and rural areas is probably the fact that the Soviet-style apartment blocks, which favoured a smaller household size, were the most typical type of buildings erected in both types of settlements. Private farmhouses with enough space for many members, are only gradually replacing the old collective farm buildings built in accordance with Soviet housing norms.

It is noteworthy that the percentage of people who live alone is the same in Riga as it is in the country as a whole. Moreover, there is not much variation in terms of household size between the various geographical regions, and the average is similar all over the country. In many of the Nordic countries, one finds that one person households are most common in the largest cities. In Norway, one person households are most typically found in the capital city of Oslo, where they make up more than half of all households (Statistics Norway 1993: 295).

Figure 3.1: Latvian households by size. Per cent.



HOUSEHOLD SIZE: THE INDIVIDUAL PERSPECTIVE

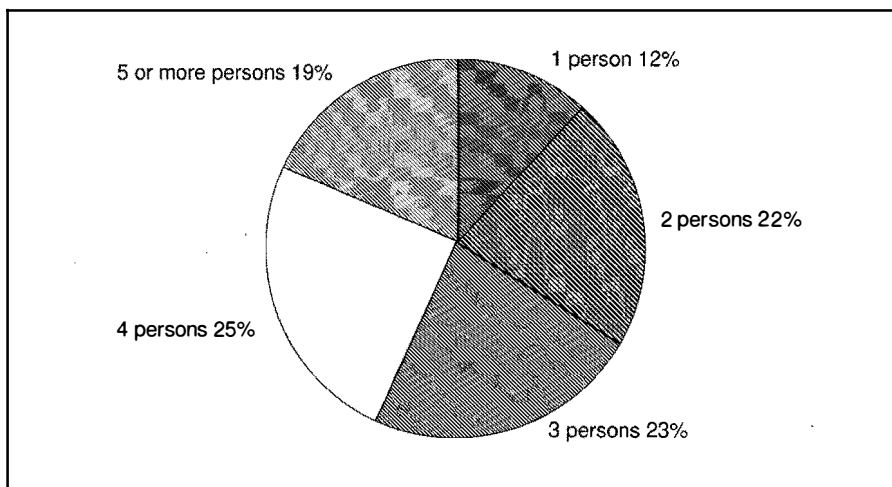
So far the *household* has been the primary unit of analysis, and we have looked at how they are distributed according to number of members. Another useful approach is to look at how *individuals* are distributed among households of different sizes. This allows us to find the proportion of the population living on its own, and the proportion living in households with other people. This also gives us the opportunity to find out whether certain characteristics are common for people who live in households of the same size.

In Figure 3.1 we saw that only 8 per cent of all households consist of five or more people, but Figure 3.2 shows that a larger proportion (19 per cent) of all individuals live in this type of household than in one person households (12 per cent). One quarter of all persons in Latvia live in households consisting of four persons, but almost equal numbers live in households with two or three people. The average randomly selected Latvian shares his or her residence with 2.3 other persons (sic!).

A person living in the countryside is more likely to live in a large household than a person living in a city or town; 27 per cent of the individuals in rural districts live in a household with five persons or more, while the same is true of only 15 per cent of those living in urban districts. However, the proportions living in one person households are very similar. We also find relatively large differences between the sexes, women in Latvia being much more likely to live on their own than men are. Only 8 per cent of all men in Latvia live by themselves, while the corresponding figure for women is 15 per cent. It is, though, only from the age of 40 that women are more likely to live alone than men.

The main reason for this phenomenon is that Latvian women tend to outlive their husbands, both because they live longer on average and because they tend to

Figure 3.2: Proportion of individuals living in households of different sizes. Per cent of all individuals.

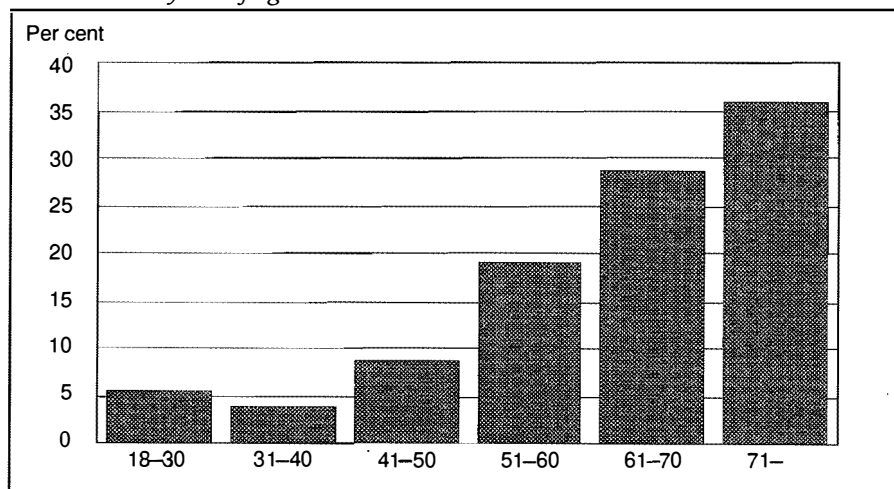


marry men a few years older than themselves. Thus, most of the women who live in one person households are widows. In this connection it may be useful to look at how household size correlates with age. The older a person is, the more likely he or she is to live alone. In many Western countries a large percentage of young people tend to live alone before they settle down and start a family, but this does not seem to be common in Latvia. Only 5 per cent of those in the 18–30 age-group live alone, as illustrated in Figure 3.3. By comparison, the proportion for this age group is more than three times as high in the Scandinavian countries. The explanation probably lies in the lack of opportunities in Latvia for young people to move out of their parents' home and establish their own households. Very few have the resources to buy or rent the scarce, and therefore expensive, flats in the Latvian housing market. Even young couples usually live with the parents of one of the spouses. The proportion of one person households in Latvia drops to 4 per cent for the 31–40 age-group, but increases steadily after that, reaching 36 per cent for those more than 71 years of age. Children (below 16) are naturally those most likely to live in large households. One third of all children live in households consisting of five people or more. In contrast, among people above the age of 50, only one in ten live in such large households.

HOUSEHOLD TYPES

Kinship information from the survey makes it possible to classify households according to type. It is likely that living conditions will vary in different types of households, so the structure of household types in a country may have implications for policy planning and social assistance programmes. However, the number of differ-

Figure 3.3: Proportion of the population in one-person households by age. Per cent of individuals 18 years of age or older.

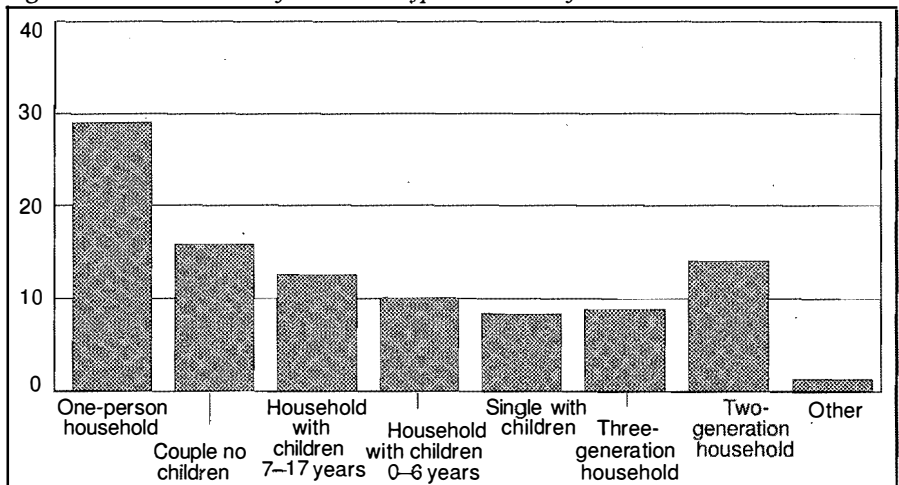


ent potential household types based on characteristics of age, marital status and family relations within the household was very large. Therefore, four criteria were introduced to simplify the picture and create relevant, coherent groups of households for use in the further analysis. The first criterion of classification was whether the household consisted of one or more persons. The second was the number of generations in the household, and the third was whether there were dependent children (under 18) and small children (under 7) in the household. Finally, the last criterion was whether at least one married or cohabiting couple lived in the household. Households were then classified into eight different categories:

- 1) One person households
- 2) Households where a couple lives alone with no children
- 3) Households with dependent children 7–17 years of age
- 4) Households with dependent children where at least one child is 6 years or younger
- 5) Households with a single head and dependent children
- 6) Three-generation households
- 7) Two generation households with no dependent children
- 8) Other type of household (typically siblings or non-relatives living together)

Figure 3.4 presents the distribution of different household types in Latvia. As described in Figure 3.1, 29 per cent are one person households. Four out of ten households contain at least one dependent child (under 18). A relatively large proportion of Latvian households are composed of couples or representatives of two generations living without dependent children. Households with three generations are also quite common, making up 11 per cent of all households. This may be an indication that in Latvian society it is hard for young people to find a separate place

Figure 3.4: Distribution of household types. Per cent of all households.



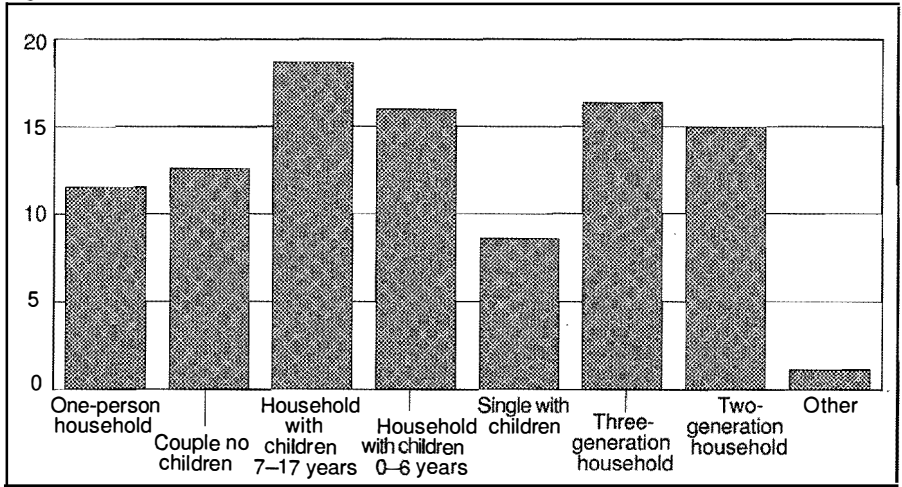
to live, but it may also reflect that many Latvians have chosen to pool their resources as a response to economic hardship. Most of the three-generation families (86 per cent) include at least one dependent child, whereas almost half include one or more children under the age of 7. Households with a single mother or father and dependent children make up 9 per cent of all households. If, on the other hand, one concentrates on all Latvian households with children, the proportion of households with single fathers or mothers (and dependent children) is as great as 22 per cent.

When we look at the proportion of *individuals* living in different kinds of households, the picture changes somewhat (see Figure 3.5). While four in ten households include at least one dependent child, we find that six in ten of the total population live in such households. Most of them live in families where both parents are present, but a relatively high percentage live in three-generation families or in families with a single head of household and dependent children. Respectively 16 and 9 per cent of the population live in these types of households. Moreover, a significant number of people live in households consisting of two generations without any dependent children (15 per cent). This may be another effect of the long-standing problem of housing shortages. However, it may also be a sign that family ties and contacts across generations still matter a great deal in Latvian society.

Just as there are age differences in terms of who lives in small or large households, there are also household types that are more typical of certain age groups. Figure 3.6 illustrates the distribution of different types of households according to age groups. The household typology has here been simplified so that all households with dependent children fall into one group, while two generation households without dependent children are classified under «other households».

The chart reveals some interesting information about the household structure in Latvia. As we can see, very few Latvians in the age group from 18 to 24 live alone or with partners in separate households if they have no children. Thirty per cent of

Figure 3.5: Population by household type. Per cent of all individuals.

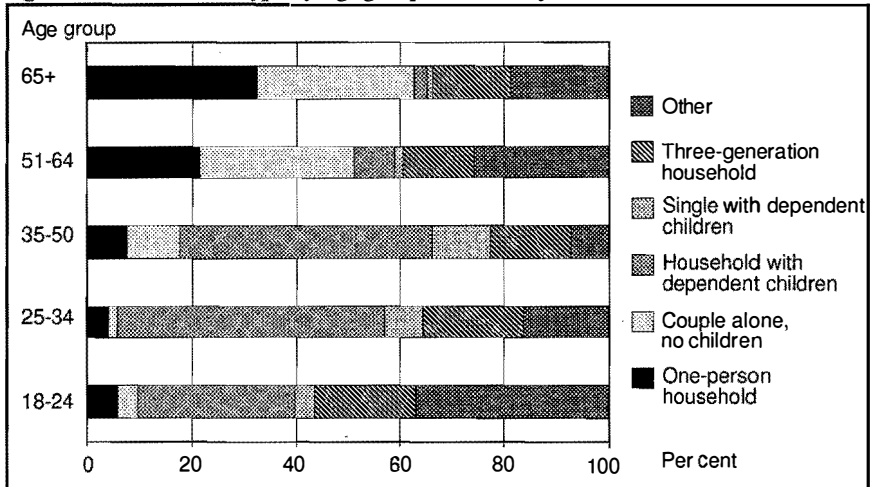


them live in households with dependent children. However, less than half of the 18–30s who live with dependent children in the household, are in fact the parents of these children. The majority of the dependent children are younger siblings. Moreover, relatively few members of this age group are single heads of households (4 per cent), and one may infer that most of the single parents in this age group live with their own parents in three-generation households. A substantial proportion of this age category are classified as «others», meaning they may be living with their parents in two generation households or sharing dwellings with their siblings or other persons.

Household types with dependent children clearly dominate between the ages of 25 and 50, although the older individuals in this group are more likely to live alone or only with their partner, as their children gradually move out. It is noteworthy that single parenthood is more common in these age groups than among young people. Parents who are widowed or divorced when they are over 30, are more likely to remain alone with their children. As is often the case, most of the single parents are women; men comprise only 14 per cent of those who live alone with dependent children. The group comprising single parents will be of particular interest in this report, as it is likely to be especially vulnerable to economic hardship, and will often have to rely on outside help.

Naturally, it is less common for people over 50 to live in households with dependent children, although some grandparents live with their grandchildren and a substantial number live in three-generation households. Three-generation households are, as might be expected, about equally common among all age groups, as these households per definition consist of people of differing ages. This type of household is far more common in Latvia than in the Scandinavian countries. In the light of the economic and social transformation taking place in Latvia, and the concomitant need for support, it is essential to look more closely at the three-generation

Figure 3.6: Household type by age group. Per cent of individuals.



household. Can family households compensate for the weak social security arrangements? One would expect that those who experience problems in the labour market or in other welfare arenas are likely to receive help from the other members of the household, this making them less vulnerable. This question will be discussed more thoroughly in subsequent chapters.

AGE OF LEAVING HOME AND MARITAL STATUS

The household structure changes when young people leave their parents' home and move on their own or move in with a partner. The parents' household is reduced by one person and, more importantly, a new household consisting of one or more people is usually established. Sometimes, however, a person moves into an already established household, for example if a young person moves in with the partner's parents. This seems to be quite a common phenomenon in Latvia, judging from the data from the Latvian NORBALT living conditions survey. People do not always leave their parents' home of their own volition. Sometimes young people have no choice but to leave their parents' home to finish their education or to find work. Some of these young people later move back in with their parents, either alone or with their partner.

Information about the age when people leave their parents' home is useful for understanding the household pattern in a society. Respondents were asked how old they were when they moved out of their parents' home. Just over 15 per cent of the respondents were still living with their parents. Of these, 42 per cent were in the 18–25 age group, so there was also a significant number of respondents in the older age groups who had not left their parents' home. Among the younger age groups (18–30), men were more likely to live with their parents, while women dominated among those who still lived with their parents when they were over 40. Women are generally more likely than men to assume responsibility for parents who need care, which may be one of the explanations for this phenomenon. It should, however, be noted that respondents were asked to specify their age when they first moved out of their parents' home. This means that those who had lived apart but later returned – to care for ageing parents, for example – counted among those who have left their parents' home. Another plausible explanation may therefore be that women who have not moved out by the time they are middle-aged, often are economically dependent on their parents, while most men are economically capable of supporting themselves at that age.

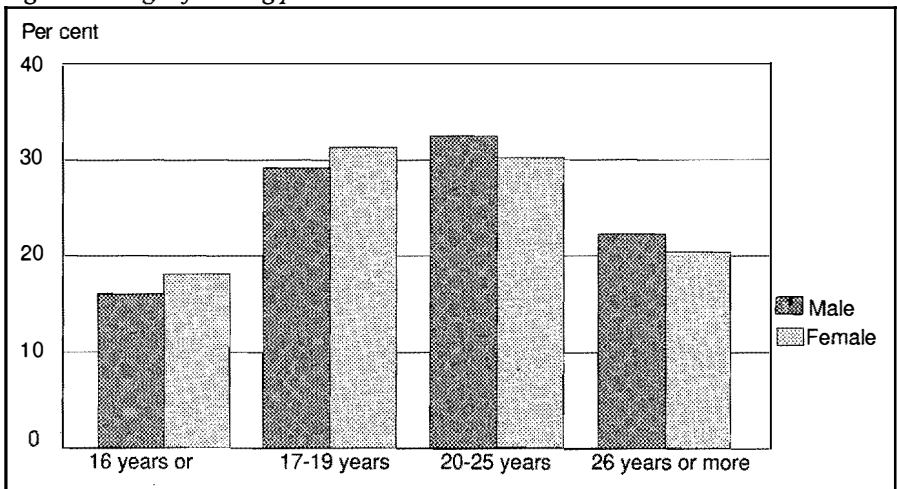
Figure 3.7 shows the distribution of the 85 per cent of the respondents who had left their parents' home or never lived with their parents. As the figure indicates, most Latvians who live apart from their parents left when they were between 17 and 25, although 17 per cent left before the age of 17, and more than 20 per cent went some time after the age of 26. Although differences between the genders are not very large, they are systematic and show that women generally leave their parents at an earlier

age than men. One of the main reasons for this is that women often marry younger than men do. It may also indicate that it is more common for young couples to live in the home of the husband's parents than it is to live with the family of the wife. This assumption is confirmed by the fact that a significantly larger percentage of women reported that they live with their parents-in-law. Another interesting finding is that there is a stronger tendency in Riga than in the other regions of Latvia for people to live with their parents. This is probably related to the tight housing situation in the capital, which makes it particularly difficult to move away from home. Moreover, people living in the capital are less likely to have to move to a different place in order to get an education or find work.

Although some young people relocate in connection with education or work, it seems that few young people in Latvia move away from home permanently before they get married or move in with a partner. It is, therefore, relevant to look at distribution by marital status, in order to find out the age at which Latvians tend to marry. Figure 3.8 (see next page) illustrates the marital status of men and women of different ages.

This figure confirms that women usually marry at an earlier age than men. Women in the 16–19 age group are nearly three times as likely to marry or cohabit as men in the same age group. Moreover, the majority of women in the 20–24 age group are already married or cohabiting, while the same is true of only one third of the men. By the age of 25, however, a substantial percentage of women are already divorced. Consequently, men in the 25–29 age group are more likely than women to be married. A slightly larger share of men than women in this age group continues to be single. Although cohabiting is less common in Latvia than in the Scandinavian countries, it is not unusual. However, while cohabiting is most common among young people in Scandinavia, in Latvia it is about equally common among all age groups from 20 to 64.

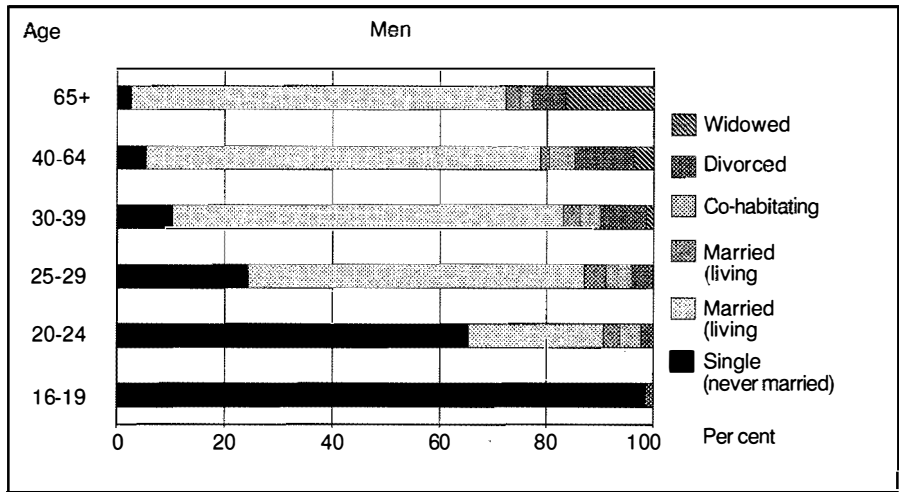
Figure 3.7: Age of leaving parents' home. Per cent.



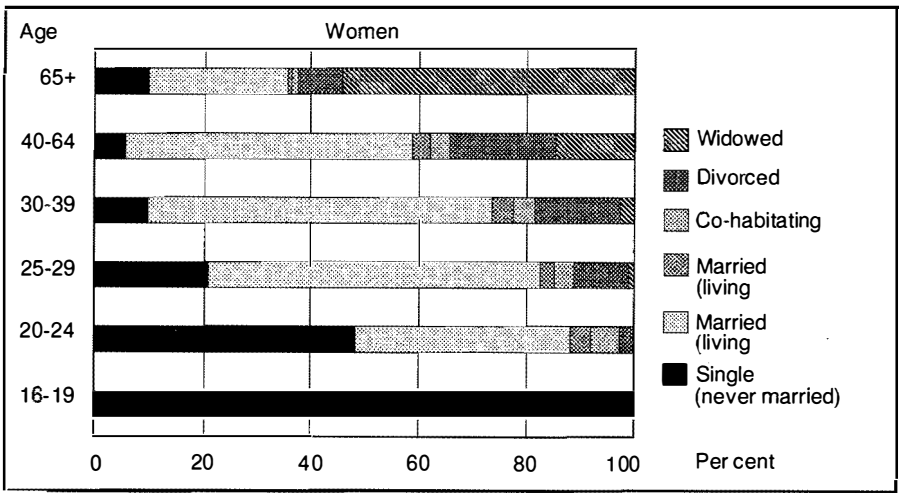
Another finding which begs comment is the very pronounced difference in the numbers of elderly men and women who report that they are single. A total of 10 per cent of women over 65 are still single, which is a much higher percentage than for the 40–64 age group, and four times as high as the figure for men in the same age group. Women have a longer life expectancy than men, this being one of the reasons for this phenomenon. In addition, women age 65 or older today, were 20 years old, and of a marriageable age, about 45 years ago when the mortality rates for young men were exceptionally high due to the dramatic events in Latvia in the period during and just after the Second World War. As a result there were fewer men to marry, so many of the women who were young then never married, while the proportion of men who never married is very small.

Figure 3.8: Marital status by age and gender. Per cent.

A: Men



B: Women



The proportion of divorcees is higher for women than for men among all age groups. Since there are more women than men in Latvian society, one would think that men are more likely than women to remarry after a divorce. As many as one in five women in the 40–64 age group are divorced, while the corresponding proportion for men is just over one in ten. In addition, since women have a longer life expectancy than men and marry younger, they are also more likely to be widowed than men are. In the age group 65 and older, more than half the female respondents were widows, while only 17 per cent of the men were widowers. With the larger surplus of single females in the older age groups, it is also more probable that a widower will find a new wife than that a widow will find a new husband.

DEPENDENCY AND CONSUMER RATIOS

The economic resources of an individual are largely dependent on his or her income. However, one cannot discuss the economic resources of the individual without taking into account the economic resources of the household in which he or she lives. Many households have members who depend on others – inside or outside the household – for their economic security or living standards. In other words, a person may have a high degree of economic welfare without having an income at all. Of course, if a large proportion of a household does not work or earn money, this will adversely affect the general welfare of the household members. In order to compensate for the low proportion of providers, those who work must work more, or earn more money, or the family must receive pensions or some form of government assistance. The age structure of the family is important in this respect. If many members of the household are not of working age, this may, but will not automatically, have serious implications for the level of welfare in the household.

A dependency ratio variable was constructed by measuring the proportion of household members not of regular working ages. Fairly wide dependency categories (over sixty-five and under sixteen) were chosen instead of the official working age categories, partly since people tend to continue working after regular retirement age. The distribution of households according to this dependency ratio is shown in Figure 3.9.

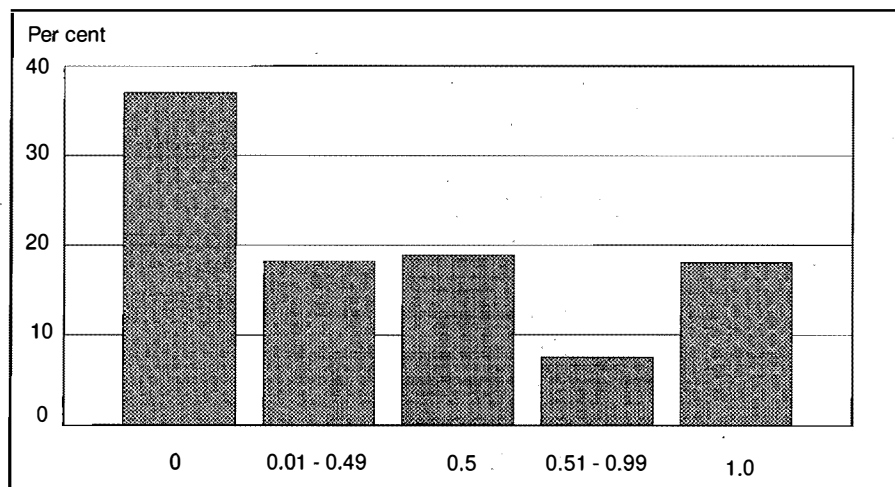
More than one third (37 per cent) of households have a dependency ratio of 0.0, which means there are no members in the household who are in the typical dependent age groups. The rest of the households have one or more members of dependent age. In as many as one in four households, those of dependent age outnumber those not of dependent age, and the dependency ratio is higher than 0.5. Many of these households consist of elderly people and persons living alone. In 18 per cent of the households the dependency ratio is 1.0, meaning these households consist exclusively of people who are either under 16 or over 65.

While the dependency ratio is the share of those of dependent age as compared with the total number of people in the household, the consumer ratio was created

to measure the proportion of consumers – or non-producers – in the household. The consumer ratio is a measure which gives the proportion of the household who are unemployed, outside the labour force or under working age. In some respects, the consumer ratio gives a more differentiated picture than the dependency ratio of the actual level of dependency in the household. Some people of dependent age may still work, while many of those not of dependent age nevertheless rely on outside income since, for various reasons, they do not work or are outside the labour force. Thus, the consumer ratio gives a better estimate of the proportion of the household that depends on the income of the providers in the household, or on some form of outside support. A consumer ratio of 0.0 indicates that there are only producers (people who worked during the preceding week or had a job from which they were absent) in the household, while a consumer ratio of 1.0 means that the household has no such producers. Figure 3.10 shows the distribution of households according to this consumer ratio.

The most interesting and, perhaps, alarming finding is that as many as 40 per cent of the households have a consumer ratio of 1.0, which means that there are no providers (or producers, as defined by the survey) in the household. All incomes in these households are based on government support, outside help or some form of activities outside the official economy. However, if we look separately at households where the respondents have not reached the age of retirement, the proportion is reduced to 18 per cent. It should also be emphasised that substantial work may be performed by persons not defined as producers in the survey, and that this work probably is done outside the official labour market. Producers outnumber non-producers (consumers) in only 23 per cent of the households. Based on the discus-

Figure 3.9: Distribution of dependency ratio in households. Scale 0-1. Per cent of households.



Dependency ratio (ranges):

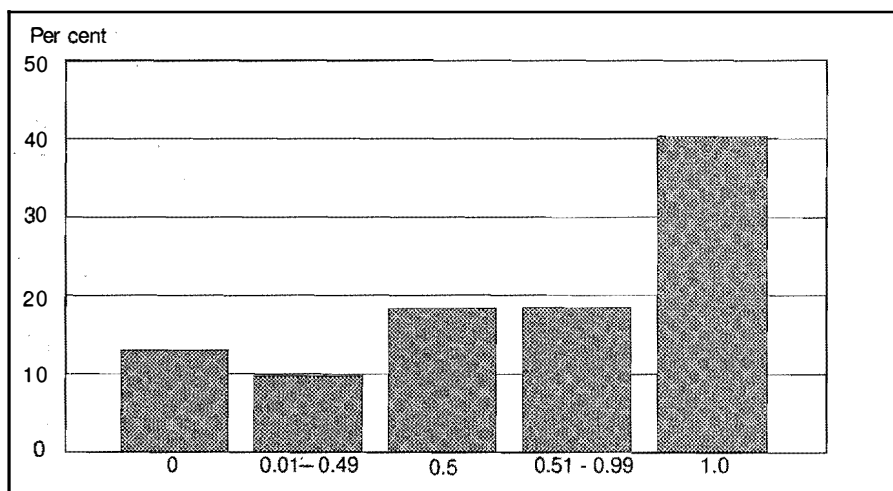
1.0: No household members are of working age (16 – 64 years).

0.0: All household members are of working age.

sion above, it may be assumed that the implications of this for individual households, and for the Latvian economy in general, are likely to be serious.

There are substantial differences in dependency and consumer ratios among the various household types. One would, perhaps, expect households with children to have higher dependency and consumer ratios than the average. The highest average consumer ratio (0.75), however, is found in one person households, while households with dependent children above the age of seven have one of the lowest consumer ratios (0.58). In the first household type, there is an overwhelming proportion of old-age pensioners, which is the main reason for the high consumer ratio here. The household type with children above 7, typically includes two parents who are both working, and this contributes to the low consumer ratio. Households with a single head have an average consumer ratio of 0.70, which is the second highest of all household types. At the same time, they have the highest average dependency ratio (0.50). These households typically have few adults and one or more children. The lowest dependency ratio is found in two generation households without dependent children. By definition, these households do not include children, and although they may include some people who are 65 or older, the elderly do not make up a large proportion since the dependency ratio for this type of household is only 0.16. Three-generation households have consumer and dependency ratios which are close to the averages for all households (respectively 0.65 and 0.41).

Figure 3.10: Distribution of consumer ratio in households. Scale 0-1. Per cent of households.



Consumer ratio (ranges):

1.0: All household members are consumers (no producers).

0.0: All household members are producers (no consumers).

CONCLUSION: HOUSEHOLDS AND LIVING CONDITIONS

We have focused on household structure because it is an important determinant of living conditions; without an understanding of typical patterns, many variations in society are bound to be inexplicable. This is particularly likely to be the case in a country such as Latvia where, due to economic constraints, more of the responsibility for the welfare of the individual has fallen on the household. The number of household members of working age who can contribute to the household income is thus of the utmost importance to the individual household. However, we must not forget that people of non-working age also have an important role in the household economy. In Latvia, where the retirement age is still very low, a grandmother or a grandfather is often a valuable resource rather than a burden to the household. A grandparent can look after small children, take care of shopping, sell home-made or other goods through unofficial channels, and help with the housework. In a single parent household, on the other hand, one person is responsible not only for his or her own welfare, but also for the welfare of one or more dependent children. These special, but still quite common, types of households have therefore been singled out for closer analysis in subsequent chapters.

As indicated, the household variables discussed in this chapter have implications for many living conditions parameters. For example, household size and household composition have, as we shall see in the next chapter, implications for housing. The level of dependency in a household has implications for such dimensions as social networks, the effects of unemployment and economic hardship.

Consequently, in the following chapters household characteristics will be treated as important background variables and drawn extensively upon in order to explain differences in living conditions in Latvia. It is likely that households with many consumers and few producers will have more trouble adapting, for example, to increases in the price of goods and services, than households with several members who are active in the labour market. Nonetheless, in a society characterised by great differences between low and high wages, it may be more important for the household to have economically active members with high salaries than to have the highest possible proportion of producers in the household. What is certain, and what will emerge from this report, is that the transformation of the Latvian economy has ramifications which manifest themselves not only at the individual but also at the household level.

HOUSING CONDITIONS AND THE RESIDENTIAL ENVIRONMENT

Anita Švarckopfa

*Lai istaba, ko istaba,
Dižens nams tautiņām
Viena puse skuļām jumta,
Otra Dieva debesīm.*

[It's not much of a room, but still
A stately home for simple folk:
One half has a roof of pine branches,
The other -- God's wide-open sky.]

From a Latvian folk-song

INTRODUCTION

The physical environment surrounding us may be one of the most fundamental dimensions of living conditions. There seems to be general agreement that a person's well-being is dependent, *inter alia*, on having a dwelling of a certain standard, a residential environment free of pollution and noise, and a high level of safety for life and property. To what extent are such needs fulfilled in Latvia today? Hopefully, this chapter will provide some new insight into this question by presenting and discussing the results of the Latvian NORBALT living conditions survey 1994.

The chapter begins with a brief historical outline. The subsequent analysis concentrates on aspects of housing considered to be of particular importance for the living conditions of individuals and households. These factors include type of dwelling, form of ownership, living space, level of indoor amenities, housing standard, residential environment and safety. One special area of focus is the extent to which housing conditions differ in urban and rural areas. Towards the end of the chapter, we discuss whether and how much the above factors influence respondents' subjective evaluations of their dwelling conditions.

HISTORICAL BACKGROUND

Although Latvian housing conditions and the policies that influence them are undergoing a process of rapid change, the present situation is to a large extent a legacy of the past. It may, therefore, be useful to take a brief look at the historical

context. Let us start with the period of Latvian independence prior to 1940. In the mid-1930s, the majority of the population (64 per cent) still lived in rural areas. Individual farmhouses were by far the most common type of dwelling in the countryside. At the end of 1935, there were 276,000 peasant farms in rural areas.

However, according to available information, there was considerable growth in housing construction in urban areas in the late 1930s, as many people moved from the country to the city. More than 500 residential buildings containing roughly 2,000 dwellings were built annually. Flats in the cities tended to be rather small, with two-room flats being the most common (46 per cent of all flats). In 1939 the urban dwelling stock accounted for 11.8 million sq. metres, meaning each inhabitant had an average floor space of 17.8 sq. metres.

During the post-war period, housing construction increased steadily, spurred by the forced industrialisation and large influxes of immigrants into Latvia, especially to Riga and the other major cities. As a result, the percentage of urban dwellers climbed dramatically, reaching 56 per cent of the population by 1959. From 1946 to 1956, total living space increased by 3.6 million sq. metres. However, due to the exceptional population growth, the average floor space per person actually decreased. In 1960 the average living space had been reduced to 12.2 sq. metres per capita (Misiunas and Taagepeera 1993: 364). The buildings mainly consisted of small apartments of the type commonly found in other parts of the Soviet Union.

There were long lists of applicants for new dwellings in urban areas. By the end of 1989, the number of households registered on waiting lists for receiving a larger or higher quality dwelling had reached 165,000, meaning that approximately one household in seven was in the line for a new dwelling.

A large number of families, but particularly single persons, were given a room in a hostel. Some of the large flats from the period of pre-war independence were converted into so-called 'communal flats', where the tenants had to share hall, bathroom and kitchen facilities with other families. Such flats were quite common in the capital, Riga, especially in the city centre. New residential areas were created in the suburbs of the large cities without much attention being paid to infrastructure.

In the rural areas people were moved from farmhouses to rural villages as a consequence of the collectivisation of agriculture in the late 1940s. Thus, many rural houses were demolished and farms were destroyed, damaging the rural landscape and rural residential environment characteristic of Latvia. From 1980 to 1993, housing construction increased by 10,000 sq. metres to a total of 53,100 sq. metres in 1993. In urban areas the increase in this period was 6,500 sq. metres to a total of 33,700 sq. metres in 1993, while in rural areas residential housing increased by 3,500 sq. metres to 19,400 sq. metres.

A new stage in terms of developing the residential environment and improving housing conditions began with the restoration of Latvia's independence. The de-nationalisation process (restoration of ownership rights to nationalised property) began in 1992, and has gained momentum ever since. The number of de-nationalised residential buildings climbed from 1,857 in 1992 to 3,497 in 1993. The fig-

ures for dwellings were 11,400 and 24,800, respectively. Former homeowners are returning to rural areas and independent farms are being established. It is now possible to own a private dwelling.

TYPE OF DWELLING

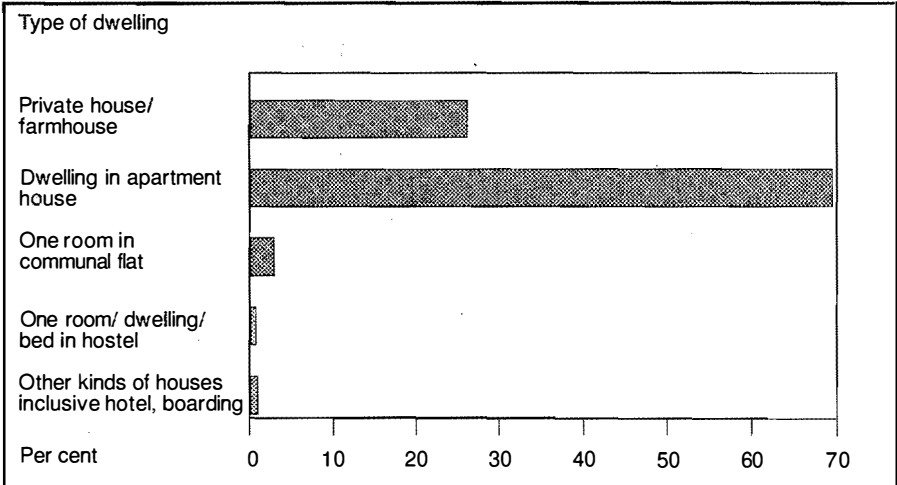
The rapid development of industry in Latvia and migration from rural to urban areas, as well as from other republics of the Soviet Union to Latvia, made it necessary to boost housing construction. The renewed construction efforts were concentrated in Riga and other large cities. During the post-war period from 1945 to 1989, Latvia had a positive balance of migration, causing the population to grow by 763,400. Housing had to be provided for a very large number of people during a very short period of time. The above factor determined the policy and standards of housing construction, which was primarily carried out by state and cooperative organisations. Consequently, the dwellings were owned by the state. Private ownership accounted for no more than a very small share of the total dwelling stock (Table 4.1).

Table 4.1: Ownership of housing constructed in the period 1946–1955. Per cent of dwellings.

	1946–1950	1951–1955
State and co-operative organisations	85.3	75.4
Private persons	14.7	24.6

Source: Latvijas PSR tautas saimniecība (1957).

Figure 4.1: Proportion of households living in different types of dwellings. Per cent.



What kinds of dwellings, then, are common in Latvia today? The Latvian living conditions survey 1994 defined the type of the dwelling used by the respondent's household. The data collected are reflected in Figure 4.1.

Regarding the population as a whole, most households (69 per cent) live in apartment buildings, one fourth in individual houses or farmhouses, and 3 per cent in communal flats.¹ Very few households (less than 1 per cent) can be found in hostels; these are mainly students living on their own. Dwelling types vary greatly from urban to rural areas. Dwelling types are broken down by region in Table 4.2. More than half (56 per cent) of rural households reside in individual houses or farmhouses. The majority of the urban population lives in apartment houses, e.g. 86 per cent in Riga and 76 per cent in other cities. In Riga, most households live in apartment houses with 5 or more floors (69 per cent). The same applies to 43 per cent of the households in other cities. In Riga, a relatively large proportion of the households (8 per cent) live in communal flats, whereas communal flats are much less widespread in other cities and rural areas, comprising only 0.5 per cent and 0.3 per cent of all dwellings, respectively.

FORM OF OWNERSHIP

Under the Soviet regime, Latvia's housing stock was characterised by a large state rental sector and a much smaller private sector, as is typical of centrally planned economies. Our survey confirms that in the late summer of 1994 most people were still living in state or local government-owned housing. More than half (57 per cent) of the households in the survey resided in dwellings owned by the government, while

Table 4.2: Type of dwelling by degree of urbanity. Per cent of households.

	Riga	Other cities	Rural areas
Detached house/ farmhouse, or part of detached house	5	21	56
Dwelling in apartment house, 1 - 4 floors	18	33	39
Dwelling in apartment house, 5 or more floors	69	43	3
Room in communal apartment	8	0.5	0.3
Room/ dwelling/ bed in hostel	0.5	1	0.3
Hotel, boarding house, homes for elderly/ invalids, barracks for soldiers or other houses for joint household	0.4	0.6	0.2
Other kind of house	0.2	0.6	1

¹Communal flats are dwellings where the household shares certain amenities with other households, such as hall, kitchen and bathroom facilities.

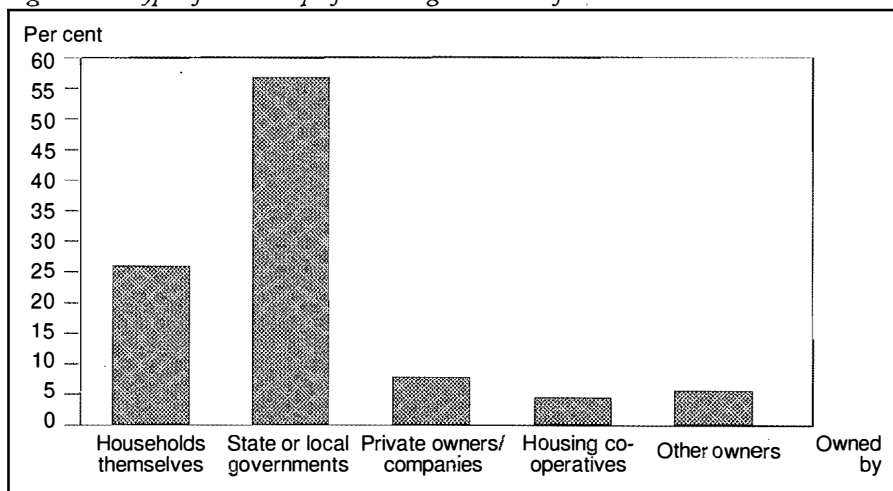
one quarter lived in dwellings or houses owned by the households themselves. The distribution of dwellings by form of ownership is shown in Figure 4.2 (see next page). The form of ownership varies greatly from one place to another, and also by the level of urbanisation. In rural areas the majority of households (56 per cent) live in houses and dwellings owned by the household itself, whereas the corresponding figure for Riga is only 5 per cent. Other cities are in an intermediate position, with 20 per cent of the households living in dwellings that they own themselves. In urban areas most households live in housing owned by the state or local governments. This applies to 72 per cent of the households in Riga and 65 per cent in other cities, but only 29 per cent in rural areas. Cooperative dwellings are a common form of ownership in Riga and other major cities, but they are less common in rural areas and smaller towns.

In connection with the transition to a market economy, people are now being offered an opportunity to take over ownership of housing currently owned by the state or local government. Of those who lived in these types of dwellings at the time of the survey, almost half (47 per cent) the households reported that their dwelling was scheduled for privatisation, and 29 per cent of them planned to take over the dwelling as private property within the next 12 months (Table 4.3). Privatised dwellings are rather expensive, however, and many cannot afford to buy their flats at current price levels. More than half the households were unable to say whether they intended to take over their flat during the next 12 months.

Table 4.3: Plans to privatise dwelling. Per cent of state or local government dwellings.

Yes	29
No	20
Cannot answer	52

Figure 4.2: Type of ownership of dwelling. Per cent of households.



LIVING SPACE

In the post-war era, housing construction aimed at building big complexes containing many small flats. According to our survey results, most Latvian households still reside in two-room flats. The distribution of living space in terms of the number of rooms is given in Figure 4.3.

When classifying the crowdedness of a dwelling one must take into account the number of household members and the number of rooms (excluding kitchens, corridors, bathrooms, etc.). In this analysis we have applied the following definitions: An over-crowded dwelling refers to a housing unit in which the number of occupants exceeds the number of rooms; a normally crowded dwelling refers to a housing unit in which the number of occupants is equal to the number of rooms; and a spacious dwelling refers to a housing unit in which the number of rooms exceeds the number of occupants. One quarter (26 per cent) of the households lived in so-called spacious dwellings and 36 per cent in normally crowded dwellings, while 38 per cent of the households had to cope with over-crowded dwellings.

Figure 4.3: Number of rooms in dwellings. Per cent of households.

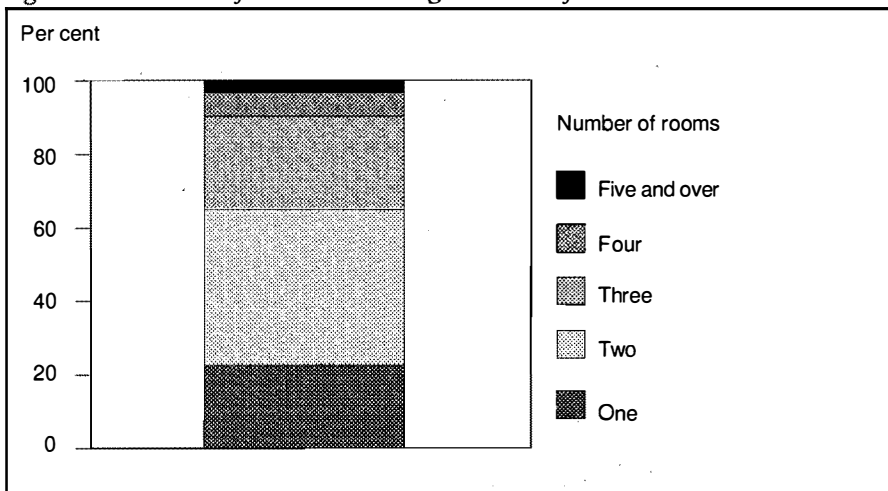


Table 4.4: Number of rooms in dwelling per household member. Per cent of households.

Number of household members	Number of rooms				
	1	2	3	4	5 and more
1	46	39	13	2	1
2	19	53	22	4	2
3	14	48	28	7	4
4	6	38	42	10	4
5 and more	5	21	39	24	11

From the 1994 survey, we can conclude that large households with children are by far the most likely to experience over-crowding. More than half (53 per cent) of all two-member households live in two-room dwellings, which is considered normal, and only 19 per cent of these households are defined as over-crowded (Table 4.4, see previous page). However, as regards four-member households, only 14 per cent reside in dwellings which, according to our definitions, are not over-crowded. A large proportion of the four-member households (42 per cent) occupy three rooms, while 38 per cent live in two rooms. The situation is even worse for five-member households. Four in ten of such households live in three rooms, while a quarter have only one or two rooms at their disposal. These trends are similar in urban and rural areas.

Another indicator of the convenience of a dwelling is the amount of usable floor space, here measured in square metres. The survey data on usable floor space (including kitchens, corridors, bathrooms, etc.) show that a typical household occupies a rather small dwelling with an average size of 53 sq. metres. Average usable floor space is greater in rural areas than in urban areas, being 61 and 50 sq. metres, respectively. Dwellings located in major cities are somewhat smaller than the national average. The average usable floor space figures for the major cities are given in Table 4.5. More than half (53 per cent) the households have less than 50 sq. metres of usable floor space. A breakdown of the data by the household types presented in the previous chapter, shows that households with children have less space than other types of households. The average space per person in households with children of more than seven years of age is 16 sq. metres, in households with children six years of age and under the corresponding figure is 14 sq. metres and in three-generation households it is the same. In contrast, one person households have an average of 38 sq. metres, whereas couples without children can enjoy relatively spacious flats, averaging 24 sq. metres per person. The average for the population as a whole is 21 sq. metres per person.

The survey shows that the respondent's profession, position and activity in the labour market, and even their financial resources, have little or no impact on their housing conditions. The average number of square metres per person is very similar

Table 4.5: Average usable floor space per dwelling in the major Latvian cities. Square metres.

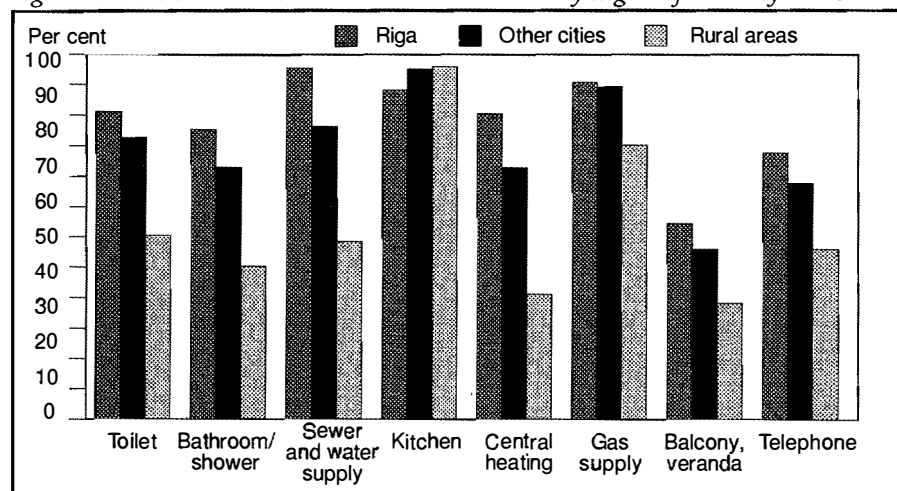
Riga	50
Daugavpils	46
Jelgava	49
Jurmala	51
Liepaja	47
Rezekne	49
Ventspils	50

for most groups of the population. The survey data show that most of the respondents live in two-room apartments, irrespective of their profession or position. It is in fact persons outside the labour market who have most space per person (on average 24 sq. metres). Many of these people are pensioners, sometimes widows or widowers, who continue to live in their family flats after the children have moved out and their spouses have died. This is probably the main explanation for the higher average score. The unemployed are slightly worse off than the employed; the former make use of flats with an average of 17 sq. metres per person, while the latter have an average of two more sq. metres of space at their disposal. The most common type of dwelling both among full-time workers and the unemployed are two-room flats, accounting for 41 per cent and 48 per cent, respectively.

In 1993, according to official statistics, the average floor space of completed dwellings constructed by state and local governments was 54.8 sq. metres, while private houses averaged 140.9 sq. metres. Although the average number of persons living in private dwellings is normally greater than the corresponding number in state or local government flats, our data nevertheless confirm that persons living in the former on average have more space than those residing the latter. The average usable space in a private dwelling is 26 sq. metres per person while a government flat offers an average of 19 sq. metres per person.

The traditionally strict regulation of the Latvian housing market is probably the main reason for the insignificant variations in dwelling size between different segments of the population. Under the Soviet regime, the size of the dwelling was defined less by the financial resources of the household than by housing norms stipulating the permissible number of rooms per person. As Latvia implements market reforms, dramatic changes will be taking place in the housing sector. It is expected that major shifts in the ownership structure and financing of housing will make it more common for people to choose their dwelling on the basis of their

Figure 4.4: Indoor amenities in Latvian households by degree of urbanity. Per cent.



personal preferences and financial resources. It is therefore likely that we will eventually see greater disparities between different groups of the population in terms of floor space and the number of rooms per individual and household.

HOUSEHOLD AMENITIES

One crucial factor in people's standard of living is the availability of amenities, e.g. indoor toilets, bathrooms/showers, water and sewer, kitchens, central heating, gas, telephone, etc. Respondents were asked to list the amenities they had in their dwelling. As Figure 4.4 (see previous page) testifies to, the number of amenities greatly depends on the level of urbanisation.

On the whole, Latvian households are quite well equipped with household amenities, although the level is somewhat lower than that in the Nordic countries (see Table 4.6). Nearly every urban inhabitant enjoys an indoor toilet, a bathroom, and hot and cold running water. In rural areas, however, the situation is quite different, as seen in Figure 4.4 (see previous page). A large proportion of households (76 per cent) have gas, whereas 59 per cent of the households have water and sewer. However, central heating and bathrooms/showers are not as widespread in rural areas as in cities and towns. Furthermore, the number of telephone subscribers in Latvia is rather small by European standards, 73 per cent of the households in Riga and 65 per cent in other cities. Only about half of the rural households have their own telephone.

On the basis of the survey data, an index was constructed based on the availability of the listed amenities which enables us to compare the level of amenities in urban and rural areas and in different types of households. The responses were further classified into three groups. The first group comprises households with all the seven types of amenities (kitchens and electric cookers were excluded from the analysis), indicating a high level of amenities. A household is classified as having a medium number of amenities if three to six amenities are present, and as having

Table 4.6: Household amenities in the Nordic countries and Latvia. 4 indicators. Per cent of households.

	Denmark	Finland	Norway	Sweden	Latvia	
					Urban	Rural
Bathroom/ shower	91	80	97	99	74	42
Indoor toilet	98	93	98	99	81	51
Kitchen	95	89	97	98	93	97
Central heating	91	87	65	99	76	34

Source: Vogel (1991), The Latvian NORBALT survey 1994.

a low number if there are two or fewer amenities in the housing unit. The amenities index is broken down by urban and rural areas in Table 4.7. The table confirms that household facilities are much more widespread in urban than rural areas.

It is also important to analyse different types of households, as the level of amenities especially affects households with children. The amenities index, broken down by type of household, is shown in Table 4.8. People who live alone have the lowest number of amenities. In households with children, much depends on the age of the children. The table clearly shows that the older the children, the greater the number of amenities the family tends to have. In fact, households with children above the age of 7 tend to have the highest amenities level of all households.

There are substantial disparities regarding the level of amenities between state or local government-owned dwellings on the one hand and those owned by the households themselves on the other. This is shown in Figure 4.5 (see next page). The main reason why the level of amenities is higher in the former type of dwelling, is that flats owned by the government are usually of the kind found in high-rise complexes in which many of the listed facilities come as standard equipment. Private dwellings more often tend to be detached houses - often situated in rural areas - where central heating, hot water, public sewage systems, etc., are far less common.

Irrespective of their level of amenities, most people have trouble with their hot water supply. Only 12 per cent of the respondents reported that they had a regular supply of hot water. Some 41 had hot water, but not on a regular basis, while the remaining 47 per cent did not have hot water at all.

Table 4.7: Level of amenities by degree of urbanisation. Per cent of households.

	Amenities level		
	High	Medium	Low
Urban areas	40	49	11
Rural areas	18	37	45
National average	33	45	21

Table 4.8: Level of amenities in Latvian households by type of household. Per cent.

	One-member household	Couple without children	Household with children of 7 and more years of age	Household with children of 6 and less years of age	One parent with dependent child	Three-generation household	Two-generation household without children
High	18	30	44	31	36	36	39
Medium	49	47	42	52	44	45	42
Low	33	23	14	18	20	19	19

The hot water problems are primarily caused by defects in the plumbing systems, which are often old and in frequent need of repair. The problem is particularly grave in the upper floors of tall buildings, where the daytime water pressure can be very low. Often people living in such dwellings can only get hot water at night, when there is more water pressure. There is also a big difference in the hot water situation between urban and rural areas. As shown in Table 4.9, 78 per cent of households in rural areas do not have hot water at all.

A warm and cosy dwelling is probably at least as important in terms of living conditions as the quantitative level of indoor amenities. More than one third of the households complain about damp, humid rooms, while 46 per cent say that the

Figure 4.5: Indoor amenities in Latvian households by type of ownership. Per cent.

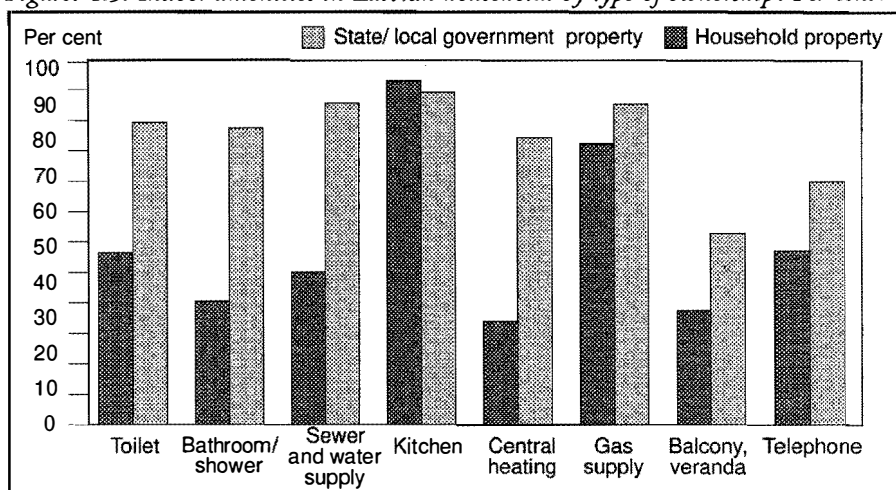


Table 4.9: Hot water supply by degree of urbanity. Per cent of households.

	Riga	Other cities	Rural areas	Total
Regular	17	16	4	12
Irregular	61	41	18	41
No	22	44	78	47

Table 4.10: Level of cold and dampness in dwelling in urban and rural areas. Per cent of households.

	Considerable inconveniences	Medium inconveniences	No inconveniences
Urban areas	27	23	50
Rural areas	38	23	39
Total	31	23	47

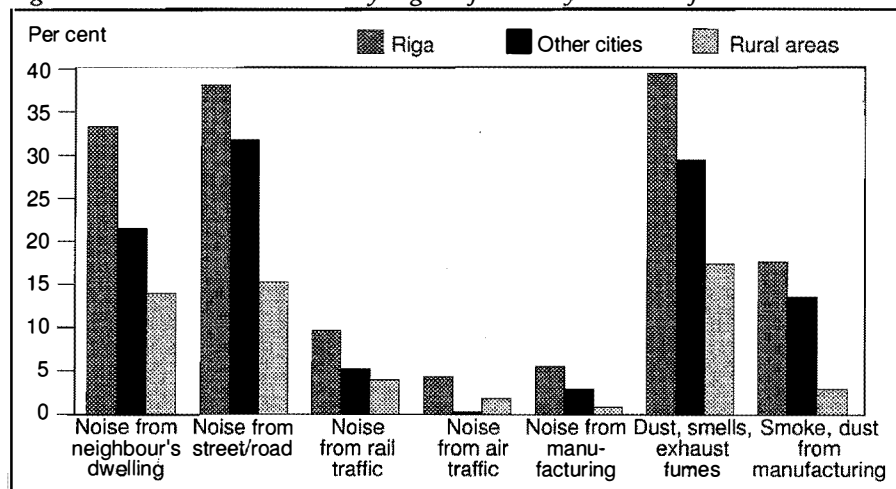
rooms are cold and hard to heat. There are slight differences in the evaluations, depending on the place of residence of the respondent. In order to compare the level of cold and dampness in the dwellings on the basis of regional distribution, we have combined the information about the two variables (damp and humid rooms, cold and hard to heat rooms) into a cold/dampness index. The distribution of housing units in rural and urban areas is provided in Table 4.10 (see previous page). Just over one third (35 per cent) of urban households complain about damp, humid rooms while the figure for rural areas is 47 per cent. As regards rooms that are cold and hard to heat, the figures are 43 per cent and 52 per cent for urban and rural areas, respectively. One of the reasons why the rooms are cold and difficult to heat is the fact that, under Soviet rule, the building materials used by the construction industry were of poor quality. The quality of the construction work was poor as well. The respondents' negative evaluations were probably also attributable to the fact that in the winter preceding the survey (1993–94), heating systems were either switched off or temperatures were reduced due to fuel shortages, etc.

THE LOCAL ENVIRONMENT

Of the factors that characterise housing conditions, the state of the local environment is one of the most critical. Respondents' evaluations of the level of disturbances, such as air, water or noise pollution from various sources, vary, depending on whether a household is in a rural or urban environment. Their opinions regarding the disturbances in their local environments are shown in Figure 4.6.

Urban households tend to stress street noise, 38 per cent doing so in Riga and 32 per cent in other cities. Dust, smells and exhaust fumes were mentioned by 39 per cent and 29 per cent, respectively. In rural areas, the percentage of respondents

Figure 4.6: Various disturbances by degree of urbanity. Per cent of households.



complaining about disturbances in their local environments is generally lower. For example, noise from the street was mentioned by only 15 per cent of the rural respondents, while 14 per cent complained about noise from a neighbour's dwelling, stairs or water pipes. Similarly, about one third of the city dwellers were concerned about dust, smells and exhaust fumes, while these grievances were considerably less common in rural areas. Such differences can be ascribed to the fact that urban residential areas are often located in the vicinity of manufacturing enterprises and highways.

When analysing different noise factors, one should take into account that the evaluation represents the subjective experience of the respondent, as noise was not measured or quantified in any way. It is therefore difficult to make exact comparisons between different regions.

Residents in rural areas are less bothered by noise and pollution than people in cities, but they often lack services that city-dwellers usually enjoy. Our respondents were asked how far it was to the nearest shop, school, clinic, and bus stop. We have only studied the responses of people in rural areas since it is only there that the distance to these services can be a potential problem (see Table 4.11). One third of the rural households have to travel more than two kilometres to reach the nearest shop and school, while 30 per cent have to travel at least this distance to the nearest clinic. Furthermore, 40 per cent have to cover a distance of more than one kilometre to reach the nearest bus stop, while 18 per cent have to walk more than two kilometres. It is noteworthy that there has been a significant decline (56 per cent) in the number of scheduled bus routes in recent years, compounding the problems of the rural population.

Table 4.11: Distance to local services and institutions (kilometers). Per cent of households in rural areas.

Distance (kilometers)	Grocery shop	Primary school	Polyclinic	Bus stop
Less than 0.5	42	20	24	42
0.5 – 0.9	12	11	12	18
1.0 – 1.9	13	11	12	18
2.0 – 4.9	24	26	23	17
5 or more	9	33	30	5
Total	100	100	100	100

CRIME AND SAFETY IN THE HOME

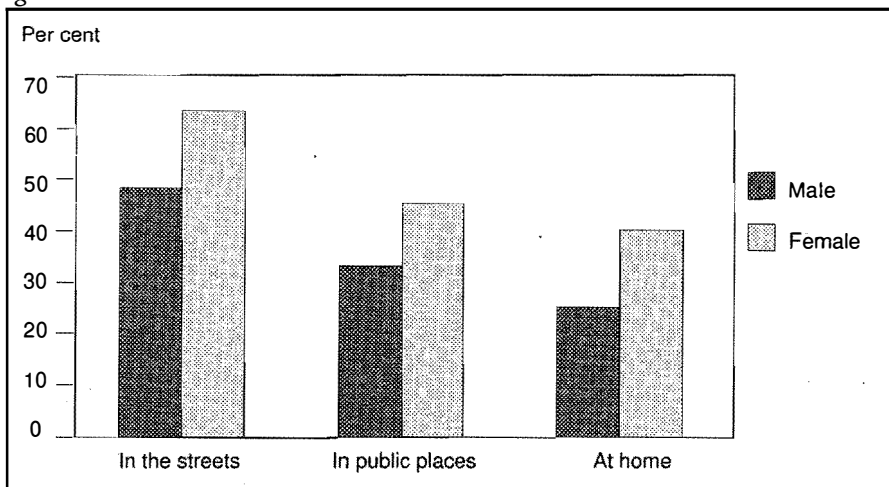
Crime creates unrest throughout the justice system and the population of the country as a whole. As for crime in Latvia, the situation is essentially controversial and paradoxical because statistics indicate a decrease in the crime rate (a 22 per cent drop in the number of reported crimes from 1993 to 1994), whereas other sources (the press, sociologists, etc.) talk about a rising crime rate. One of the reasons for the decrease in the number of reported crimes may be the fact that people do not trust the law to solve crimes, so they do not bother to report them to the police.

According to official statistics on the number of crime incidents reported in 1994, the figure was 41,000 in Latvia, that is, more than 100 incidents per 24 hours or an average of 5 incidents per hour. The total number of registered incidents of crime has increased from 21,502 in 1987 to 61,871 in 1992, i.e. 300 per cent over a five-year period. Thefts account for the majority of crime reports (66 per cent).

Table 4.12: Exposure to different types of crime. Per cent of individuals 18 years of age or older.

	Men	Women
Violence leaving visible marks	5	3
Violence without visible marks	4	2
Threats of violence	8	9
Thefts	15	16
Robberies	3	3

Figure 4.7: Fear of being exposed to crime by gender. Per cent of individuals 18 years of age and older.



Robberies (2.2 per cent in 1993 and 2.7 per cent in 1994) and serious bodily injuries (1.4 per cent in 1993 and 1.7 per cent in 1994) have been rising slowly, but consistently.

The survey data show that over the 12-month period, the percentage of the respondents exposed to crime varies from 3 to 15 per cent, depending on the type of crime (Table 4.12). Those who have suffered theft make up the largest group of victims. The survey indicates no particular differences with regard to the number of crimes in urban and in rural areas, except in Riga, where the proportion of victims is larger.

The lion's share of those who have been the victims of violence belong to the 16–29 age group. As regards thefts, the 30–49 age group has suffered the most. Men are exposed to violence slightly more often than women. In terms of other types of crimes, there are no significant differences between the genders.

As a result of increasing crime, many people in Latvia are worried about being the victims of assaults or exposed to threats. Our survey shows that more than half the respondents are at least to some extent worried about violence in their local environment, mostly on the street but many also in other public places. A smaller proportion (34 per cent) are worried about violence at home. The distribution of answers broken down by gender is given in Figure 4.7 (see previous page). The figure clearly shows that females tend to feel more vulnerable than men, even though our data show that they actually run a smaller risk of becoming victims. While 48 per cent of males are worried about their personal safety in the streets and 33 per cent in public places, the corresponding figures for women are 63 and 45 per cent, respectively.

There are also important differences between urban and rural areas when it comes to worries about assaults or threats. Such worries are more widespread in urban than in rural areas. While 64 per cent of those living in urban areas are worried about violence in the local environment and 43 per cent in the streets, in rural areas the same is true of 44 and 32 per cent of the respondents, respectively. The proportions who are afraid of crime in their own homes, are similar in the two types of settlements.

SATISFACTION WITH HOUSING CONDITIONS

Thus far, we have analysed various factors that influence housing conditions and the local environment (the density of living, the number of amenities, inconvenience

Table 4.13: Evaluation of housing conditions. Per cent of households.

Satisfied	47
Neither satisfied nor dissatisfied	30
Dissatisfied	24

factors, etc.), looking at them separately. In this final section we will focus on perceptions, using the respondents' own evaluations of their housing conditions as a summary indicator of their housing situation (satisfied, dissatisfied, neither satisfied nor dissatisfied). The distribution of the responses to the above question is shown in Table 4.13 (see previous page).

Survey data show that about half (47 per cent) of the households are satisfied with their housing conditions, almost one third could not give a definite answer and one fourth are dissatisfied. Throughout this chapter we have seen that housing conditions differ substantially in urban and rural areas, and one might, perhaps, expect this to be reflected in respondents' evaluations. However, the data reveal that there are no substantial differences in the assessment of living conditions according to area of residence (rural areas or urban areas), as illustrated in Table 4.14. It is hard to tell whether this is caused by differences in expectations or by some form of compensation, through which disadvantages in one area (for example, the level of amenities) are offset by advantages in another (for example, environmental disturbances).

Table 4.14: Evaluation of housing conditions by degree of urbanity. Per cent of households.

	Riga	Other cities	Rural areas
Satisfied	47	47	46
Neither satisfied nor dissatisfied	25	31	34
Dissatisfied	28	22	21

Table 4.15: Proportion being satisfied or very satisfied with their housing conditions by level of amenities, environmental strains, and living space per household member. Per cent of households.

Level of amenities (0-7)		Environmental disturbances	
High (7)	55	None	52
Medium (3-6)	48	One	50
Low (0-2)	36	Two or more	35

Dwelling area (number of persons per room)		Cold and dampness (0-2 problems)	
Overcrowded	55	No problems	56
Normally crowded	46	One problem	46
Spacious	41	Two problems	32

Explanation: Overcrowded: More than one person per room. Normally crowded: One person per room. Spacious: Less than one person per room.

However, our data can shed light on the issue. Several of the factors discussed in this chapter seem to have an impact on the evaluation of housing conditions. Table 4.15 gives a summary of these findings. The level of amenities in a household seems to be of considerable importance, as shown in the table. A high level of indoor amenities, such as indoor toilet, bathroom or shower, water and sewer, etc. (see above) increases the likelihood of the household being satisfied with its housing conditions. Since dwellings in the cities generally have more amenities than dwellings in rural areas, one would expect a higher degree of satisfaction in urban areas, all other factors being equal.

The level of amenities is not the only factor influencing the evaluation of housing conditions: Noise and pollution in the neighbourhood also affect the degree of satisfaction significantly. The table shows that people who complain about too many disturbances, have a greater tendency than others to be dissatisfied with their housing conditions. In this respect, people in rural areas have an advantage, since we know that environmental problems are larger in urban areas than in rural ones.

Crowdedness is another factor which is negatively correlated to the level of satisfaction. The more crowded the flat, the less satisfied the tenants are with their housing conditions. Since the living space per person is larger in rural than in urban areas, this is another area where people in the countryside enjoy a certain advantage. The opposite is the case, however, with problems related to cold and damp dwellings. As we know, such problems are more widespread in rural areas than in cities. This circumstance also affects the evaluation of housing conditions. Not unsurprisingly, people living in damp and cold dwellings tend to be less satisfied with their housing conditions than people without such problems. Factors such as the form of ownership of the dwelling and the crime rate in the local area do not have a significant impact on the level of satisfaction with regard to housing conditions.

Returning to the question raised above, we can now draw some tentative conclusions. We already know that people in the cities enjoy a higher level of amenities, and that they do not suffer from cold and damp flats to the same extent as people in rural areas. On the other hand, they have to cope with more crowded flats and more environmental disturbances. Our data seem to indicate that these effects - working in opposite directions - at least to some extent explain why people in urban and rural districts report rather similar levels of satisfaction with their local environments. In a sense, the pros and cons cancel out each other. In other words, while city-dwellers tend to report a higher level of satisfaction because of the higher standards of the flats, both in terms of indoor amenities and cold/dampness, the higher level of environmental disturbances and the problems with crowdedness pull in the other direction. However, it should be stressed that the above factors explain only a limited part of the variation in the satisfaction variable. Thus, factors which cannot be controlled for in this survey also have a significant independent impact on the degree of satisfaction with local conditions (i.a. differing expectations, as would probably be borne out by reference groups).

CONCLUSIONS

Housing conditions is a key component in the living conditions of households and individuals. In this chapter we have investigated factors such as the type of dwelling, form of ownership, living space, level of amenities, infrastructure available in the local environment and safety. One important dimension has been to compare urban and rural areas.

In September 1994, the majority of households still lived in high-rises owned by the state or local governments. A typical dwelling had two rooms and the average usable floor space was 53 sq. metres, or 21 sq. metres per person. The level of urbanisation has a substantial impact on a number of the aspects that influence housing conditions. There are more private dwellings in rural areas, rural dwellings are on average more spacious and there are less environmental disturbances outside the cities. In addition, rural areas have a slightly lower crime rate. On the other hand, the level of amenities is clearly lower, and more families suffer from cold and damp dwellings in the countryside than in the cities. However, the degree of satisfaction with housing conditions is quite similar in the two types of settlements.

The survey results clearly reflect the fact that people have had few opportunities to influence their housing conditions so far, the development of a true housing market based on market principles still being in its infancy. There is already a tendency, however, for the financial resources of the individual household playing a greater role in housing transactions. One sign is that rent hikes and rises in local community charges (heating, electricity and gas) have already forced some families to move to smaller apartments, where the prices are more affordable. This process is likely to create new inequalities. In the Scandinavian countries, it is common for households to invest a considerable share of their household assets in their dwellings. A similar trend appears to be developing in Latvia.

CHAPTER 5

HEALTH

Inta Vasaraudze

Veselība un sirdsmiers ir dārgumi, ko neatsver nekādas pasaules bagātības.
[A good health and a peaceful soul are the most valuable treasures of the world.]
From P. Birkert's folklore collection.

INTRODUCTION

Health is one of the most significant characteristics of the living conditions of a population. Good health is a prerequisite for successful activities in all spheres of life, embodying the potential resources of a nation. Since ancient times the most ardent desire of all human beings has been to enjoy good health. To some extent the individual can influence his or her health by leading a healthy lifestyle. On the other hand, there are aspects of one's state of health over which the individual has little or no control, for example, the ageing process. Moreover, the way in which society is organised in terms of housing conditions, working environment, pollution and recreational opportunities will have an impact on a population's state of health.

There can be no doubt that social security systems also play an important part in satisfying people's desire for good health. In order to describe Latvia's collective health as of September 1994, we must first look briefly at some relevant aspects of the Latvian social welfare system and trace its development from Soviet times to the present transition period. How efficient has the government's health care policy actually been? What kind of medical care was available in the past? And, more importantly, what kind of medical care do people in Latvia receive today?

Under the Socialist totalitarian regime, the government declared that the health of the population was under its constant care. There was a great discrepancy, however, between word and deed. The health care system was highly centralised and rigidly administered. Patients were not free to choose their physicians, so there was no competition among medical personnel and the quality of treatment was poor.

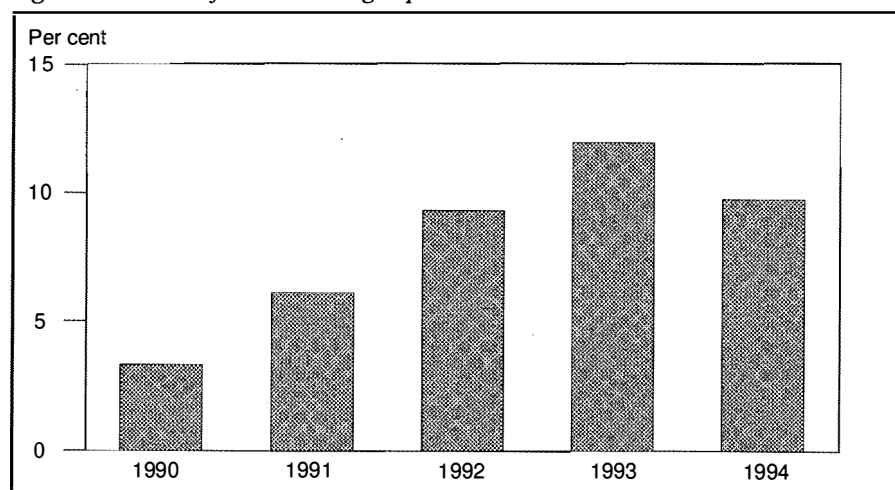
Up until now the health care system has been financed over the state budget according to a «left-over» principle: Resources have been allocated from the left-overs in the budget. At present Latvia's health care system is still financed over state and local government budgets. Even today, the state budget resources allocated to public health care do not provide for an improvement the situation, as they are hardly large enough to cover the necessities.

Today the state budget finances the so-called Government Order for Health Care and national medical undertakings. The Government Order for Health Care provides for the treatment of such serious and dangerous diseases as tuberculosis and chronic pulmonary diseases, malignant neoplasms, mental illness, alcoholism, abuse of drugs and psychoactive substances, etc. The national medical undertakings focus on natural disasters, the state of the environment and public health, immunisation programmes, family planning, etc. The government's basic health care programme defines the minimum amount of medical assistance to be provided to the population, e.g. diagnostics, treatment and observation of acute and chronic diseases during acute periods, ambulance services, observation of expectant mothers and obstetric care, the prevention and treatment of infections, sexually transmitted and contagious skin diseases, contraception check-ups, etc. The basic health care programme is to be provided by state and local government health care institutions and will be covered by the regional sickness insurance offices funded by local government budget resources. In spite of the fact that, with the exception of 1994, expenditures over the state budget for health care have been on the rise since 1991 (Figure 5.1.), the state budget is currently able to cover only a little more than half of the amount needed for medicine.

The share of local government budgets spent on public health care is growing, too. Allocations for health care from local government budgets rose from 17 per cent in 1990 to 25.5 per cent (46 million lats) in 1994.

The total figure for 1995 in terms of allocations to health care amounts to 112.5 million lats or 41 lats per inhabitant per year. According to estimates provided by the Ministry of Welfare, satisfactory treatment of patients costs at least 80 lats per person per year. Thus, the medical care system currently suffers from a chronic lack

Figure 5.1: Share of the state budget spent on health care. Per cent.



Source: CSB.

of resources. There is also the problem of excessively bureaucratic management, which leads to inefficient use of the resources available.

If we compare Latvia with other relevant countries, we see that Latvia ranks very low in terms of the proportion of the gross domestic product allocated to health care. In 1994 Latvia spent 4.2 per cent of its GDP on health care, while the figures were higher for Lithuania (4.9 per cent), Estonia (5.3 per cent), Norway (7.6 per cent in 1991), Austria (8.4 per cent in 1991), and France (9.1 per cent in 1991).

HEALTH CARE INSURANCE

The Health Department of the Ministry of Welfare has worked out a strategy for health care development, stating that two of its major aims are to create optimal conditions for maintaining good health, so that people can participate in the social life of the country, and to ensure access to high quality health care for everybody, irrespective of income or social position. One important goal is to encourage people to develop a sense of responsibility for their own health. It is thought that co-operation between individuals and the government in the field of health care will strengthen democracy and ease the government's financial burden in cases involving illness, accidents and injuries, and habits involving risks to own or other people's health. A significant number of financial issues have to be resolved in order to fulfil all these aims. According to the Health Department, the health care system in Latvia should not be overly dependent on the state budget, and it should be based on the principles of self-administration that focus on the interests of the patients.

Latvia is undergoing a gradual transition to a system of health care insurance which is similar to what was offered during the period of Latvian independence from 1918 to 1940, and the system used in Germany today. In order to evaluate health care services, most East European countries (the Czech Republic, Slovenia, Slovakia, Hungary, etc.) use the German system of fees, which is adjusted to accommodate the peculiarities of each country.

The intention is to achieve a complete transition to the health insurance model. The Health Department of the Ministry of Welfare has prepared a draft law «On Compulsory Health Insurance» and a plan for its implementation, which have been submitted to the Cabinet of Ministers for consideration in September of 1995. This law states that general insurance for the entire population will be initiated on 1 January 1996. The compulsory insurance system will be based on Health Insurance Offices which have already been established in all of Latvia's districts and major cities, as well as within the system of the Ministry of Transport and the Ministry of the Interior.

Respondents to the 1994 survey were asked the following question about health insurance: «Do you have any kind of health insurance? If yes, what kind of health insurance do you have?». The distribution of replies is shown in Table 5.1.

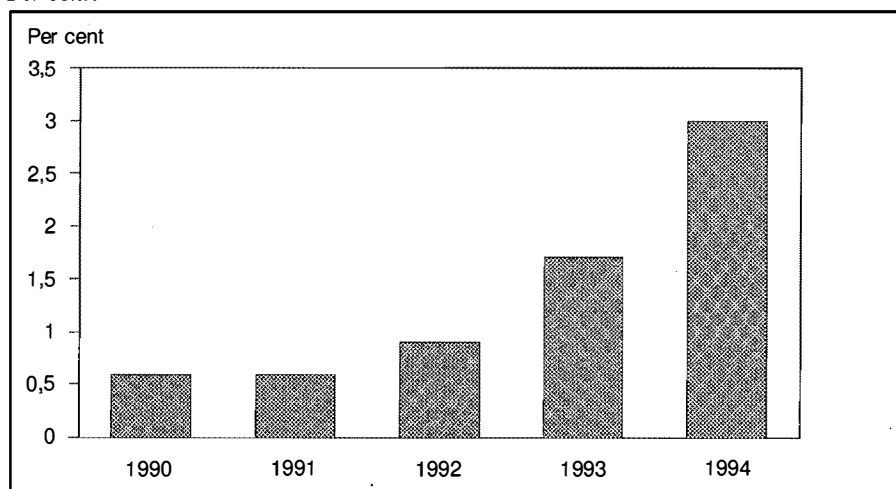
The results clearly show that the health insurance system as of September 1994 had only reached the very first stage of development. In all likelihood, however, repeating the question in a few years' time will give quite different results.

Latvia has still not recovered from the economic crisis that started in the latter half of 1990. It was characterised by declining industrial output, rising prices and falling living standards. This crisis has, as mentioned above, also had severe implications for the health care system. Due to financial constraints, it is impossible to maintain or restore the unused and outdated medical equipment currently at the disposal of health care institutions. In Latvia the range of health care services provided for patients and financed over the state budget has decreased. The share of the services paid through fees from the patients or those partially paid through the current basic health care programme is growing, especially in health care institutions owned by local governments. As a consequence, it has become more difficult to receive the medical care needed. Socially vulnerable groups find it particularly hard to pay for health services. Official Latvian statistics have shown that more than half the population lives under a subsistence minimum level established by the Latvian government. As a result they find it difficult to raise money to cover the costs of

Table 5.1: Frequency of different forms of health insurance in Latvia. Per cent of individuals 18 years of age and older.

None	98.9
Public or state health insurance	0.5
Company-provided health insurance	0.4
Private health insurance	0.2

Figure 5.2: Share of household expenditure accounted for by expenses for health services. Per cent.

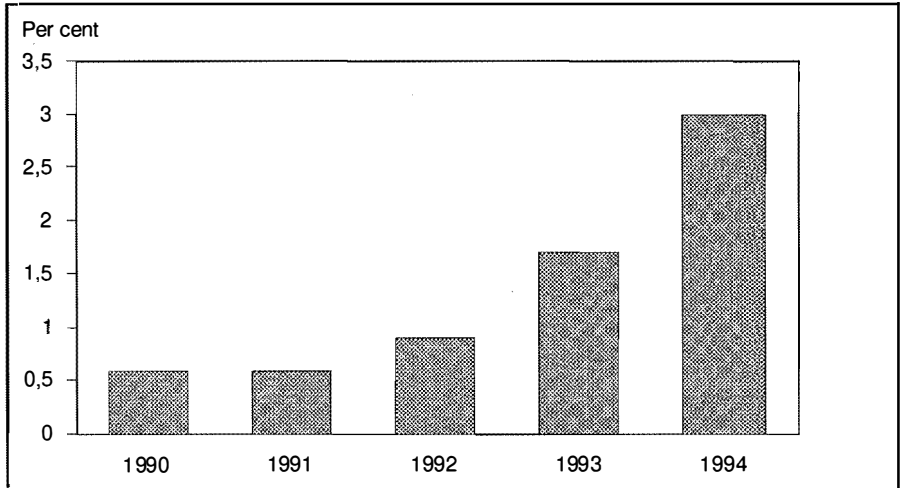


Source: CSB.

health care services. Survey household budget data also show that people cannot afford to spend more than a negligible share of their scarce household budget resources on health care services.

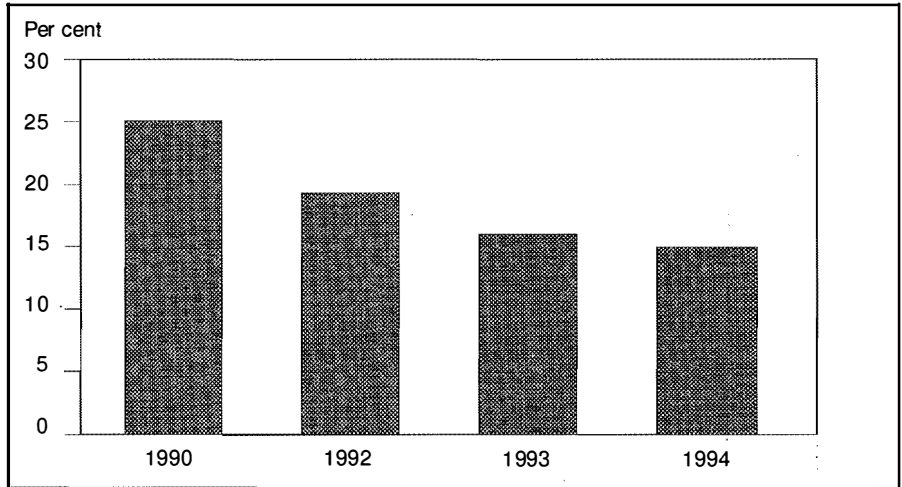
In 1994, the share of total household expenditures on health care services was about 3 per cent (Figure 5.2.), while the figure for low income households was nearly 2 per cent. An increase in the share of commercial health care services has resulted in a fall in the number of patients attending health care institutions (Figure 5.3.)

Figure 5.2: Share of household expenditure accounted for by expenses for health services. Per cent.



Source: CSB.

Figure 5.3: Number of visits to a health institution (including dentists and visits by a doctor at home). Millions.



Source: CSB.

DEMOGRAPHY

Public health tends to be closely related to demographic trends. Birth and death rates, the rate of the natural increase of the population, the infant mortality rate and life expectancy at birth all provide insights into a population's general state of health. In the chapter on population, we saw that demographic trends in Latvia have given some cause for concern. Crude fertility rates are low, due not only to the country's economic situation but also to a sharp decline in the number of women of child-bearing age, particularly in the 20–29 year age group, which has the highest fertility rates.

The demographic pattern has also been heavily influenced by the increase in mortality rates, with Latvia ranking among the highest of the European countries. It is noteworthy that mortality has grown at an accelerating rate among the working age population in recent years. The figure rose from 5.22 per 1,000 in 1992, to 6.98 in 1993 and 7.81 in 1994. There has been an especially sharp increase in the mortality rate per 1,000 of the male population of working age (8.23 in 1991, 10.97 in 1993, 12.49 in 1994). Of all the neighbouring countries, only Russia had a lower life expectancy at birth than Latvia. The issue of mortality has been discussed in the chapter on population, but in this context we will examine the main causes of death in more detail. Table 5.2 shows that the main causes of death in Latvia are diseases

Table 5.2: Mortality by major cause of death 1992–94. Per cent.

	Riga	Other cities	Rural areas
Detached house/ farmhouse, or part of detached house	5	21	56
Dwelling in apartment house, 1 - 4 floors	18	33	39
Dwelling in apartment house, 5 or more floors	69	43	3
Room in communal apartment	8	0.5	0.3
Room/ dwelling/ bed in hostel	0.5	1	0.3
Hotel, boarding house, homes for elderly/ invalids, barracks for soldiers or other houses for joint household	0.4	0.6	0.2
Other kind of house	0.2	0.6	1

Source: CSB.

Table 5.3. Frequencies of homicides and suicides 1990–94.

Yes	29
No	20
Cannot answer	52

Source: CSB.

in the circulatory system, malignant neoplasms, accidents, injuries and poisoning. While the proportion of Latvian deaths accounted for by circulatory diseases was 56 per cent in 1994, in Western European states the figure fluctuates between 35 and 40 per cent (UNDP 1995: 68).

In recent years the number of homicides and suicides has also shown a steady upward trend (Table 5.3.). Infant mortality rates (through the first year of life) have been on the increase as well. According to official data, infant mortality has risen from 11.3 per 1,000 live births in 1989 to 15.5 in 1994. For the purpose of comparison, the corresponding infant mortality rate in Norway was 6.4 in 1991 (Statistics Norway 1993:70). Latvia has traditionally had high abortion rates. In 1994 the figure for induced abortions was 26,800, or 110.5 per 100 live births.

Thus far we have mainly used official statistics to provide a context within which to discuss the survey results regarding the health of the population of Latvia. All the data suggest a general, and quite dramatic, deterioration in the health of Latvians since the restoration of independence. In the following analysis, we will concentrate on the responses to the survey questions on health and health-related issues seen from the perspective of the individual. It is hoped that the survey results will shed additional light on the health situation of Latvians in the mid-1990s. In order to give a fuller picture of the present situation, we will also continue to refer to official statistics and information from other sources wherever such figures may serve to complement the survey results.

SELF-EVALUATED GENERAL HEALTH CONDITION

Experience from health surveys has shown that the individual's own subjective evaluation of his or her general health tends to be fairly accurate. In the survey the respondents were asked to describe their general state of health. The responses fully confirmed the negative picture described above. It turned out that only 3 per cent of respondents considered their health to be very good, while 22 per cent described it as good. Exactly half the respondents reported an average health condition, and one fourth of the respondents characterised their condition as bad (19 per cent) or even very bad (6 per cent).

Not surprisingly, young people consider their health to be better than elderly people do. Half the respondents in the 18–30 age bracket rated their health as good (Figure 5.4.); this included 58 per cent of the men and 43 per cent of the women. With increasing age more respondents consider their health to be bad or even very bad, as shown in the figure.

The self-evaluation of health varies by the gender of the respondents as well as by age (Table 5.4.). The share of women who report bad or even very bad health is considerably larger than that of men. This may be seen most clearly in the 18–40 age bracket, where the proportion of women who feel they suffer from poor health is twice that of men. Living conditions surveys from many countries have

shown that women generally tend to report poorer health than men. This is a paradox, considering that the life expectancy of women is higher than that of men. Thus, there seems to be an independent effect of gender on the subjective evaluation of health, which should be taken into account in the analysis.

If we analyse the results by urban and rural residence and region, we find the differences to be minimal and hardly statistically significant. However, there are several other factors which are strongly correlated with the subjective evaluation of the general state of health:

The higher the educational level, the more likely people are to regard their general health condition as being good or very good. The same pattern persists also after adjusting for age. This is probably due to a combination of factors, such as a more healthy lifestyle among those with a higher educational level, a better working environment and a more advantageous economic position.

There is a high correlation between subjective health condition and other health indicators, such as state of mind, chronic illnesses, etc. This suggests that subjective

Figure 5.4: Subjective health condition by age. Per cent.

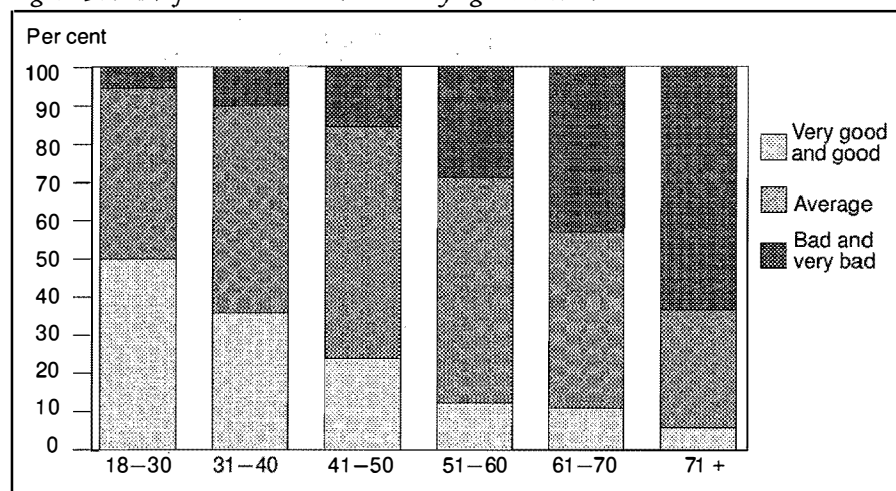


Table 5.4: Share of the population with poor (bad or very bad) subjective health condition by age. Per cent.

	Women	Men
18 - 30	7.5	3.8
31 - 40	13.1	6.1
41 - 50	19.5	11.0
51 - 60	32.6	23.8
61 - 70	47.6	35.5
71 and over	67.0	52.9

perceptions of health actually provide a fair guide to the general health of the individual.

Persons who have experienced economic hardship during the past year (measured by an economic hardship index – see chapter 8), tend to report poorer health than those who did not face any financial problems. Those with poor or very poor health (but of working age) also constitute a markedly larger proportion of those who are outside the labour market, compared with those who enjoy average or good health.

In 1992 the Institute of the Economy of the Latvian Academy of Sciences conducted a sample survey under the heading «Household, Health, Education, Labour», in which respondents were asked to evaluate their own health, using the same wording as in our living conditions survey. Because the above 1992 survey was conducted only in Riga and in rural areas, we have chosen to focus on Riga and make a comparative analysis of the changes in the state of health over a two-year period from 1992 to 1994.

Comparing the 1992 and 1994 data, we see that in Riga there is a considerable increase in the number of people who give a negative assessment of their health (Table 5.5). This trend is particularly marked among women, as the table shows.

ILLNESSES OF A LASTING NATURE AND CHRONIC AFFLICTIONS

While the subjective general state of health gives a good idea of how people feel about their own health, and their evaluations tend to be based on some objective realities, it is also useful to look at the actual frequencies of chronic illnesses as reported by respondents. Slightly more than one third (35 per cent) of the respondents gave an affirmative answer to the question «Do you have any illness of a lasting nature, or any affliction due to an injury (or handicap)?», i.e. 37 per cent of females and 32 per cent of males.

Table 5.5. Subjective health condition. Riga 1992 and 1994. Per cent.

	Women		Men	
	1992 survey (15–60-years of age)	1994 survey (18–60-years of age)	1992 survey (15–60-years of age)	1994 survey (18–60-years of age)
Very good	2.5	1.8	6.3	7.7
Good	29.6	22.6	39.6	33.9
Satisfactory	60.0	56.6	46.8	48.2
Bad	7.1	16.0	5.8	8.3
Very bad	0.8	3.0	1.5	1.9

Source: «Household, Health, Education, Labour», The Institute of the Economy, The Latvian Academy of Sciences, 1992; The Latvian NORBALT Survey 1994.

As is apparent in Figure 5.5, the incidence of chronic illnesses increases with age. The differences between the genders is not very large, nor is it evenly distributed between the different age groups.

According to the data provided by the Health Statistics Bureau of the Health Department of the Ministry of Welfare, the following have been the most common long-term diseases in recent years among the adult population: diseases of the respiratory system, the circulatory system, the nervous system and sensory organs, the musculoskeletal system and connective tissue, the digestive system, the genitourinary system, and afflictions from accidents, injuries and poisoning. The number of

Figure 5.5: Chronic (long-term) illness by age and gender. Per cent.

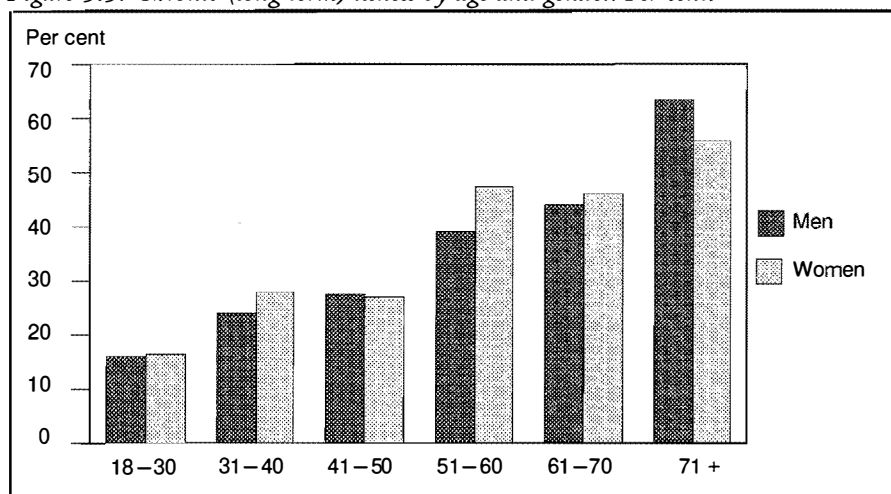


Table 5.6. Proportion with health problems who encounter difficulties in their daily lives. Per cent of individuals 18 years of age or older with chronic health problems.

	Proportion of respondents with lasting/ chronic illness (in per cent)	Of whom (in per cent) find it difficult		
		to work, to find a job, or to do housework	to go out on one's own	to use public transport
Total	35	73	21	29
18 - 30	16	59	3	4
31 - 40	26	61	5	10
41 - 50	27	68	11	19
51 - 60	44	73	15	23
61 - 70	45	76	25	34
71 and over	58	87	51	66

disabled persons is increasing. The figure rose from 125,700 in 1993 to 126,300 in 1994, i.e. by 600, with the 40–59 age group predominating.

The survey found that a large percentage of those suffering from chronic illnesses or afflictions have problems which seriously affect their everyday life. Almost three quarters of the respondents who reported chronic health problems find it hard to work or to find a job and keep it, or to do their housework. The number of such persons increases steadily after the age of 50 (Table 5.6.).

Almost one third of those with chronic health problems find it difficult to use public transport. Latvia has no facilities for the disabled or carriages equipped for invalids. Many people are therefore deprived of the opportunity to participate in social or recreational activities. Other survey data corroborate the general impression that the situation is difficult for those with chronic illnesses or afflictions, as 36 per cent of them find it difficult to participate in the activities of social clubs or other organisations, and 43 per cent find it difficult to participate in other leisure activities. In addition, as a result of their health problem, 18 per cent find it difficult to make contact with other people and 26 per cent to follow or start a desired course of study or training.

CONTACT WITH HEALTH CARE INSTITUTIONS

The survey also contained questions about the use of health care services. During the two weeks prior to the survey, only 17 per cent of the respondents had sought assistance and received help from health care institutions. Naturally, the number of people using health services is subject to seasonal variations. Urban residents reported more contact with health care institutions than rural residents, and this may partly be attributable to the fact that harvesting was in progress in the countryside during the survey period in September. Moreover, according to the survey data, it is difficult for the rural population to get access to health services, since almost half of them must travel a distance of 5 km or more to reach the nearest health institution, while the distance is even 10–20 km for 8 per cent of those living in the countryside (see the chapter on Housing Conditions and the Recreational Environment).

It should be noted that women frequent health institutions more often than men do. Males make on average only half as many visits to the doctor's. The most frequently reported contacts with health care institutions are visits to general practitioners at out-patient clinics, medical assistants in the countryside, specialists and dentists.

Private medical services have been emerging fairly slowly in Latvia, as was indicated by the survey data. Most of the respondents who had been in contact with a health care institution some time in the two weeks before the survey had availed themselves of the services of public health care institutions. Only a small proportion had sought help from the private health care sector. In terms of physicians' house calls or visits to general practitioners at out-patient clinics, 95 per cent of the

respondents reporting health institution contacts had used the services of the public sector, while only 5 per cent had availed themselves of assistance provided by the private sector. The doctors employed in the private sector are usually family doctors, and their share of health care provision is increasing. As for specialists, 89 per cent reported that they had used public services, while only 11 per cent had made use of private specialists.¹ With regard to dental services, the figures for the public and private sector were 65 per cent and 35 per cent, respectively.

Thus, we see that a private health care system is slowly emerging as an alternative to the public one. People seem to use public health care institutions mainly for financial reasons. Prices in the private sector are much higher than those in the public sector, and have risen in real terms. The general consumer price index climbed by 35.9 per cent from 1993 to 1994, while the price index for health services jumped by 52.3 per cent and the price of medicine skyrocketed by 230 per cent. During the same period, real personal income increased by only 47 per cent (according to household budget surveys conducted by CSB). For financial reasons, some people wait to visit health care institutions until it can no longer be avoided, and in many cases it may be too late for recovery. The high price of medicine is another reason why people do not always get the treatment they need.

If we look at why people sought medical assistance, we see that the primary reason was illness, accident or injury. Preventive check-ups are not very common in Latvia. For example, only one tenth of the respondents who had visited a dentist specified preventive dental services as the reason for their visit. The survey data show that not a single person had visited a specialist for a preventive check-up of his or her health condition during the two-week period in question.

DENTAL HEALTH

One of the most important indicators of public health is the state of people's teeth. In this connection, the most useful measure is the level of tooth decay (caries), which is defined as follows: CFE_2 index = carious teeth + filled teeth + extracted teeth.

Table 5.7: Dental health by age. Three indicators.

	35 - 44 years		65 - 74 years	
	women	men	women	men
Average number of carious teeth(C)	4.0	3.7	2.2	1.9
Number of filled teeth (F)	5.4	8.4	2.9	4.2
Number of extracted teeth(E)	6.7	7.2	18.3	17.6
C+F+E	16.1	19.3	23.4	23.7

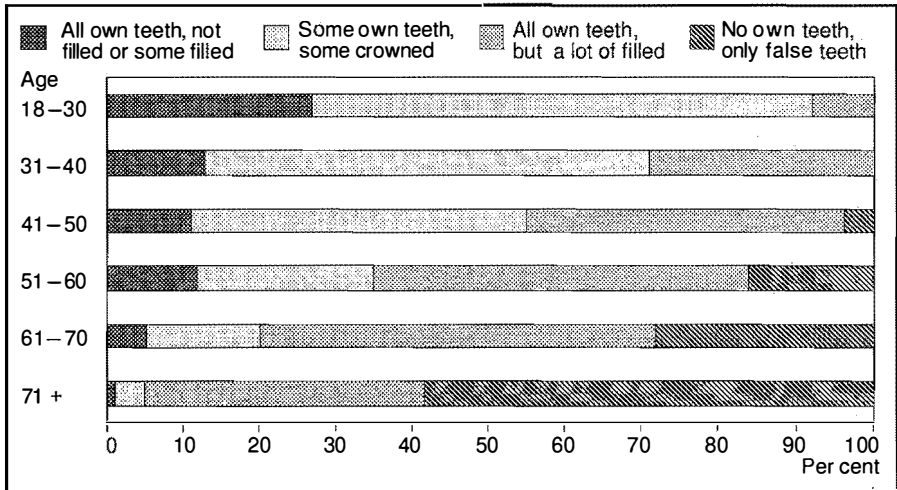
Source: Docent I. Urtane, The Internally Calibrated Epidemiological Group.

¹ In cases where a respondent had used both types of services, they were asked which they considered to be the most important to them.

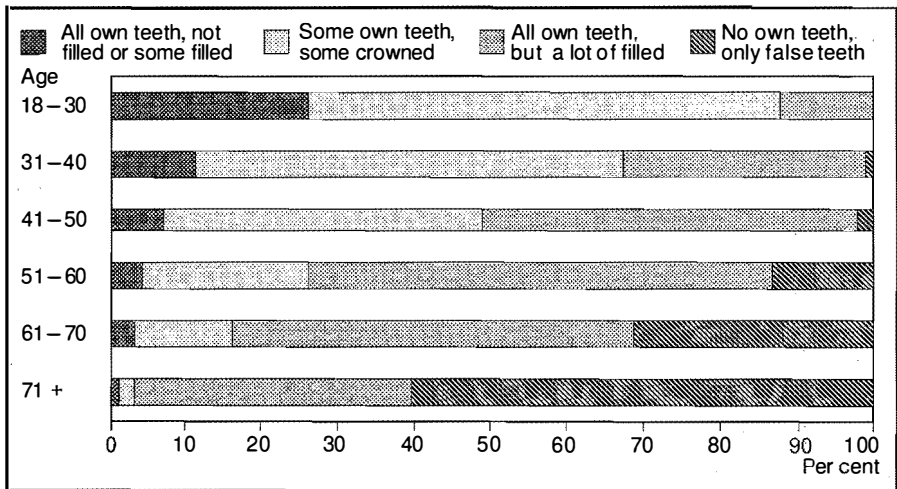
In 1993, a survey on the sociology of dental health was conducted by the Internally Calibrated Epidemiological Group under the leadership of Docent I. Urtane. It included 4,000 respondents, of which 2,000 were children under the age of 12. The adults surveyed belonged to the 35–44 and 65–74 age brackets (1,000 persons in each age group).

According to this study, dental health is in a critical state in Latvia. For people in the 35–44 age bracket, the average number of carious teeth is four. On average seven teeth have been extracted and six to seven teeth have been filled. The corresponding figures for the 65–74 age group are two carious teeth, 18 teeth extracted and three to four teeth filled (Table 5.7.). The average number of carious and filled teeth is lower than for the younger age group, as other carious and filled teeth have already been extracted.

Figure 5.6: Dental health condition among Latvian adults by age and gender. Per cent.
A: Men



B: Women



Comparing the state of dental health in different countries, we will use the level of the CFE₂ for 12-year old children, as defined by WHO, as our point of departure. According to the 1993 survey data, in Latvia the above index stands at 5.8, placing Latvia among the countries with a high level of problems along with countries such as Brazil, Chile, Columbia and Ecuador. Western European and North American countries (the USA, United Kingdom, France, Canada, etc.) show low (1.2–2.6) or medium (2.7–4.4) levels of CFE₂.

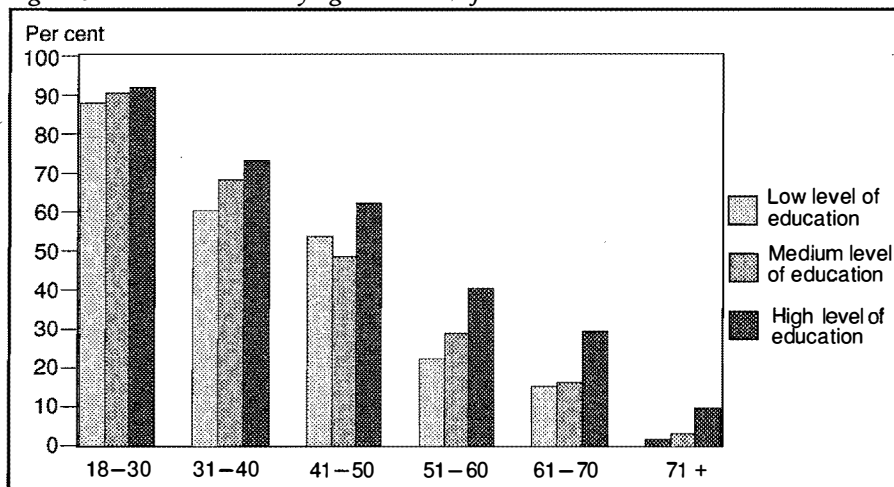
The concerns of Latvian dentists about the deteriorating state of dental health in Latvia were fully confirmed by the 1994 NORBALT Living Conditions Survey. The survey shows that only 9 per cent of the women and 14 per cent of the men have kept all their original teeth. These are people who have few or no fillings, while 17 per cent of the females and 12 per cent of the males have no teeth of their own and use dentures/false teeth (Figure 5.6.).

Dental health deteriorates with increasing age, as seen in the figure. After the age of 50, there is a rise in the percentage of people who do not have their own teeth and use dentures/false teeth.

According to the Oral Cavity Health Centre of Latvia, the deteriorating state of dental health is due to the low content of fluoride in the drinking water. To improve and maintain good teeth, people have to take fluoride supplements and use fluoride toothpastes. Most countries have had great success in reducing the incidence of caries and parodontitis by developing a comprehensive prevention strategy. However, as already discussed, preventive measures are not widely used in Latvia. In recent years the mass media have carried out a campaign to educate people about oral hygiene. These steps will probably lead to some improvements.

If we compare the dental health of people with different educational levels, we see that people with higher education generally have better teeth than others (Figure 5.7.). It is interesting to note that the differences between people of different

Figure 5.7: Dental health by age and level of education. Per cent.



educational levels increases with increasing age. Thus, in the 18–30 year bracket there are no more than negligible differences in dental health by level of education.

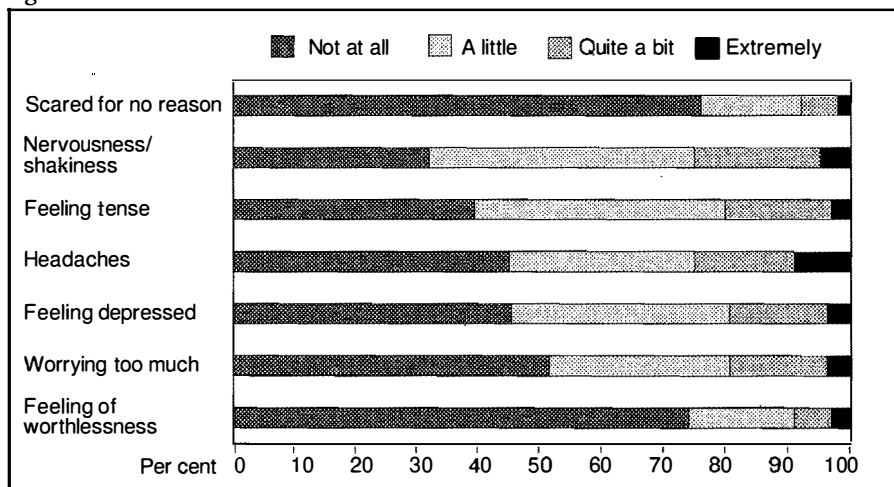
MENTAL HEALTH

Everyday life in Latvia is full of stress and strain. Declining living standards, rising unemployment and an uncertain future have a great impact on the state of people's mental health. To get an overview of Latvians' self-perceived mental health in the present period of transition, the following questions were put to the respondents: «Do you feel suddenly scared for no reason?»; «Do you feel nervousness or shakiness inside?»; «Are you feeling tense or keyed up?»; «Do you have headaches?»; «Are you feeling depressed?»; «Do you worry about things too much?»; «Do you have a feeling of worthlessness?». This set of symptoms is based on international standards worked out by the World Health Organization. The replies to the above questions were used to construct an index of general mental health. However, we have not used standard instruments which could measure the severity of these symptoms or identify cases of serious illness.

The frequency of symptoms was divided into the following categories: «Not at all», «A little», «Quite a bit», «Extremely». Respondents indicated the symptoms which had bothered them during the last week. Based on considerations regarding the severity of the mental state, we defined replies of «Quite a bit» and «Extremely» as mental problems, and singled out such replies in the subsequent analysis.

According to the survey results, one fourth of the respondents complained of frequent headaches and nervousness or shakiness inside, one fifth often felt tense or keyed up and worried about things too much, while 19 per cent felt depressed on account of everyday problems (Figure 5.8.). It should be noted that the above

Figure 5.8: Mental health condition. Seven indicators. Per cent.



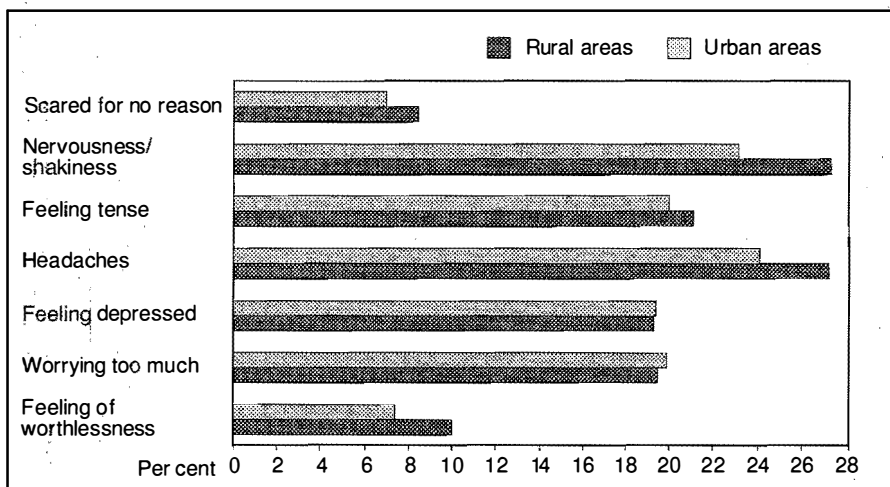
symptoms were reported two to three times more often by females than by males (Table 5.8.).

There are slight variations in the distribution of symptoms, according to whether respondents live in an urban or rural environment. The rural population appears to be slightly more exposed to mental strain than people in urban areas (Figure 5.9.).

Table 5.8. Proportion of adults with mental problems by gender. Seven indicators.

Symptoms	Women	Men	Total
Suddenly scared for no reason	10	3	7
Nervousness or shakiness inside	30	16	24
Feeling tense or keyed up	25	14	20
Headaches	34	12	25
Feeling depressed	24	13	19
Worrying too much about things	24	13	20
Feeling of worthlessness	11	5	8

Figure 5.9. Proportion of adults with mental problems by degree of urbanity. 7 indicators. Per cent.



MEASURING NERVOUS CONDITIONS

To measure the extent to which nervous conditions affect an individual's mental and physical condition, the number of symptoms observed was specified for each respondent individually. We shall use the term «the degree of distress» to describe the frequency of symptoms observed.

Respondents who did not indicate any of the seven symptoms were classified in group «0». Respondents reporting 1 to 3 symptoms were classified in the group with some symptoms or a «medium level of distress», while persons with 4 to 7 symptoms were classified in the group with many symptoms or a «high level of distress» (Table 5.9.).

The term «distress» is used here to avoid misinterpretation. It is useful because it does not imply any simple casual relationships, it does not reflect a particular division between somatic and mental factors, and it does not reflect any clinical psychiatric diagnoses. Although we expect people with psychiatric conditions to be included in the highly distressed group, this survey does not make any specific estimates regarding the prevalence of mental illness.

According to survey results, almost half of Latvia's adult population has experienced mental distress. More than one third (35 per cent) have some symptoms, while 13 per cent have what we describe as many symptoms of mental distress. Table 5.10 shows that age only has a negligible impact on the degree of distress, although

Table 5.9: Degree of mental distress. Per cent.

Degree	Frequency of symptoms	Per cent
No symptoms	0	52
Medium level	1 - 3	35
High level	4 - 7	13

Table 5.10: Degree of mental distress by age and sex. Per cent.

	High		Medium		No symptoms	
	Women	Men	Women	Men	Women	Men
18 - 30	10	2	34	24	56	74
31 - 40	13	6	39	27	48	67
41 - 50	22	9	37	27	41	64
51 - 60	16	8	50	29	34	63
61 - 70	19	7	39	33	42	60
71 and over	27	8	39	31	34	60
Total	17	6	40	28	43	66

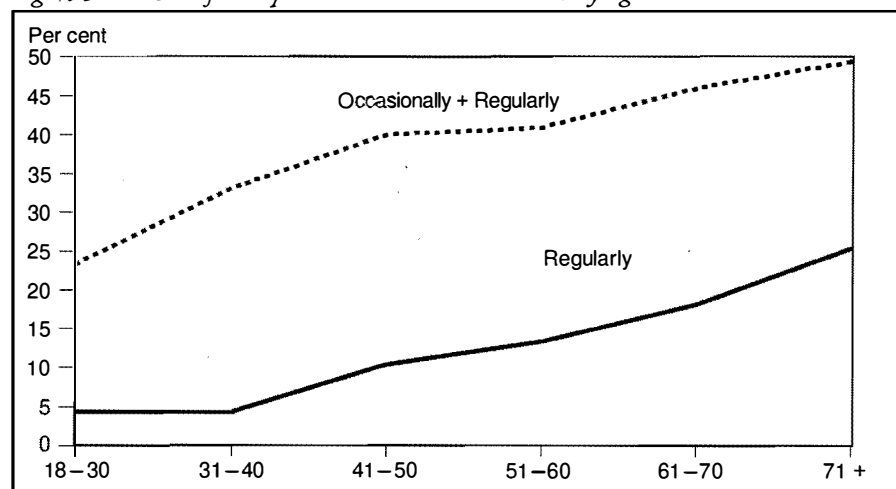
reported stress varies greatly between the genders. On average, 1 to 3 symptoms were reported by 40 per cent of the women and 28 per cent of the men, while a high degree of distress was identified for 17 per cent of women and only for 6 per cent of men.

It may also be useful to note that the correlation between the state of mental health and the subjective state of general physical health is relatively strong ($r = 0.4$). People who have experienced severe mental distress are the most likely to report poor or very poor health. We also know that general health correlates quite strongly with the occurrence of chronic illnesses or afflictions reported by the respondent ($r = 0.4$). However, the mental state of the respondent is much less likely to correlate with the occurrence of such chronic illnesses or afflictions ($r = 0.2$). This illustrates that when people evaluate the state of their general health, they take both mental and physical aspects into consideration.

Respondents were asked a question about the use of medication to treat mental conditions. Our data show that 37 per cent of all respondents had taken tranquilizers or other sedatives during the preceding 6 months, and that 11 per cent took them on a regular basis. Women tend to use more sedatives than men. Fifteen per cent of women and 6 per cent of men took such medication on a regular basis, while 33 per cent of women and 17 per cent of men used it occasionally (Figure 5.10.).

The replies of the respondents using tranquilizers or other sedatives to the question «Were these medicaments prescribed by a doctor?» can be broken down as follows: 38 per cent declared that their medications were prescribed by a doctor; 21 per cent stated that most of their medications were prescribed by a doctor; while 41 per cent were using medications on their own without any prescription.

Figure 5.10: Use of tranquillizers and other sedatives by age. Per cent.



ALCOHOL CONSUMPTION

Alcohol consumption ranks among the most serious risk factors for health. Alcohol consumption is increasing steadily in Latvia. According to the data provided by the Central Statistical Bureau, the consumption of absolute alcohol per inhabitant rose from 6.4 litres in 1993 to 7.8 litres in 1994. However, the actual figure is likely to be even higher because people make «moonshine», and large quantities of alcohol are smuggled into Latvia.

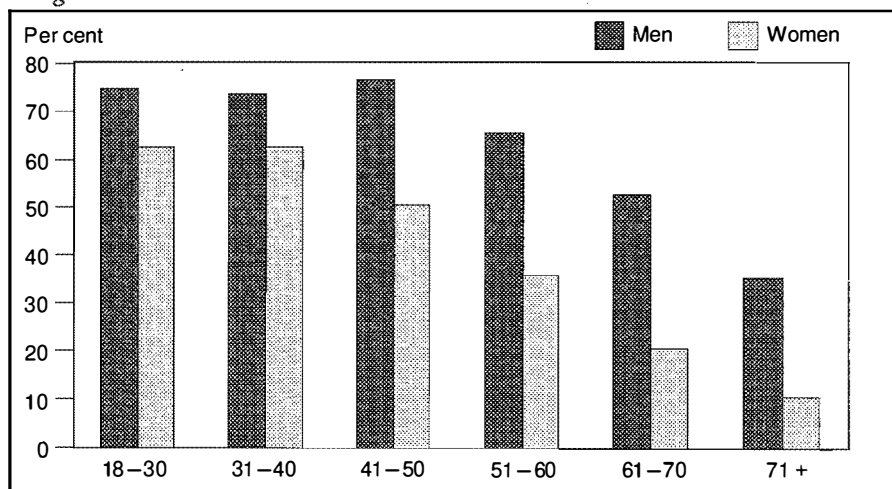
Over the past 15 years, the number of deaths due to excessive use of alcohol has formed a steady upward spiral. The figure increased from 3.6 (6.3 men and 1.2 women) per 100,000 in 1981 to 10.1 in 1993 (17.1 and 4.1, respectively), and stood at an alarming 16.5 in 1994.

In addition to health problems, an increase in indefensible drinking leads to deteriorating public morals and a rising number of crimes committed under the influence of alcohol.

According to the Ministry of the Interior, the percentage of reported crimes committed under the influence of alcohol is rising year by year. The figure climbed from 39 per cent of total crimes in 1990 to an estimated 53 per cent in 1994. According to crime statistics, almost 80 per cent of all serious crimes are committed under the influence of alcohol. The number of road accidents caused by driving while intoxicated has also shown a considerable increase. The figure rose from 12,000 in 1993 to 16,200 in 1994.

It is difficult for a survey to obtain a completely reliable picture of alcohol consumption, since people in interview situations tend to underestimate their consumption. Nevertheless, survey data can at least give some indication of the level of consumption, although we want to stress that such statistics should be interpreted with

Figure 5.11: Proportion who consumed some alcohol during the last two weeks by age and gender. Per cent.



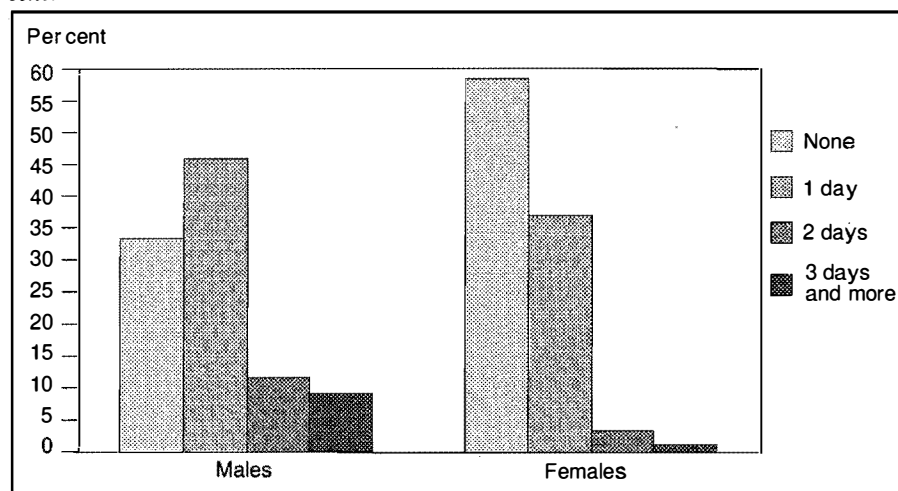
some caution. Respondents were asked about the frequency of their alcohol consumption. The replies showed that half the respondents had consumed alcohol during the past 2 weeks; and the proportions of men and women were 67 and 41 per cent, respectively.

For men, the frequency of alcohol consumption was the highest in the 18–50 age bracket (73 to 76 per cent), and for women the high point was found in the 18–40 age bracket, where an average of 62 per cent had consumed alcohol during the past two weeks (Figure 5.11.). The differences between men and women are statistically significant, but relatively small in the youngest age groups, then tend to increase with increasing age from the age of 40 and onwards.

The distribution of replies to the question «How many days did you drink alcohol during the past 2 weeks?» shows that men not only dominate among those who use alcohol, but that men drink more often than women. While 69 per cent of male respondents had used alcohol one day, 17 per cent two days and 14 per cent three days or more, the corresponding figures for women were 89, 8 and 3 per cent, respectively (Figure 5.12).

As we saw above, alcohol consumption is also related to age. Although the tendency is less pronounced, this is also true of the frequency of alcohol consumption among those who reported using alcohol on at least one occasion during the past two weeks. When we single out these respondents, we find that more than 85 per cent of the women in all age groups had used alcohol on only one day, and that the percentage increased with increasing age, reaching 96 per cent among women of more than 60 years of age. For men, the pattern was a bit different, with the most frequent alcohol consumption noted in the 31–40 age group. Both younger and older men reported somewhat less frequent consumption.

Figure 5.12: Frequency of alcohol consumption during the past two weeks by gender. Per cent.



The survey results indicate that place of residence has a negligible impact on the frequency of alcohol consumption. Fifty-two per cent of the urban population had used alcohol, compared with 51 per cent of the rural population. The major ethnic groups living in Latvia also show very similar patterns of consumption. One would, perhaps, expect alcohol to be used as an escape from social and financial difficulties and that vulnerable groups would have a higher level of consumption than others. However, our data indicate that this is not necessarily the case. While 66 per cent of the employed respondents had used alcohol during the past two weeks, the corresponding figure for the unemployed was 64 per cent and, for those outside the labour force, only 40 per cent. Similarly, the amount of alcohol consumed was no greater among people who had experienced financial problems than among others. Alcohol is not cheap, and financial constraints tend to restrict consumption for many people.

SMOKING HABITS

According to World Health Organization experts, smoking is currently the main cause of diseases leading to premature deaths in industrialised countries. In recent years the number of illnesses and deaths caused by smoking has been constantly rising in Latvia, including diseases such as cancer of the lungs, larynx and mouth, and myocardial infarction. According to the Latvian Oncology Centre, the incidence of cancer of the respiratory system is particularly high among the population in rural areas where, due to low living standards, people tend to smoke cheap cigarettes without filters.

It was, therefore, relevant to include a number of questions about smoking habits in the survey questionnaire. According to survey data, 66 per cent of respondents have never smoked, 6 per cent do it occasionally, but not every day, and 27 per cent smoke on a daily basis. Figure 5.13 (see next page) shows that half the Latvian men smoke regularly, while the same is true of only 11 per cent of Latvian women.

The highest concentration of smokers both among men and women is found in the 31–40-year age group, where 71 per cent of men and 31 per cent of women smoke either regularly or occasionally (Table 5.11, see next page). The proportion of male smokers is markedly larger than that of females in all age groups. The older generation has a smaller percentage of smokers, especially among women. In the 51–70 age bracket, the percentage of female smokers is only one fifth that of male, and after the age of 70, only 3 per cent of women smoke.

Smoking among women is more common in urban than in rural areas. Women's smoking rates also vary in different regions of the country. Women's smoking is most prevalent in Riga (23 per cent in all age groups), whereas the figure for Latgale is only 9 per cent (Table 5.11). There are no major regional differences among men such as those found among women.

Among smokers, age does not affect the number of cigarettes smoked by those under 70 years of age. However, in all age groups men generally smoke more

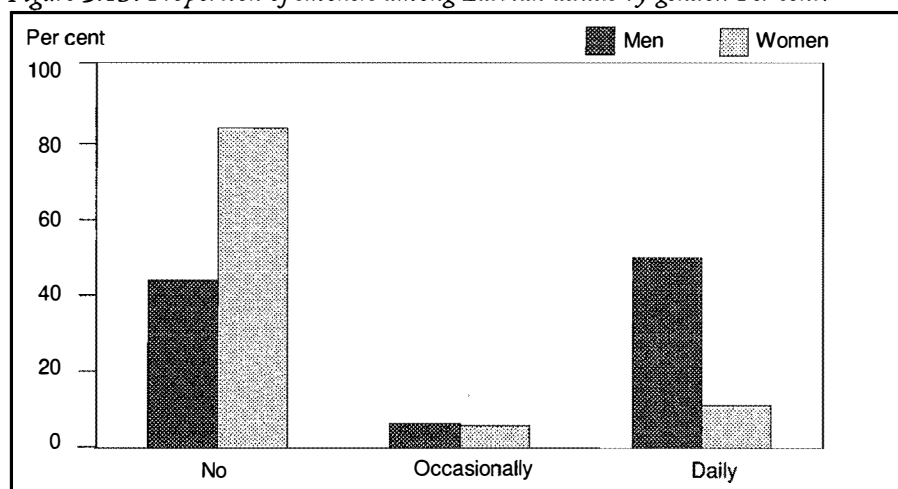
cigarettes than women. Male smokers in the 18–70 age bracket smoke an average of 16 cigarettes per day while female smokers smoke an average of 9 cigarettes. However, the number of cigarettes smoked drops sharply after the age of 70.

We have seen that men tend to drink and smoke more than women. It is not unlikely that part of the explanation for the large difference between men and women in terms of life expectancy at birth can be ascribed to gender-specific differences in drinking and smoking habits.

Table 5.11: Proportion of smokers (including occasional) by sex, age and region. Per cent.

	Women	Men
18 - 30	29	63
31 - 40	31	71
41 - 50	21	64
51 - 60	11	54
61 - 70	7	35
71 and over	3	30
Total	17	56
Riga	23	53
Kurzeme	21	56
Zemgale	15	59
Vidzeme	15	57
Latgale	9	59

Figure 5.13: Proportion of smokers among Latvian adults by gender. Per cent.

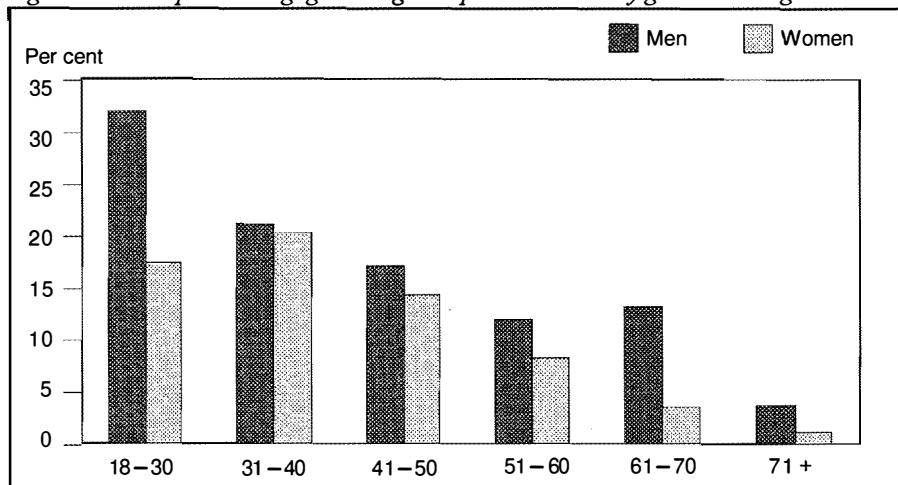


PHYSICAL ACTIVITIES

One obvious way to improve one's health condition is to engage in physical activities. To maintain normal physical fitness, it is necessary to do moderate to strenuous physical exercise. According to data from a survey conducted by the Epidemiological Centre of the Latvian Academy of Medicine in 1990, 17 per cent of women and 20 per cent of men engaged in some form of regular physical activity. The 1994 survey shows slightly lower figures for women than men, 11 per cent and 19 per cent, respectively.

The men most likely to perform some regular sports activity are in the 18–30 age group (Figure 5.14.), of whom 32 per cent engage in activities regularly, at least once a week, e.g. jogging or cycling. Women in this age group are less active, with only 17 per cent reporting regular exercise. The difference may perhaps be explained by the burden of housework and child care. In the 31–40 age bracket, women's physical activity rises slightly while men's drops significantly. As a result, the activity level is very similar for both genders in this age group. However, with increasing age (after 41 years) the number of women engaged in sports activities declines at a more rapid pace than that of men.

Figure 5.14: Proportion engaged in regular sports activities by gender and age. Per cent.



CONCLUSION

During the transition from a centrally planned economy to a market-oriented economy, living standards have undergone radical changes. Economic crises, unemployment and rising prices have increased the group of socially vulnerable people. It should be noted that the official share of vulnerable was small when Latvia was under Soviet rule; the policy of «social justice» meant that there was no need to carry out national social aid projects. Thus, Latvia was thrown into the transition process without any expertise whatsoever in dealing with social security issues, economic crises and high inflation rates. In fact, no efficient system of social protection has been worked out to date.

Owing to the fact that the old health care system has ceased to exist and a new one has not yet been established, activities aimed at preventing illness have lost ground. Financial constraints have resulted in a lack of high-quality medical equipment. A great number of health care institutions have nothing but outdated and inadequate equipment at their disposal. It is becoming increasingly more common for services to be partly or fully paid for by fees. People with low incomes are thereby deprived of the opportunity to receive timely, high-quality medical help.

In this chapter we have studied the consequences of these developments in terms of the deteriorating general health of the Latvian population. Deteriorating health should undoubtedly be seen as contributing to the distortion of demographic patterns, especially the increase in both crude and age-specific death rates. Moreover, the state of an individual's health is often decisive for what he or she can get out of life, in terms of work (affecting material living conditions; see chapters 7 and 11), social interaction, and participation in other daily activities. Health is, therefore, crucial to understanding variations in living conditions. Finally, it should not be forgotten that a good health is a blessing in itself, and a deterioration in the general state of a population's health should be taken seriously, not least because of the implications for the personal well-being of all those affected.

EDUCATION

Maranda Behmane

Zināšanas – bagātība, mācīšanās – tās atslēga.

[Knowledge is a treasure trove, which can only be unlocked through studying.]

Kaudzīte Reinis (1839–1920)

INTRODUCTION

There are at least four reasons why education should be included in a living conditions study. First, there is the human capital argument which states that the educational system should teach new generations to become useful citizens by acquiring knowledge, skills, and a common value-base. Education may be seen as an investment paying dividends at a later stage in the form of a skilled and competent labour force, which, at least ideally, meets the needs and requirements of society.

Second, education is thought to give personal control and a sense of self-esteem, which increases the likelihood of succeeding at work and in other social arenas. Third, education affects participation rates, and persons with a high level of education tend to be more active in various aspects of social life. Finally, education can be seen as an asset in itself, stimulating creativity and critical perspectives, and thereby personal growth.

In a society in transition, there is the danger that the existing educational level of the workforce does not match the present challenges. Is Latvia's current educational system capable of producing the kinds of skills or retraining needed by a market economy? Following a much-abridged historical introduction, this chapter first gives a brief outline of the present educational system in Latvia, providing a context for the subsequent analysis. In the second part of the chapter, we shall take a closer look at the importance of education for a number of living conditions parameters in material as well as psychological terms. We shall study how well educated various segments of Latvia's population actually are, and try to identify factors which have a bearing on educational inequality in the country.

THE HISTORICAL CONTEXT

Education has a long history in Latvia. However, this overview of the history of the Latvian educational system will start with the period of Latvian independence prior to 1940. Nine years of schooling were mandatory for all Latvian citizens during this period, and local authorities bore the responsibility for this compulsory basic education. The share of illiterate persons aged 10 years or more dropped from 14.7 per cent in 1925 to 11.1 per cent in 1935. In 1935, 74 per cent of all children aged 7–16 attended school. School attendance did not cover all children, as a number of 7–8 year-olds enjoyed tuition at home.

In the mid-1930s, the enrolment in institutions of higher learning stood at 10,000, with university students accounting for 50 per cent. In terms of the enrolment rate per 10,000 population, Latvia ranked among the highest in Europe. The rise in the general living standards of the population during this period may be at least partially ascribable to achievements in the field of education.

The situation underwent drastic changes after the Soviet annexation in 1940. Schools for the ethnic minorities and small rural schools were closed. Educational programmes were reformed radically. Marxism – Leninism served as the ideological basis for all education. Learning Russian became a prerequisite, and Russians acquired predominant positions in higher education. The network of professional educational institutions was expanded. There were also some positive trends. Tuition fees were eliminated in 1956. The 25th Congress (1976) of the Communist Party of the Soviet Union passed a decision «On Comprehensive Secondary Education» that entailed an increase in enrolment in secondary schools and other institutions of secondary education. In the early 1980s, more than 98 per cent of those who completed the lower secondary level went on to continue their studies.

THE PRESENT SYSTEM

Despite the fact that there was a comprehensive network of educational institutions, the substance of the state's ideology regarding the educational system differed substantially from that in Western European countries. Since 1990, radical changes have been made in curricula and institutions, in order to provide an education that is better adapted to the educational standards of Western Europe and the needs of a market economy. At present, nine years of basic education (normally from the age of 7 – 16) is compulsory in Latvia.

In the following we will distinguish between four different levels of education:

- pre-school education;
- primary + lower secondary education;
- upper secondary education;
- higher education.

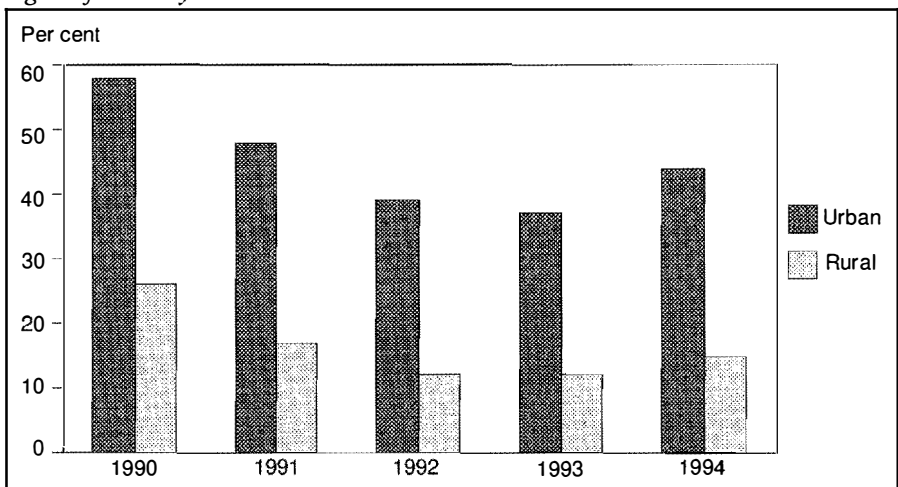
PRESCHOOL EDUCATION

The Soviet economic system encouraged women to work, creating a need for some form of day care facilities for small children. The Soviet approach was to build a large number of day care centres which were owned and operated by the state, then to make them available free of charge. What is the situation at present? Does the state still provide free day care to all those who want it?

In 1994 there were 647 day care facilities in Latvia. The overwhelming majority of them (89 per cent) were owned by the local authorities, while ten per cent were owned by enterprises and institutions. There were 68,500 children enrolled in these centres, ranging from the age of 1 to school age, but no later than the age of 8. The network of day care facilities has declined dramatically over the past 5 years, and enrolment has declined at the same rate. According to official Latvian statistics, the proportion of children attending day care dropped from 55 per cent in 1980 to 34 per cent in 1994. Figure 6.1 illustrates the relative distribution in urban and rural areas during the latter part of this period. The figure shows that while almost half the children in urban areas attended day care, the same is true of only 15 per cent of those living in the countryside.

Why is there such a large reduction in the proportion of children who attend day care centres during the transition to a market economy? The reduction is likely to be a result of a combination of factors influencing both the supply and demand aspects of day care centres. General economic developments are certainly one of the main reasons. Over the past five years, more than half of all day care facilities have closed their doors. Among the most important reasons for the cutbacks is the closing or reduction of the activities of the industrial or agricultural enterprises that

Figure 6.1: Proportion of children from the age of 1 to schoolage attending day care by degree of urbanity. Per cent.



Source: CSB.

owned them, and the financial constraints at the local government level. On the demand-side, the drop in household income is also relevant. Day care fees climbed from an average of 4 per cent of an average industrial wage in 1990 to 10 per cent in 1994. With the general decline in real wages, many people cannot afford to send their children to nursery schools or other day care facilities.

Information from the Latvian NORBALT living conditions survey may shed some additional light on the question of which groups of the population send their children (1 – 6 years) to day care and which groups have made other arrangements for their children. According to the survey results, 35 per cent of all children, ages one to six, are looked after outside the household – usually for fees – while the rest are looked after at home. The vast majority of those looked after outside the household attend a public day care facility. Let us specify the findings:

Children between one and three years of age are more often looked after at home than older children (76 per cent and 55 per cent, respectively). Latvian women can stay at home with the children for three years without losing their jobs. Mothers receive a birth grant and a child care and family allowance on a monthly basis. It should be noted, however, that the amounts involved are rather small. Nevertheless, it seems that at least some women stay home with their children during this period.

Grandparents appear to play an important role in looking after children in the day-time when the parents are at work. The share of three-generation households having one or more children in day care is smaller than for other types of households, and less than half the corresponding proportion of single-parent households (31 as opposed to 65 per cent). In households with two parents the proportion is 43 per cent. Here we see a typical example of adaptation to times of transition.

Families with few economic resources have less opportunity than others to send their children to day care facilities. More than half (53 per cent) the households with children in the 1–6 year age group in which income was limited to wage income had at least one child in day care. In households relying on some form of social support, the corresponding proportion is 17 per cent. Other indicators of the economic position of the household confirm this pattern.

The survey data also confirm that it is more common to have children in day care in urban than in rural areas. While 48 per cent of the urban households in question had one or more children in nursery school, the same was true of only 34 per cent of rural households.

Although the number of children in day care has been reduced, there are indications that point in the direction of stabilisation and perhaps even movement in the opposite direction. Figure 6.1 shows that 1994 marked the first increase in the day care enrolment in five years.

COMPULSORY AND SECONDARY EDUCATION

Compulsory basic education comprises two stages in Latvia:

- primary school (1st – 4th grade);
- lower secondary school (5th – 9th grade).

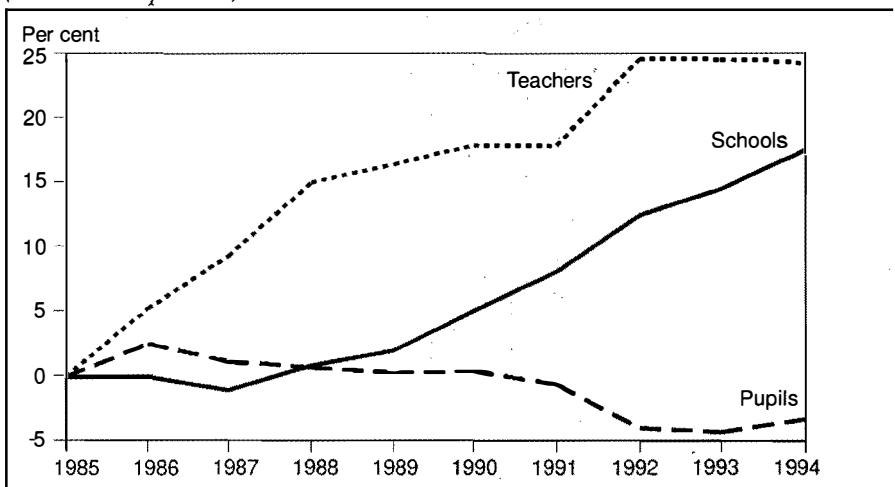
There are three major choices of upper secondary education in Latvia, one theoretical, one vocational and one technical/administrative. The general upper secondary education (grades 10–12) is available at schools that provide comprehensive secondary education programmes. The period of study is three years. After finishing upper secondary school, pupils may continue their studies at institutions of higher education. Government-run educational institutions offer primary and general secondary education free of charge.

At the beginning of the 1994/95 school year, Latvia had 1,076 primary and general secondary schools with a total enrolment of 339,700. Staffed by 33,300 teachers, classes averaged one teacher per 10 students, but the number of pupils has been decreasing and the number of teachers has been increasing (Figure 6.2). This may, to some extent, be explained by the many small rural schools that have re-opened recently.

It should be noted that one of the main problems in the field of education is that teachers receive low wages. As a result, many well-qualified teachers are looking for other kinds of work. The proportion of teachers with a high level of education fell from 87 per cent in the 1980s to 75 per cent in 1994.

Those who do not want to pursue theoretical studies, but still wish to obtain further education may choose between vocational and technical/administrative schools. Vocational courses vary in length from six months to four years. These

Figure 6.2: Changes in the number of pupils, teachers and schools 1985–1994. Per cent. (1985 = 100 per cent).



Source: CSB

schools do not entitle the student to continue his or her education in another educational institution. Youngsters who want to continue their studies have to obtain additional education through a general programme.

The technical/administrative path is offered by institutions that provide for specialised upper secondary education (agricultural technical schools, medical schools, music and art colleges, and others).

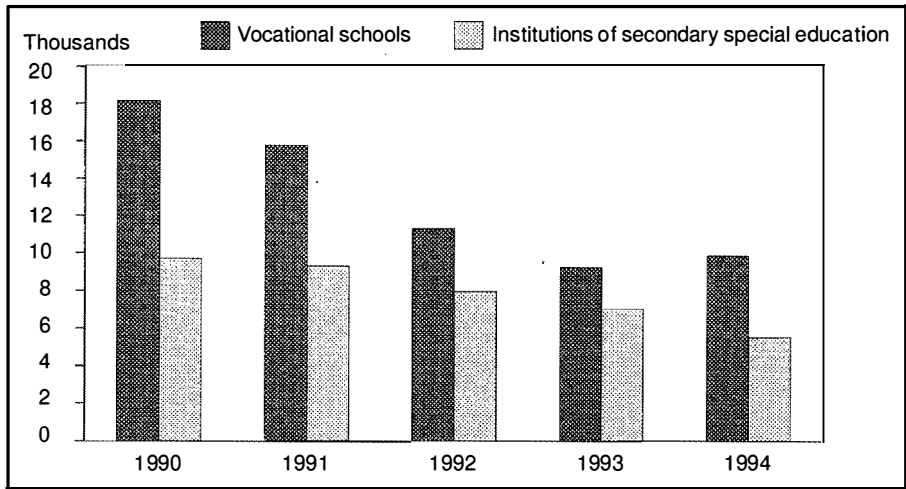
During the transition to a market economy, the number of institutions offering vocational and secondary specialised education has decreased substantially, entailing a serious decline in enrolment (Table 6.1). Figure 6.3 shows the large reduction in the number of graduates from these types of institutions. The large number of students in vocational and specialised secondary education during the Soviet period

Table 6.1: Enrolment in institutions offering vocational and secondary specialised education. Number of institutions and students admitted.

	Vocational education		Secondary specialised education	
	Number of institutions	Number of students (in thousands)	Number of institutions	Number of students (in thousands)
1990	86	31.3	57	36.1
1991	89	29.7	56	31.8
1992	79	28.7	58	26.6
1993	77	27.9	53	21.6
1994	77	26.9	53	18.2

Source: CSB

Figure 6.3: Number of graduates from institutions of vocational and secondary specialised education. Thousands.



Source: CSB

reflected the requirements of the planned economy and its emphasis on technical subjects. The planned economy called for a large number of manual labourers, middle-level technicians, bookkeepers, etc., who could administer the execution of the pre-formulated state production plan.

A market economy, on the other hand, requires a correspondingly large number of professionals, such as executives, managers, marketing experts, etc., i.e. positions needed in emerging businesses. A network of private institutions for professional education is currently being established. These institutions offer courses in fields such as finance and trade. There is, however, a great deal of concern about the fact that the enrolment is falling steadily in the institutions that train agronomists and agricultural experts. It should be noted that agriculture is a sector of the economy which has always been, and continues to be, important for Latvia. Due to the low wages paid by health care institutions, medical school enrolment is dropping as well.

HIGHER EDUCATION

At the beginning of the 1994/95 school year, the 18 state-owned and one private institution of higher education had a total enrolment of 37,600. There are two levels of academic study, comparable to bachelor's and master's degrees, and extending for four to seven years. In addition to these institutions, seven private institutions have been established in Latvia over the past two or three years. There are now 3,000 students registered at these private schools. However, these institutions have not been certified by the government, so their diplomas are not recognised. The educational programmes of these institutions have not yet been properly evaluated.

Enrolment in institutions of higher education has suffered during the transition to a market economy. The number of places of study financed over the state budget has also decreased. At the end of the 1980s higher education was free of charge, whereas in 1994/95 no fewer than 19 per cent of the students were paying tuition fees. No proper student loan system has yet been developed.

EDUCATIONAL LEVEL

The latest official data on the level of education in Latvia were provided by the 1989 general census. According to this census, 16.7 per cent of the population of 18 years of age or more had a primary education or less. Those with a lower secondary education accounted for 21.1 per cent, while 47.8 per cent of the population had general secondary, specialised secondary (including vocational) or incomplete higher education, and 14.3 per cent had higher education.

The survey provides information about the level of education at the end of 1994. The classification of educational categories differed somewhat from the census classification. One quarter (23 per cent) of the respondents (18 years or more) had

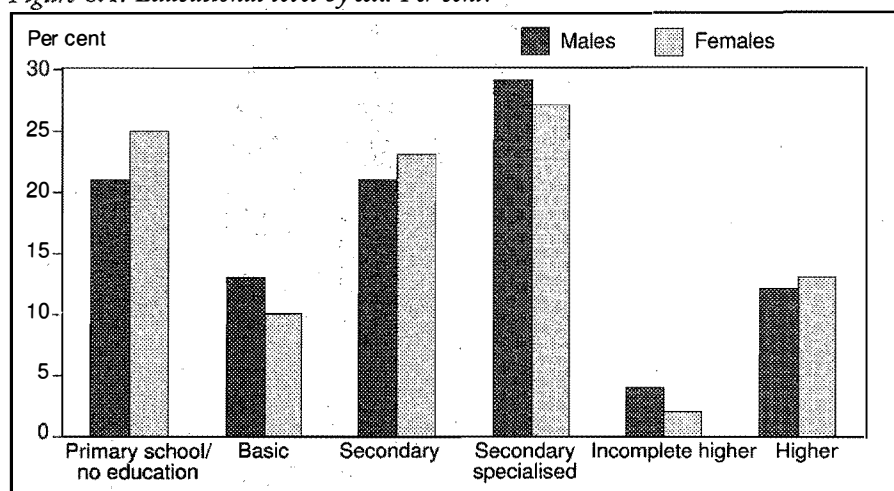
studied either less than 6 years or had no education at all, while 11 per cent had a lower secondary education (9 years). Exactly half the respondents had general secondary or specialised secondary education, whereas 16 per cent had higher education, or had started higher education courses which they had not completed.

Figure 6.4 shows that there is not much difference between males and females in terms of educational attainment, although the average educational level of men is slightly higher. For both genders the educational distribution clusters around training on the secondary level.

In the following analysis a low level of education will refer to primary school or no schooling at all; a medium level of education will refer to basic, secondary, vocational or secondary specialised education; a high level of education will refer to higher or incomplete higher education.

The gradual expansion of the educational system during the Soviet period (especially during the 1960s and 1970s) can be traced in Figure 6.5, which illustrates the educational levels of different age groups¹. This «educational revolution» occurred all over the industrialised world. The figure shows that the highest level of education is found among respondents from 25 to 34 years of age. In this age group, 22 per cent had a high level of education and only two per cent had a low level. The level of education decreases in direct proportion to age. Since secondary education is not compulsory, some youngsters start working and do not complete the upper secondary level. Only a small proportion of them attend part-time schools, which were very popular in the 1980s. The enrolment in secondary school classes had fallen from 9,800 in 1990 to 6,400 in 1994. Naturally, the number of people with a higher

Figure 6.4: Educational level by sex. Per cent.



¹ We cannot draw any conclusions about the educational level of the elderly, as there may be a relationship between the life expectancy and his or her educational level. This «snapshot» of the educational level among the living population of Latvia therefore tends to overestimate the education level of the older generations.

education is smallest in the youngest age group, since many of them are not yet old enough to begin such studies.

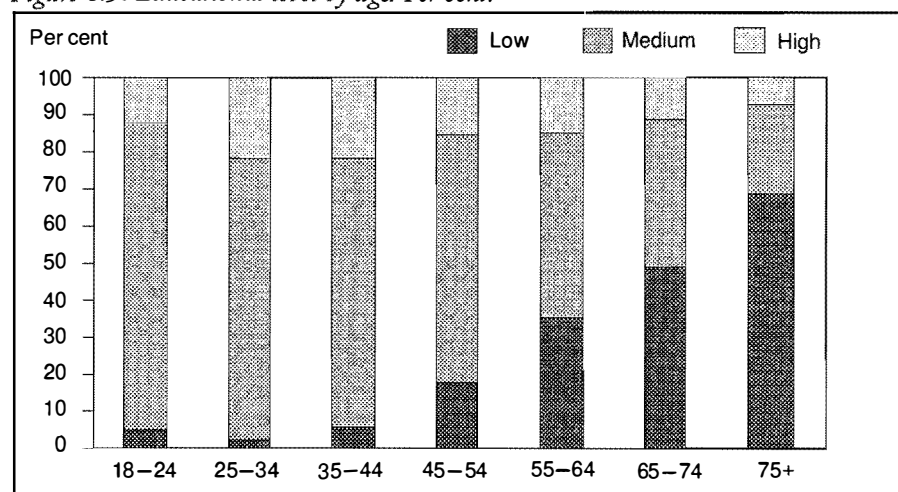
If we compare the level of education for males and females across different age groups, we see that females in the 18 to 55 age group on average have a higher educational level than men, while the opposite is the case for the older generations. However, these differences are relatively small.

Survey results confirm a trend which has been seen previously, namely, that the level of education is higher in urban areas than in rural areas. For instance, respondents with a high level of education comprise 19 and 9 per cent of the population in urban and rural areas, respectively. It should be noted that more than one third (35 per cent) of the rural population have a low level of education, whereas the figure for the urban population is 18 per cent.

The highest level of education is found in Riga, the national capital, where 33 per cent of the total population of Latvia live. The survey data suggest that one fourth (25 per cent) of the inhabitants of Riga have a high level of education. If we take a closer look at the different regions of Latvia, there are no major differences in terms of the level of education. When we take the urban-rural dimension into account, however, we observe that the lowest level is in the rural areas of Latgale, where 47 per cent of the respondents had a low level of education and only 5 per cent had a high level. This can be explained by Latgale's peculiar historical background, which was described briefly in the chapter on population. In contrast, the survey results show that the rural populations of Zemgale and Vidzeme have a considerably higher level of education.

In order to evaluate the level of education in the various ethnic groups, we must first examine the ethnic composition of the population in Latvia. At the end of 1994,

Figure 6.5: Educational level by age. Per cent.



Explanation:

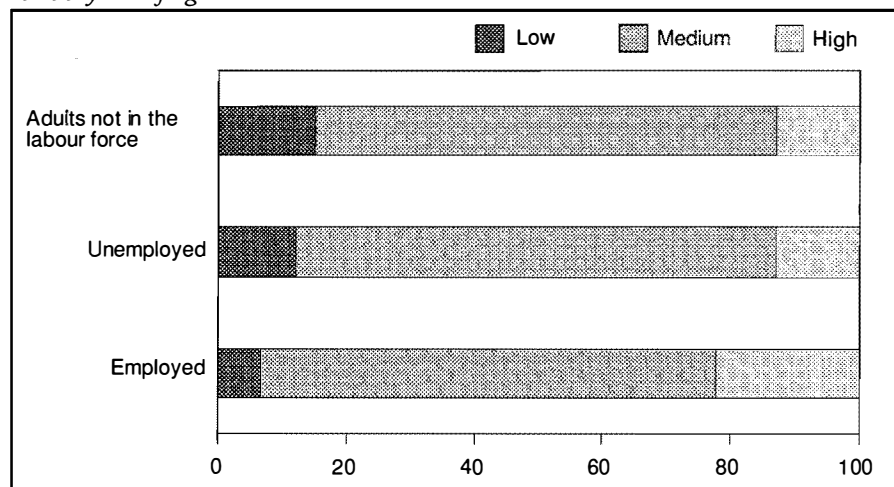
Low level: No education, primary and basic school. Medium level: Secondary and secondary specialised education. High level: Complete or incomplete higher education.

the distribution of the major ethnic groups was as follows: Latvians accounted for 54.8 per cent, Russians 32.8 per cent, Belarusians 4.1 per cent, Ukrainians 3.0 per cent, and Poles 2.2 per cent. Latvians constitute 74 per cent of the rural population, but just 45 per cent of the urban population. Survey results show that 16 per cent of Latvians had a high level of education, while the figures for a medium and a low level of education were 59 and 25 per cent respectively. The corresponding educational level among ethnic Russian respondents was slightly higher, i.e. 18 per cent had a high level of education, 62 per cent had an average level and 20 per cent a low educational level. However, if we control for urban/rural settlement, the level of education of the two ethnic groups is very similar.

Survey results show that 48 per cent of the respondents in the survey were employed; 42 per cent were adults not in the labour force, and 9 per cent were unemployed. The educational score of a respondent is usually closely and positively linked to several other living conditions parameters, including labour force participation. This is also the case in Latvia. Employed respondents have the highest level of education. We have looked specifically at the 25–55 age-group, which has the highest employment level (Figure 6.6). Of all the employed people in this age bracket, one in five (21 per cent) had a high level of education. Figures for the unemployed and adults outside the labour force were 12 per cent and 11 per cent, respectively. Thus, education seems to have protected the bearer from being excluded from the labour market in the ongoing process of restructuring the Latvian economy.

Education not only has an impact on labour force participation but, as might be expected, the occupational status of the employed also depends largely on the educational level, as seen in Figure 6.7. The figure illustrates the average type of jobs held by people at different educational levels, and it shows that the position of males is generally somewhat higher than that of females, regardless of education. However,

Figure 6.6: Educational level by integration into the labour market. Per cent of adults 25–55 years of age.



the gap widens as the level of education increases. Thus, the effect of education on occupational status seems to be greater for men than for women.

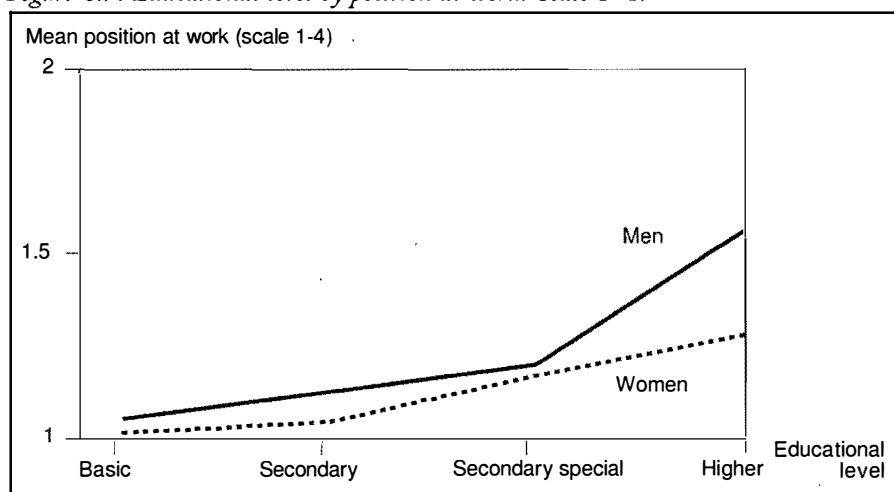
Only six per cent of the employed people in urban areas have a low level of education, whereas 24 per cent have a high educational level. It is in these urban areas that we find the largest proportion of managers and administrative workers. In rural areas, the share of employed people with lower education is somewhat larger (14 per cent), while there are the same proportions with higher education in rural and urban areas.

The next step is to study how the level of education varies in the various sectors of the economy. Figure 6.8 (see next page) shows that the sector with the highest proportion of persons with higher education is finance and insurance (more than half); whereas the sector including health care, education, science and social welfare is number two, just ahead of public and local government administration (around 40 per cent each). At the other end of the scale, we find agriculture, forestry and fishery. One in five working in this sector has no more than six years of schooling, and only one in ten has achieved a high level of education.

A high level of education is not a prerequisite for getting work in the private sector. In fact, the proportion of persons with a high level of education is larger in the public than in the private sector, totalling 26 and 14 per cent, respectively. The largest proportion of persons with a low level of education is among the self-employed, 13 per cent of whom had attained only a primary education or less. The corresponding figures for public and private enterprises were 8 and 9 per cent, respectively.

It is also possible to use the survey results to determine the relationships between educational level and a number of other living conditions parameters such as housing conditions, financial resources, state of health, and participation in social

Figure 6.7: Educational level by position at work. Scale 1–4.

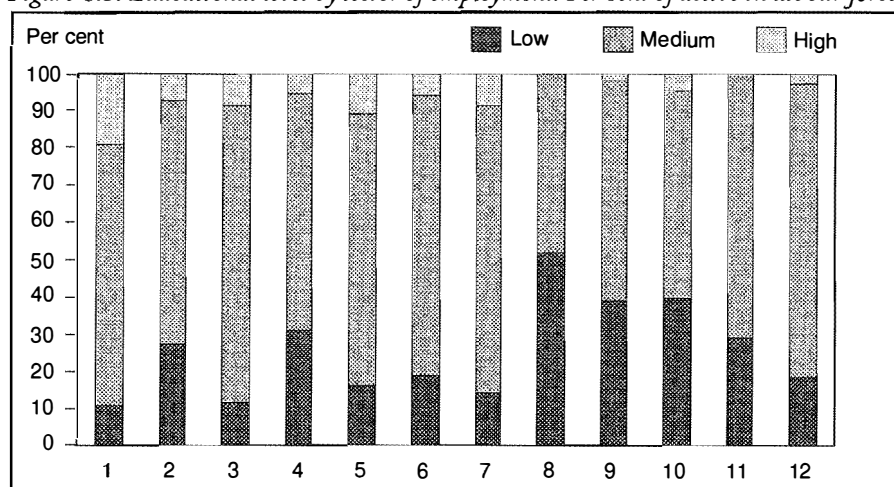


Explanation: 1: Ordinary employee, 2: Lower management, 3: Middle management, 4: Higher management.

and political life. Some of the major trends are presented in Table 6.2. Initially, we wanted to find out whether educational level has any significant impact on the degree of satisfaction with housing conditions. The results show that there is no significant variation in the evaluation of housing conditions between people of different educational levels. For example, 46 per cent of the respondents with a low level of education evaluate their housing conditions as satisfactory, joined by 51 per cent among those with a high level of education. Similarly, 24 and 21 per cent of the respondents in these educational categories were not satisfied with their housing conditions. It should be stressed, however, that the evaluation represents the subjective experience of the respondent, and one cannot rule out that persons with high and low levels of education have different expectations as regards to housing conditions.

Differences between educational groups are more vivid when it comes to standards of living. Survey results show that 15 per cent of respondents with a high level of education own holiday homes, whilst the figure for those with a low level of education is two per cent only. Respondents with a high level of education also have a much greater number of consumer durables at their disposal, e.g. washing machines, vacuum cleaners, TV sets, video cameras, stereo sound systems, cars and refrigerators than do respondents with a low educational level. Almost half the respondents (48 per cent) and their household members own more than five of the durables mentioned (97 per cent own a refrigerator, 83 per cent have a washing machine and 42 per cent are car owners). In contrast, only 14 per cent of those with

Figure 6.8: Educational level by sector of employment. Per cent of active in labour force.



Explanation: Low level: No education, primary and basic school. Medium level: Secondary and secondary specialised education. High level: Complete or incomplete higher education.

1: Agriculture, forestry 2: Mining/heavy industry 3: Light industry, food 4: Power, gas and water 5: Construction industry 6: Trade and services 7: Transport, haulage 8: Finance, insurance 9: Public administration 10: Health care, education 11: Culture and art 12: Armed forces, police.

Table 6.2: Selected living conditions parameters by educational level. Per cent.

	Level of education (per cent)		
	High	Medium	Low
Evaluation of dwelling conditions			
(Very) satisfied	51	47	46
Neither satisfied nor dissatisfied	28	30	30
(Very) dissatisfied	21	23	24
Access to holiday home			
Own	15	8	2
Other access	7	4	1
No access	78	88	97
Ownership of consumer durables			
0–2 goods	7	12	31
3–4 goods	45	53	56
5–7 goods	48	36	14
Economic hardships*			
No hardships	17	10	9
Some/many hardships	75	78	79
Severe hardships	8	11	12
Organisational participation			
No memberships	72	80	89
One or more memberships	28	20	11
«Politics is too complicated»			
Agree	38	66	81
Neutral/Do not know	9	7	10
Disagree	53	27	10
«I have little influence on political decisions»			
Agree	75	83	80
Neutral/Do not know	7	7	13
Disagree	19	10	7

Explanation: Low level: No education, primary and basic school. Medium level: Secondary and secondary specialised education. High level: Complete or incomplete higher education.

*For a description of the index, see Chapter 8 on Economic Resources.

a low level of education possess all or nearly all (five or more) of the above-mentioned durables (83 per cent have a refrigerator, 68 per cent a washing machine, and 16 per cent own a car).

Nearly one third (31 per cent) of those with a low level of education have no more than two of these amenities at their disposal. Other indicators of economic resources, for example, level of indoor amenities and income types in the household, point in the same direction.

A high educational level does not, however, protect a person from being exposed to economic hardships during the present transition period. Only 17 per cent of the respondents with higher or incomplete higher education had experienced no hardships during the last year, that is, they did not have to rely on outside help to pay for heating, etc. (re. chapter on economic resources). The corresponding proportions among those with a medium or low educational level were 10 and 9 per cent, respectively.

Survey results show that persons with a low level of education run a somewhat greater risk than others of experiencing psychical problems (not presented in the table). The proportion of the population who had experienced psychical problems during the last week was 42 per cent among persons with a high level of education, 54 per cent among those with a medium level, and 60 per cent among persons with a low educational level. Furthermore, the problems were reported to be more serious for the latter group.

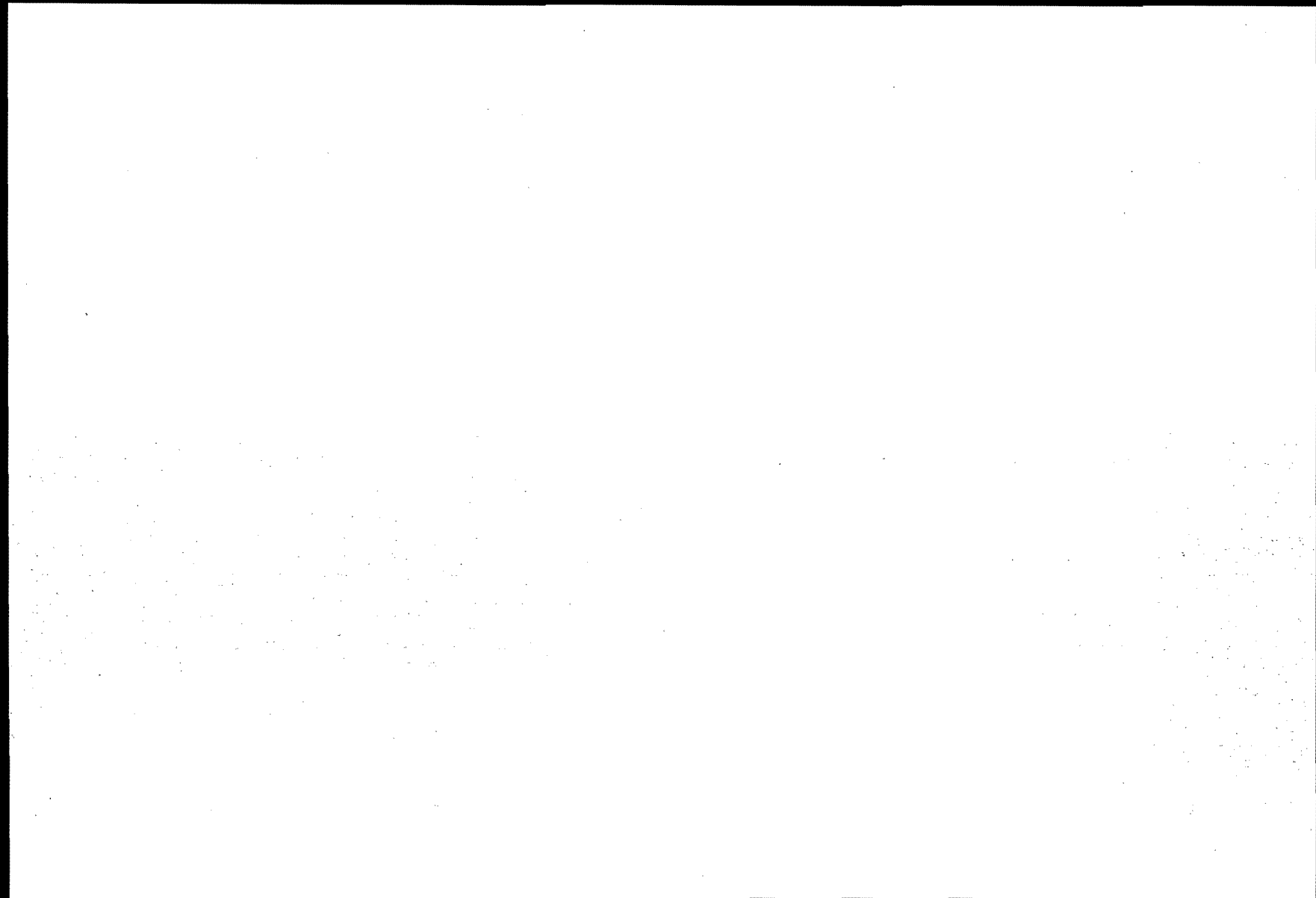
In terms of social participation, the survey shows that membership in social organisations is most common among persons with a high level of education, and the Latvian survey thereby confirms a trend common in most societies. While only 11 per cent of persons with a low educational level belong to an organisation, the same is true of 20 per cent of those with a medium level of education, while 28 per cent of those with a high educational level are members of at least one organisation. In the latter group people also have a higher number and greater variety of memberships.

In any society there is great variation in the extent to which people feel they have control over their own life situations and over the environment that shapes their lives, including politics. In the Latvian living conditions survey, respondents were asked about the extent to which they would agree with the statement: «Politics is so complex that it is difficult for people like me to understand what it is all about». As can be seen in Table 6.2, the responses to this question depended largely on the respondent's level of education. While 53 per cent of the respondents with a high level of education think that they are well versed in political issues, the figure for those with a low level of education is 10 per cent. On the other hand, it is worth noting that most respondents, regardless of their educational level, admit that they have very little influence on political decisions. There is, however, a certain impact of education also here. While 19 per cent of those with a high level of education disagree with statements such as «As a private person I can vote, but in reality I have

little influence on political decisions», a mere seven per cent of those with a low educational level disagree.

We can conclude that during the transition period to a market economy, education is an important resource with considerable impact on a number of living conditions parameters. Persons with a high level of education enjoy better material living conditions, they have more consumer durables, and they run a smaller risk of ending up outside the labour market than the less-educated segments of the population. Participation rates in social organisations are higher, too. Moreover, persons with a high educational level seem to have a greater sense of empowerment and control over their lives than others.

However, education does not protect people from the harsh economic realities of the transition. Most of the respondents, regardless of their education, have experienced economic hardships during the transition thus far. Many people with a high education have seen their real incomes fall and face difficulties in keeping a satisfactory standard of living. In some sectors, especially in education and health care, we know that average salaries are very low; far below what it would cost to keep up with inflation. Thus, although people with a high level of education have been more successful than others in adapting to the radical social and economic transformations taking place in Latvia, there can be no doubt that many have had ambitions and expectations which remain unfulfilled.



EMPLOYMENT AND WORKING CONDITIONS

Zaiga Priede

Labāk lai trūkst laika divreiz nekā darba vienreiz.

[It is better twice to be short of time than once to be short of work.]

Kaudzīte Reinis (1839–1920)

INTRODUCTION: DEFINITIONS, STRUCTURE OF THE CHAPTER

Work is no doubt one of the most vital activities of man. As a rule, it is the main source of one's livelihood. Participating in professional life provides a basis for further learning, creative thinking, self-realisation and social contact. The tasks and the social environment usually offered at work give individuals the opportunity to develop their personalities. Thus, losing one's job may not only lead to a deterioration in one's standard of living, it may also carry grave social consequences.

For quite some time after the Second World War there was seemingly no unemployment in Latvia. Politically and economically, the country was fully integrated in the Soviet Union, where unemployment was prohibited by law. The last Soviet Population Census (1989) showed that virtually the entire working age population was employed, as unemployment was measured at only two per cent. During this post-war era, raw materials imported from other former Soviet republics were used in manufacturing industry in Latvia. Goods produced in Latvia were exported out of the republic. The demand for industrial labour exceeded the supply of local labour reserves. In the chapter on population, we have described how this gap generated a massive influx of immigrants into Latvia from other parts of the former Soviet Union.

In the Soviet economy, people not only had the right to work, it was also their principal task and duty. Although unemployment did not exist officially, and everybody was given a job, the administrative regulation of the labour market created a large number of jobs which would have been considered superfluous in an economy based on market principles. Labour costs were not part of performance indicators; such costs were automatically covered through producer taxes and subsidies. Enterprises could without much difficulty obtain permission to employ more workers than actually necessary. This was rational on a microeconomic level,

especially in the light of the incidence of irregular supplies and of short-term campaigns to meet tight output deadlines. In some sectors, however, there was a great demand for labour which the authorities were unable to fill. Professional and educational mobility was limited, this being one of the reasons for the low labour productivity and poor production quality (Venesaar and Hachey 1995: 109).

However, since the proclamation of restored independence in May 1990, the national economy has undergone a number of major changes that have had important implications for employment in Latvia. The demographic pattern has been distorted, resulting in a decline in the number of people of working age. For a variety of reasons, mainly those discussed in the chapter on population, the total population has decreased by 138,000 in the four years prior to 1995, at which time the total population amounted to 2.53 million. The working-age population fell at an even faster rate – from 1.53 million in 1991 to 1.44 million at the beginning of 1995.

Although the demographic changes have been substantial, it is the restructuring of the economy that has had the greatest effect on Latvia's employment situation. Macroeconomic changes, including a decline in output, have been accompanied by rising unemployment. There has been a transition to a labour market based on more direct market relations, with more emphasis on the demand-side than the supply-side of the economy. Thus, many of the products previously manufactured in Latvia are no longer in demand due to their low quality and high production costs. At the same time, the Soviet market has disintegrated, a development that has grave consequences for trade relations with the post-Soviet states. The breakdown of old patterns of trade has aggravated the problems. The cost of carrying excess labour has become painfully real, to managers and workers alike. Some experts anticipate a further increase in the unemployment rate as a result of the recently begun privatisation of large and medium-sized enterprises (The Latvian Ministry for State Reforms 1995: 14).

This chapter explores the employment situation in Latvia in the late summer of 1994 by focusing on two main groups of the population: the employed and self-employed on the one hand, and on the other those not working (the unemployed, as well as those not in the labour force). The discussion of the employed includes a section in which we examine certain aspects of the working environment by analysing variations in stress and strains of work. In the section on unemployment, we will take a closer look at the mechanisms that play a role in determining inclusion in and exclusion from the labour market.

The design of the employment module of the questionnaire for the Latvian living conditions survey closely follows the recommendations of the International Labour Organisation (ILO). The term «labour force», as defined by international standards and used in the statistical literature, is associated with a particular approach to the measurement of employment and unemployment. Essentially, this approach consists in the categorisation of persons above a set minimum age (in Latvia this minimum age is 15 years) on the basis of their activities within a short reference period (usually one week, as done in the Latvian living conditions survey), using a

specific set of priority rules. The main categories used in this approach are «employed», «unemployed» and «not in the labour force». The first two groups make up the economically active population, or the labour force, while the latter group is referred to as the economically inactive population.

In this framework, «employed» is defined in terms of paid employment or self-employment; paid employment denotes persons who, during the reference period, have performed at least one hour of work for a wage or salary, in cash or in kind, as well as persons with a formal attachment to a job, but temporarily not working. Self-employment covers persons who, during the reference period, have performed some work for profit or family gain, in cash or in kind, or persons with an enterprise, but temporarily not at work.

The standard definition of «unemployment» refers to persons who, during the reference period, were a) without work; b) currently available for work; and c) seeking work. Thus, in order to fulfil the requirements for unemployment, the person in question must not have been employed during the reference period. Persons with formal attachment to a job, but who were temporarily absent during the reference period for reasons of illness, vacation, etc., are considered as being employed. The *unemployment rate* is calculated as the share of the unemployed persons in relation to the entire labour force, which consists of the aggregate number of employed and unemployed persons.

It is important to note that unemployment as defined by ILO does not correspond exactly to unemployment as defined in Latvian legislation. In most countries there is a discrepancy between registered and real unemployment. According to the «Act related to Employment» of 23 December 1991, an unemployed person is defined as «any able-bodied citizen of the Republic of Latvia or any non-citizen who has permission for permanent residence or who has a registration mark with an identity code in their passport, and who does not work; is of working age (15 – 54/59); does not have other income equalling the minimum wage; is not engaged in any business activities; is looking for a job; and is registered at the local employment office and visits it at least once a month». The most important difference between the two definitions is that the ILO definition does not specify any type of formal registration in order to fulfil the requirements for unemployment. As a consequence, we would expect a higher unemployment figure according to the ILO definition than according to the definition in the Latvian law.

The category «not in the labour force» covers persons who are not economically active, i.e. who are without paid employment, without a job affiliation, and are not seeking and/or available for work. This group consists of persons who have left the labour market for reasons of schooling, old age, family responsibilities, etc.

THE EMPLOYED

THE LATVIAN WORK FORCE

In the 1970s and 1980s the labour force remained relatively stable, but since 1991 the size has shown a downward trend due to the demographic and economic changes referred to above. According to official Latvian statistics, over the past four years the number of people who hold a job has dropped by more than 200,000, to 1.21 million in 1994. While 56–57 per cent of the population were officially active in the national economy in 1989, receiving income in return for work, this figure had been reduced to 47 per cent of the population in 1994 (Venesaar and Hachey 1995:122–123).

Our survey data show that 45 per cent of those above 15 years of age are in paid employment. This applies to 61 per cent of those of working age (15 – 54/59) (see Table 7.1). One of the main reasons for the, by international standards, relatively high employment level is the very high percentage of women who work. Since the Second World War women have constituted about half the employed people in the economy. A high level of female employment continues to be essential, as it is hard for a family to live on one wage under the present economic conditions. According to our survey data, women make up 51 per cent of the work force, and they constitute exactly the same proportion of the population who are of working age. As indicated by Figure 7.1, however, a greater proportion of the women (33 per cent) than men (16 per cent) are above retirement age. This is largely ascribable to the low retirement age for women (55 years, as opposed to 60 years for men) and the fact that women have a longer life expectancy than men. On the other hand, there is a larger proportion of men (24 per cent) than women (18 per cent) below working age, and the absolute number of men below working age is also slightly larger than the corresponding number of women. Thus, less than half the women are of working age, as opposed to six out of ten in the case of men.

As Table 7.1 shows, men and women of working age have almost identical employment levels. The employment situation in rural areas differs somewhat from

Table 7.1: Proportion of employed and self-employed by gender and urban/rural type of settlement. Per cent of population of working age and above working age.

	Population of working-age			Population over working-age		
	total	males	females	total	males	females
Total	61	62	61	16	15	8
Urban areas	63	65	62	11	17	9
Rural areas	58	57	58	8	11	7

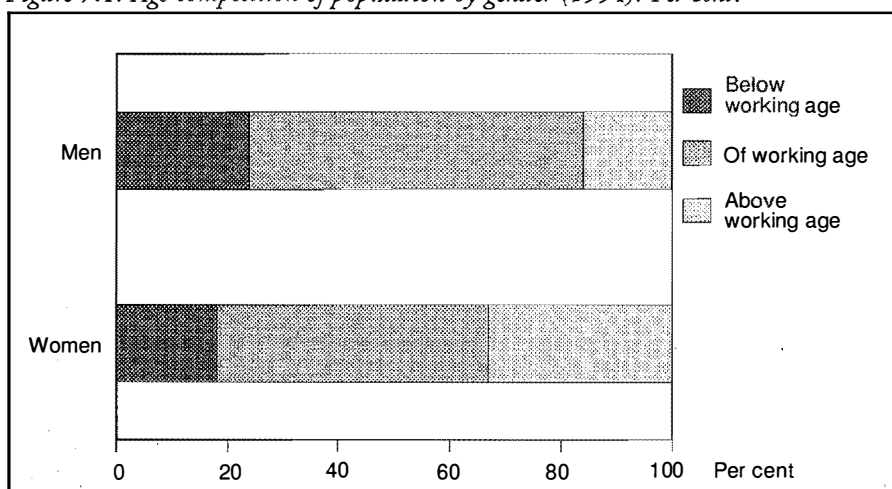
the situation in cities and towns, although the difference is far from dramatic. While 63 per cent of the city-dwellers of working age are employed, the corresponding proportion is 58 per cent in rural areas. In rural areas most former collective and state farms have collapsed, and many of the share-holding and statute companies that replaced them have not yet proven to be viable. As a result it has become more difficult to find a job in the agricultural sector, and this is expected to have an impact on employment figures.

Even though the retirement age is quite low, relatively few people in Latvia choose to continue to work after reaching it. This is true of both men and women. However, men above retirement age have a somewhat higher employment level than women in the same category. Only eight per cent of women above the age of 55 are in paid employment. The corresponding figure for men is 15 per cent. Moreover, a slightly lower percentage of people in this age group are employed in rural areas than in urban ones. This is especially true of men; 17 per cent of those living in urban areas continue to work, while only 11 per cent of those in rural areas do the same.

EMPLOYMENT BY AGE

Let us now look in more detail at the level of employment among the different age groups in Latvia. Figure 7.2 (see next page) shows that the employment level among the youngest is rather low, primarily due to the fact that a significant part of youngsters at the age from 15 to 19 years are still at school. We would expect, however, that unemployment is relatively high in this age group as well, and we shall return to this question in the section on unemployment.

Figure 7.1: Age composition of population by gender (1994). Per cent.



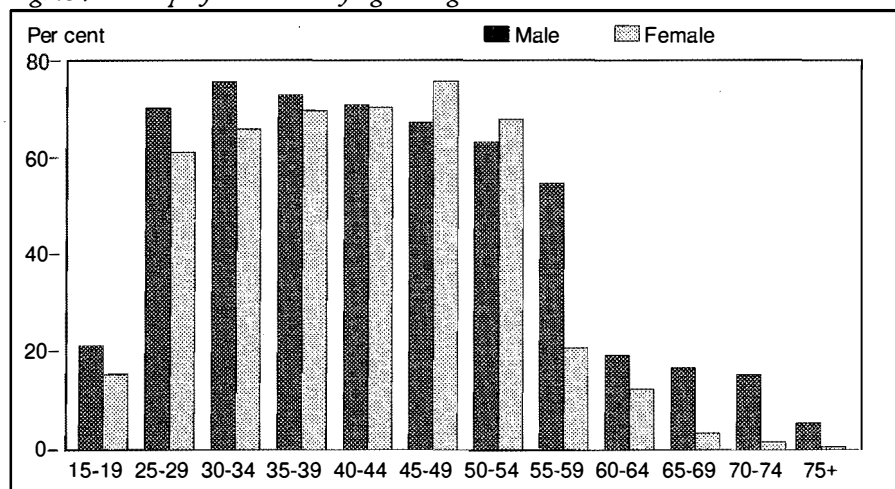
Source: CSB

Rates of economic activity rise steadily with increasing age, accounting for 70 per cent of the total population in the 30–54 age bracket. The situation changes significantly as the age of retirement approaches. Beginning at age 55, economic activity falls quite dramatically for women and the same happens for men when they reach retirement age five years later.

In most age groups, the percentage of employed males exceeds that of females, but the differences are particularly great at the two ends of the age pyramid. The figure shows that males are integrated into the labour market at an earlier age than women. Part of the explanation may be that many young women stay at home with their children. National legislation provides for a paid maternity leave for women who have children under 3 years of age. (However, some families cannot afford to have the women stay at home, so other people, usually grandparents, look after the children.) Another reason for the higher participation among young men could be that the present economic conditions have given them better opportunities to find a job, and women often need a relatively good education to find work when they are young. This is reflected by the higher proportion of women among those under 25 who are still studying.

The gender gap closes at about the age of 40, and a higher percentage of women are economically active until they reach retirement age (55 years for women). In this connection it is interesting to note that while employment among women increases gradually until the age of 45–49, the employment level among men peaks at 30–34, then drops successively. The high participation in the labour market among women above the age of 40 can be explained by the fact that they no longer have to take care of small children and can therefore participate fully. It is harder to explain the drop in employment among men after the age of 35. In the section on unemployment we shall raise the question of whether the real problem is unemployment or exclusion from the labour market.

Figure 7.2: Employment level by age and gender. Per cent.

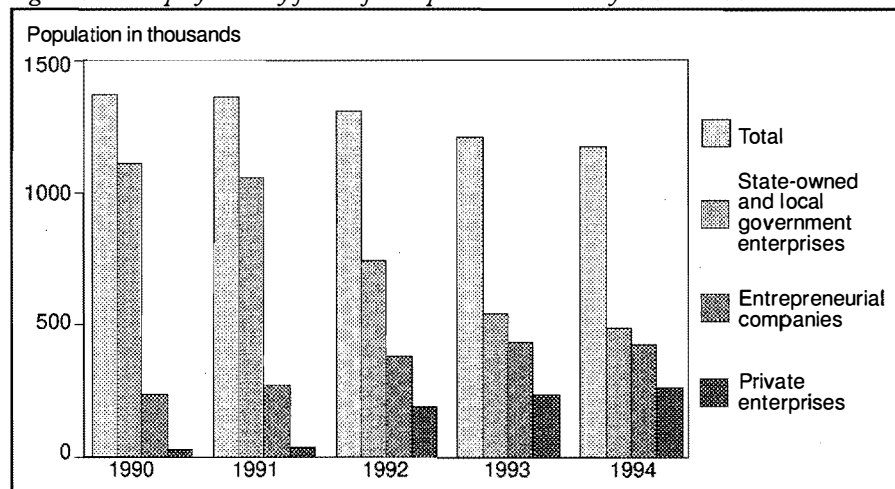


The current retirement age for men in Latvia is 60, but there have been plans to raise the retirement age for both sexes. The figure offers some more information about the small proportion of both men and women who are in employed work after retirement age. In a situation characterised by increasing unemployment, those who have already reached the official age of retirement but still want to work have been among the first to be dismissed, and it is harder for them to find a new job. According to official Latvian statistics, in 1990 one third of the old-age pensioners were employed, so the reduction over the past years has been marked. The figure confirms that men tend to leave working life at a slower speed than women. It is often people with a high occupational status who continue to work after retirement, and this is true of both men and women. However, since men have a higher occupational status than women throughout professional life (see below), this may be one of the reasons why a larger proportion of men than women continue to work after retirement age. What our figure does not show is that the present economic situation has forced some elderly people to become engaged in informal economic activities in Latvia. Furthermore, many senior citizens help the family by growing food on their plots of land, looking after children, and performing other tasks and duties. The economic activity of the elderly should therefore not be underestimated.

EMPLOYMENT STRUCTURE

The distribution of the employed among state-owned enterprises, entrepreneurial companies (cooperatives) and the private sector has undergone substantial changes over the past few years (Figure 7.3.). The private sector has had an expansion that has partially offset the loss of jobs in the large, state-owned industrial enterprises. It should be noted, however, that in 1994 state-owned and local government

Figure 7.3: Employment by form of entrepreneurial activity 1990 – 1994. Thousands.



Source: CSB.

enterprises still held an important economic position, as the privatisation of large enterprises had not yet gained momentum.

Our survey data confirm the trend in Figure 7.3. Just over half the employed respondents still worked in a state-owned enterprise, a bit more than a quarter in a private company, and 10 per cent were self-employed. In addition, five per cent worked in a cooperative while four per cent were employed in a joint venture formed by a Latvian and a foreign company. Women work in the public sector more often than men (59 per cent versus 44 per cent), whereas men predominate in private companies (32 per cent as opposed to 21 per cent). It should not be necessary here to elaborate on the implications for salaries and occupational status of the two genders. One example should suffice: In the first quarter of 1994, the average salary for men was 70 lats a month (121 USD according to the exchange rate at the time), while it was 54 lats (93 USD) for women (CSB 1995c).

Table 7.2 shows the distribution of employed by kind of activity. The employment structure differs somewhat from what can be found in official statistics since the latter include only wage-earners, whereas living conditions data cover everyone engaged in economic activity. For example, the proportion who work in agriculture is relatively large (18 per cent), and can be explained by the fact that many of those who lost their jobs as a result of the collapse of the collective farms are now working as independent farmers and earning their living from farming their own land. Forestry is also an important and growing industry in Latvia today. Furthermore,

Table 7.2: Distribution of the employed by kind of activity. Per cent.

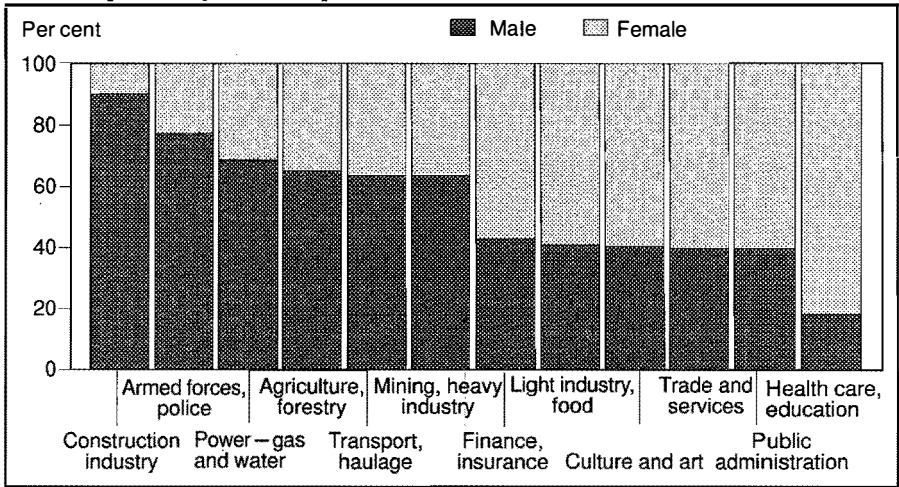
	Per cent distribution
Employed by kind of activity - Total	100
Trade and services	18
Health care, education/ science, social security	18
Agriculture, forestry, fishery	16
Light industry/ food processing	8
Construction industry	6
Mining/ heavy industry	3
Public administration	3
Power, gas and water supply	3
Culture and art	2
Armed forces, police	2
Finance, insurance, real estate, brokerage	1
Other kinds of activity	10

the table shows that about one fifth of the workforce works in the manufacturing and construction industries.

However, the most interesting finding is, perhaps, the large share of the population that works in the tertiary (services) sector, which has grown rapidly over the past few years. This is also reflected in the structure of the GDP. While the service sector share of the GDP was 32 per cent in 1991, it had increased to 52 per cent by 1994. During the same period, the share represented by manufacturing dropped from 37 to 20 per cent (Štamers 1995: 38). The general decline in the economy can only partly explain this tendency. Obviously, the labour market is also adapting to new conditions, as there is a need for workers with new knowledge and skills to fill positions in the market economy. Thus, parallel to the growth in the service sector, the total number of employees in manufacturing and construction (where employment has tended to be artificially high) has decreased substantially from 1990 to 1994.

Figure 7.4 shows the gender breakdown of various types of activity, and an interesting picture emerges. Women constitute a majority in light industry and various types of services. The proportion of women in health care, education and social security is exceptionally high. Women account for five sixths of the total workforce in these categories. Nearly one third of all employed women work in education and health and social services, while the same is true of only six per cent of Latvian men. It is symptomatic that it is precisely these types of public employment that have been and are very poorly paid. Men dominate in the construction business, the armed forces and the police, and they constitute a majority in heavy industry, agriculture, forestry and fishery.

Figure 7.4: Employed by kind of activity and gender. Per cent. (Average distribution: Males 49 per cent; females 51 per cent).



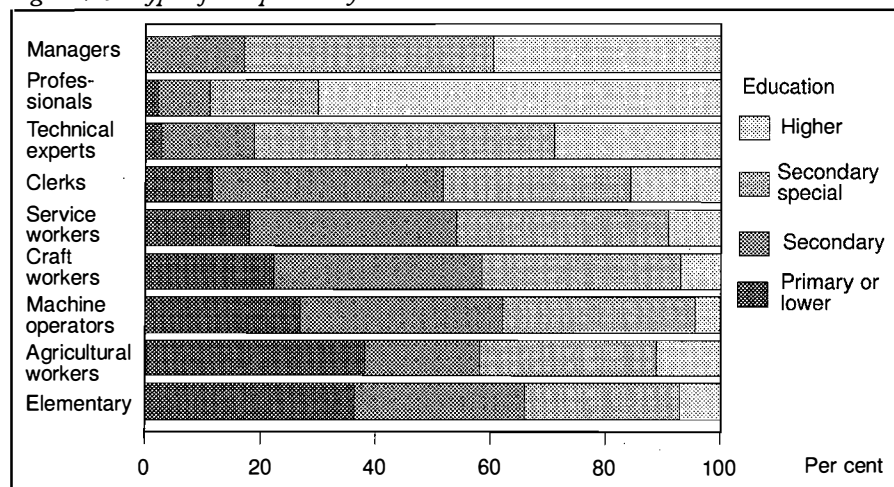
OCCUPATIONAL STATUS AND EDUCATIONAL LEVEL

The survey results show that three-quarters of those who are employed are ordinary employees, 19 per cent belong to the management at different levels, and six per cent are self-employed. Not unexpectedly, there is a lower proportion of women than men in managerial positions; only one third of the higher management is made up by women, while they comprise more than half of all employees. This confirms that the occupational status of women tends to be lower than that of men. Despite this, it should be stressed that we also find many women in Latvia who enjoy a high occupational status.

Table 7.3: Gender composition and distribution of the employed by professional groups. Per cent of the employed 18 years of age and older.

Professional group	As per cent of total employment	Proportion of women (in per cent)	Proportion of men (in per cent)
Managers	9	39	61
Professionals	13	70	30
Technicians	13	72	28
Clerks	7	86	14
Service workers	11	80	20
Agricultural workers	6	46	55
Craft workers	16	16	84
Machine operators	12	22	78
Elementary occupations	14	55	45
Total (average)	100	52	48

Figure 7.5: Type of occupation by educational level. Per cent.



The Latvian NORBALT living conditions survey operates with nine different professional categories, ranging from administrative and managerial workers (i.e. listed as managers in the table) to unskilled (also called elementary) occupations. The distribution of the employed people, according to these categories, is illustrated in Table 7.3 (see previous page). The table also gives the share of men and women in each of the nine categories. The table clearly shows that men are overrepresented as machine operators and craft workers, as well as in managerial positions. Women are particularly well represented among clerks, but they also constitute a clear majority of service workers, professionals and technicians.

One of the main indicators of the quality of the labour force is its educational level. The preceding chapter has shown that the Latvian labour force is quite well qualified in terms of formal education. It is interesting to see how this is reflected within the different professional categories referred to above. To what extent is formal education rewarded in terms of position in the labour market? The highest level of education is found among professionals who generally have a higher level of education than persons in managerial positions. More than two thirds of the professionals in Latvia have higher education. Lower secondary and specialised secondary education predominate within most occupational categories. However, among people employed in agriculture, forestry and fisheries, a substantial share have no more than elementary school education (36–38 per cent). Of course, as was also noted in the chapter on education, there is often a lack of congruity between the education obtained during Soviet times and the skills needed in Latvia today. Still, the relatively high average educational level is undoubtedly a great resource for Latvia and its population in the transition period.

WORKING HOURS AND WORK SCHEDULE

The general norm in Latvia, as defined in current legislation, is a 40-hour work-week. However, present economic conditions encourage many people to work more than the prescribed hours in order to earn extra income. At the same time, many enterprises occasionally cannot afford to have all their employees working full-time, so involuntary part-time arrangements or unpaid vacations can be the unfortunate result. Involuntary unpaid vacations of employees and reduced working weeks, elimination of the 2nd and 3rd shifts for economic and financial reasons, such as shortages of raw materials and material resources, difficulties in selling product, etc., may be considered to be forms of *hidden unemployment*. As such, they too must be taken into account when discussing unemployment in Latvia (see below).

Figure 7.6 shows the distribution of working hours among the employed respondents in our survey. It should be noted that the hours spent on extra jobs are also included in the figure (7 per cent of the employed have extra jobs). As expected, a large proportion (41 per cent) of the employed work the regular full-time forty-hour week. It is, perhaps, somewhat more surprising that only 20 per cent work less than

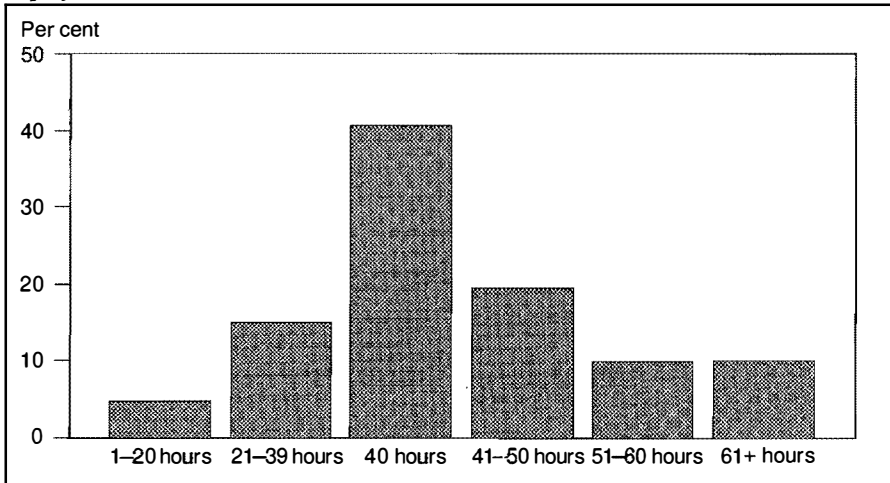
40 hours a week, while as many as 40 per cent put in more than the regular working week. This confirms that many people try to work more to earn extra income.

In Latvia, most women are in the regular workforce, on top of bearing the main responsibility for housework and child-rearing. It is, therefore, not surprising that women usually work shorter hours than men in all age groups, with the exception of the very youngest. The average number of hours worked by those who have paid employment is quite similar for all age groups, but drops significantly after the age of retirement. However, the reduction is much smaller for men who continue to work after the age of retirement than it is for women. People in the agriculture, forestry and fishery sectors work longer hours than average, and this is likely to be the main reason why people in rural areas overall have longer working hours than people living in cities and towns. Managers make up the occupational category that ranks second in terms of hours worked per week. It seems they have to pay a price for higher occupational status in the form of less leisure time.

But do Latvians want more time outside work, time that could be spent with the family or enjoying hobbies and other leisure activities? Naturally, this is also a question of whether or not they can afford it, considering the economic constraints at present. Respondents were asked whether they are satisfied with their current working hours in their main occupation, or whether they would prefer a shorter or longer work-week. It was specified that their salary would increase or decrease accordingly.

Most respondents (62 per cent) reported that they were satisfied with their present working hours. However, more respondents would prefer longer than shorter working hours: 24 and 12 per cent respectively. There were only minimal gender-related differences in these responses. Quite surprisingly, people who live in households with small children, and even single-parent households, are not less satisfied

Figure 7.6: Number of hours usually worked per week. Per cent of employed and self-employed.



with their present working hours than others. In fact, one third of the single bread-winners with dependent children who work at present, would like to increase the number of hours they work per week.

The responses to this question substantiate the problem of hidden unemployment referred to above. Almost half of those whose work-week is less than 20 hours would like to work more hours. The same holds true of nearly one third of those who work 21 – 39 hours per week. On the other hand, it is only among those who work more than 61 hours per week that one can detect a desire for a shorter work-week (20 per cent).

It should not be taken for granted that any hour not used on a person's main job will be spent as leisure time. Many of those who work the longest hours have an extra job, and it is likely that some people would like to convert some of the time spent in their, often low-paid, main job into better paid work in an extra job. Of those who do not have an extra job, 15 per cent are actively looking for one, and there can be no doubt that the main motivation is to improve their economic situation. In the next chapter we shall look at the importance of extra jobs for the financial resources of Latvian households and individuals.

However, the number of working hours per week only tells half of the story. Another crucial aspect is the work schedule, which influences the quality of life outside working hours. For example, persons whose working hours are not in synch with those of others tend to miss out on social activities. Working rotations, then, especially if they include night shifts, may have a negative impact on physical and mental well-being.

In Latvia 63 per cent of the employed respondents work normal day shifts (between 6 a.m. and 6 p.m.). Only seven per cent normally work outside regular hours. Further, 16 per cent follow a rotating schedule, while 15 per cent have other work schedules. The two sexes have very similar work schedules, with a slightly greater inclination for women to follow normal day shifts and men to have other work schedules (20 per cent of working males and 11 per cent of working females). The responses indicate a small tendency for those who do not work regular hours to have more psychological problems than others, but the difference is hardly large enough to be statistically significant.

WORKPLACE CONDITIONS

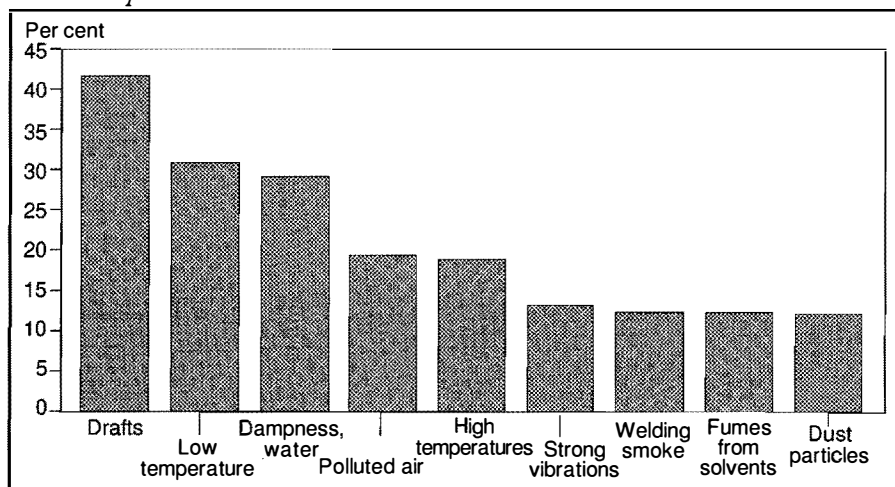
Since people spend a large part of their lives at work, the working environment has a strong impact on their welfare. It is not only unpleasant to work in poor conditions, it can also have serious consequences for an individual's health and social life. Workplace conditions are customarily divided into two major areas: the physical and the organisational working environment. The first refers to physical strains, workplace hazards, climatic conditions, etc. The latter term addresses, for example, the possibility of choosing one's tasks, the degree of mental stress, and one's feeling of

job security. The main focus in this section is on the physical environment, but we shall also look briefly at some indicators of the organisational working environment.

Working conditions in the former Eastern Bloc have been known to be relatively problematic, at least when compared to Western European countries. Thus, when Latvia gained independence, the country inherited a large number of old-fashioned enterprises with obsolete technology and buildings of poor quality. In addition, problems with the energy supply and increasing energy prices meant that many workplaces could not be heated to an acceptable indoor temperature. Although incidents of hazards and pollution at work have been discussed openly for several years, there are still few signs of progress in this field, as the economy does not yet allow large sums to be invested in improving the working environment. It is costly to rectify many years of neglect in workplaces characterised by old-fashioned standards and control procedures.

The respondents were asked a number of questions about their physical working conditions. The responses draw what must be considered a grim picture of the working environment in Latvia, both in terms of workplace hazards, and in terms of harmful and dangerous workplace conditions. The responses are shown in Figure 7.7 and Figure 7.8. We see that half the employed regularly work in temperatures that are either too low (less than 10 degrees) or too high (more than 30 degrees Celsius), (32 and 20 per cent, respectively). Nearly half the respondents are exposed to draughts. Substantial numbers also work in damp conditions (30 per cent) or polluted air (20 per cent). If we look at the harmful and dangerous workplace conditions, we find that one quarter of the employed respondents work in inadequately ventilated areas, while as many as one in five work with dangerous machines.

Figure 7.7: Proportion of employed and self-employed reporting different forms of hazards at the workplace. Per cent.



Physical strain is also a serious problem in Latvian workplaces. Three quarters of the working respondents reported having jobs of such a nature that they were normally physically exhausted at the end of the day (Figure 7.9). More than 60 per cent claimed that their jobs entailed repetitious and monotonous work, while half the respondents had to do heavy lifting on a daily basis.

Figure 7.8: Proportion of employed and self-employed reporting different forms of harmful and dangerous working conditions. Per cent.

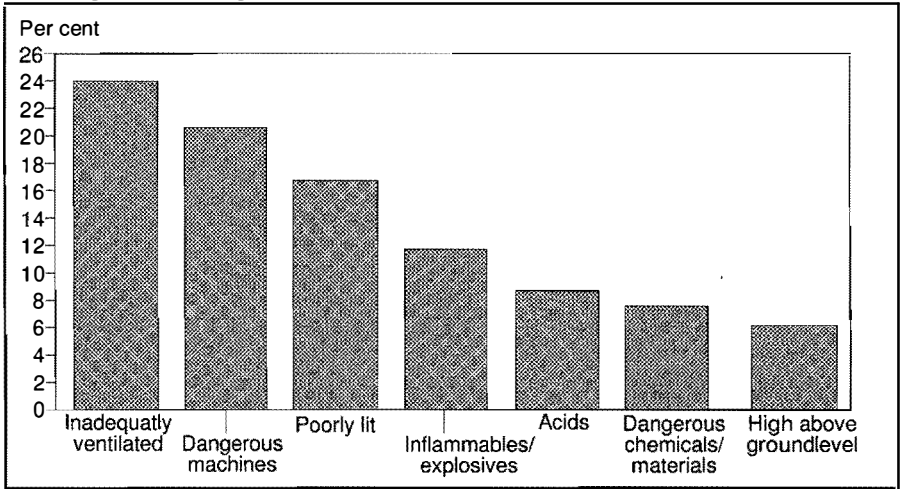
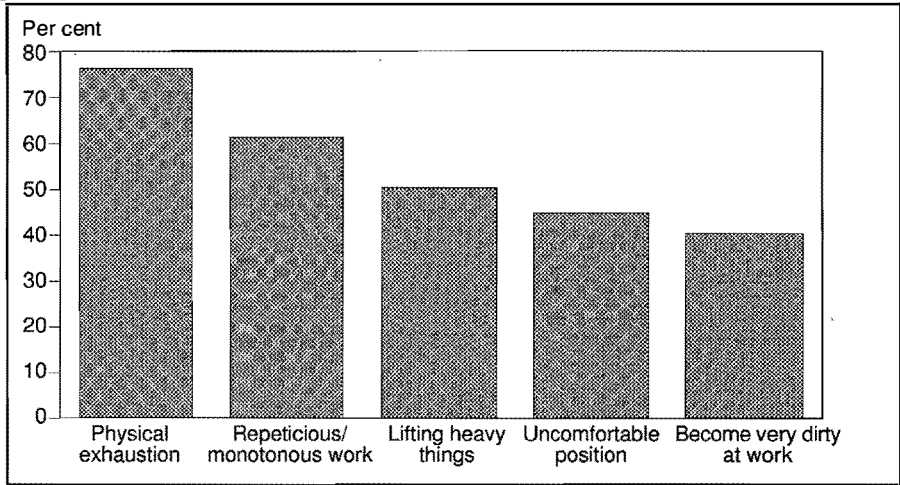


Figure 7.9: Proportion of the employed and self-employed reporting different forms of physical strain at the workplace. Per cent.



THE PHYSICAL WORKING ENVIRONMENT INDEX

In order to look at the relationships between the physical working environment and other background variables, an index was constructed by adding the number of problems related to working conditions experienced by each respondent. Thus, the score could vary from 0 (no problems) to 21 (all the problems listed). We found that the average number of problems was 5.5, while only 9 per cent of those asked had not been exposed to any of the listed difficulties at the workplace. Two respondents had been exposed to 20 of the 21 problems quoted.

Table 7.4: Self-reported physical work environment for different categories of the employed and self-employed. Average index score. Range: 0 – 21. Grand mean: 5.5.

Gender:		Age:	
Male	6.7	18-30	5.6
Female	4.3	31-40	5.3
		41-50	5.7
		51-60	5.7
		61-70	3.6
Industry:		Type of settlement:	
Agriculture, forestry, fishery	7.5	Urban	5.3
Mining, heavy industry	7.4	Rural	6.0
Light industry, food processing	6.3	Education:	
Power- gas and water supply	5.7	Primary or less	6.9
Construction industry	8.7	Secondary	5.9
Trade and services	5.0	Secondary specialised	5.7
Transport, haulage, post and telecom	5.8	Higher	3.4
Finance, insurance, brokerage	2.1	Ethnicity:	
Public administration	4.1	Latvian	5.4
Health care, education	3.5	Russian	5.8
Culture and art	3.5	Other	5.3
Armed forces, police	3.9	Subjective general health condition:	
Professional status:		Very good	4.1
Ordinary employee	5.9	Good	5.0
Lower management	5.3	Average	5.8
Middle management	3.5	Bad	6.1
Higher management	2.7	Very bad	4.4

Table 7.4 shows the average number of problems related to the physical working environment among different groups of the population. As expected, there are great variations among different industries. The most difficult situation is found in the construction industry, while people who work in agriculture, fisheries and forestry, mining and heavy industry on average are also exposed to a high number of hazards and harmful workplace conditions. The state of the physical working environment is particularly relevant to people doing manual work, and we see that service sector personnel are in a far more favourable position. On average, those working in finance, insurance and broking report only two of the above-mentioned problems. Apart from the physical strains referred to in Figure 7.9, people in the service sector often report draughts, poor ventilation and low temperatures. The latter problems are largely caused by the difficult energy situation. Energy for heating in the workplace is not always available in the wintertime, usually because the enterprise is in debt and is unable to pay for expensive heating.

The professional status of the employee also has a bearing on his or her physical working environment. The higher the employee is placed in the management hierarchy, the less exposed he or she is to hazards, and to harmful, dangerous or strained workplace conditions. Education tends to be decisive for the choice and selection of work, and the table clearly shows that people with higher education much more rarely experience problems with their working environment. Although private companies tend to be more modern and up-to-date than the large state-run enterprises, we find that the working environment is not necessarily among the highest priorities in either kind of business, which earn very similar scores on the physical working environment index. It should be stressed that a direct comparison is difficult because of the different nature of the work performed in the private and the state sector.

Although there may be several opinions on the status of women in Latvian society, at least when it comes to physical working conditions our survey indicate that they are in a clearly favourable position. With an average of 4.3 problems women are much better off than men, who report an average of 6.7 problems. The predominance of women in the sectors of the economy with the best working environments explains much of this difference. However, women's lower professional status tends to pull in the opposite direction.

Age is not particularly relevant for explaining differences in the average score on the working environment index, but we can see from the table that employed pensioners have a significantly lower score than all other age groups. Again, people with manual jobs tend to join the ranks of pensioners at the age of retirement, while persons with a higher education and professional status have a more pronounced tendency to continue working into old age.

There are only small variations between the Latvian regions, and although working environment problems are somewhat more widespread in rural than in urban areas, the difference is far from dramatic. The same could be said of the differences between ethnic groups, which are hardly worth mentioning. More interesting is the

fact that reported work-related problems increase with deteriorating subjective general health condition, as shown in the table. However, how can one explain the dramatic reduction in the problems of those in very bad health (those with bad health report on average 6.0 problems while people in very bad health report only 4.4)? Since we do not have any time-series data, we do not know where the people in question have worked before. The most plausible explanation is that we are witnessing the consequences of a selection effect, which excludes a number of people who have had their health damaged from working under extreme working conditions. We may assume that some have already died, and that others have a health

Table 7.5: Percentage of different categories of the employed and self-employed who frequently experience their work as mentally stressful. Average score: 30 per cent.

Gender:		Age:	
Male	28	18-30	25
Female	32	31-40	33
		41-50	36
Industry:		51-60	28
Agriculture, forestry, fishery	23	61-70	27
Mining, heavy industry	25	Type of settlement:	
Light industry, food processing	35	Urban	30
Power- gas and water supply	18	Rural	29
Construction industry	31	Education:	
Trade and services	29	Primary or less	26
Transport, haulage, post and telecom	35	Secondary	21
Finance, insurance, brokerage	45	Secondary specialised	31
Public administration	22	Higher	43
Health care, education	44	Ethnicity:	
Culture and art	26	Latvian	31
Armed forces, police	37	Russian	29
		Other	31
Professional status:		Subjective general health condition:	
		Very good	27
Ordinary employee	28	Good	24
Lower management	40	Average	32
Middle management	42	Bad	40
Higher management	62	Very bad	28

condition which does not permit them to work in a physically strenuous working environment.

ORGANISATIONAL WORKING ENVIRONMENT

So far, we have taken a general look at problems related to the physical working environment, but there are, as mentioned above, also other aspects of the workplace which are important for individual welfare. First, some people experience their work as mentally stressful. In fact, among the respondents only one third had never experienced this problem. Another third (36 per cent) said that they had experienced it from time to time, while the last third (30 per cent) complained that it occurred frequently.

However, the people who complain about mental strain at the workplace are usually not the same as those who report having the most problems with the physical working environment (Table 7.5, see previous page). Mental stress and intellectual work seem to be closely associated. In this case, the risk group comprises people in managerial positions; as many as 62 per cent of those belonging to higher management report that they frequently experience their work as mentally stressful, while only just over one quarter of the self-employed and ordinary employees say the same. Thus, there seems to be a price to pay for the physically more pleasant environment generally enjoyed by managers.

Much has been said about the low pay of civil servants. However, officials appear to be lucky at least in terms of their working environment, as they have a relatively low score on the physical working environment index, and as they constitute a group with few mental problems as well (22 per cent). However, the two indicators show a negative correlation in most areas of the economy. Thus, in addition to public administration, the sectors least affected by mental strains are power, gas and water supply, agriculture, fisheries and forestry, and mining and heavy industry (only 18, 23 and 25 per cent in each sector, respectively, report frequent mental stress). At the other end of the scale, finance and insurance activities stand out as the most mentally exhausting, as almost half the respondents in these sectors (45 per cent) complain about frequent incidents of mental stress.

While women are in an advantageous position when it comes to the physical working environment, they experience somewhat more mental stress than men, as seen in the table. The difference is minor, however. By the same token, ethnicity, degree of urbanisation and regional links all appear to have little effect. It is noteworthy, however, that the work schedule seems to be of some relevance as for whether or not people experience their work as stressful. People who work shifts or who have an irregular work schedule, have a greater tendency than others to report mental stress in relation to their job (38 per cent as opposed to 27 per cent for those with a normal work schedule). However, those of us who have only limited experience with rotating schedules would perhaps have expected that irregular working hours had an even greater effect.

Modern organisational theory places considerable emphasis on the opportunities for employees to influence the tasks they perform at work. Co-determination is usually seen in relation to the flexibility of the enterprise and the continuous development of the skills of the work force. It is also important for a person's creativity and sense of control over a part of life which occupies many hours each day. In Latvia the possibilities of employees to choose their tasks at work appear to be rather moderate. However, more than half the respondents said that they could control their work tasks, almost fully (24 per cent) or to a certain extent (32 per cent). One third (31 per cent) could not choose what to do at all, while 13 per cent had very little influence.

Not surprisingly, the opportunities for selecting one's work are much greater for persons in managerial positions than among ordinary employees. Almost all high-level managers, and nine of ten in middle management, could choose their tasks fully or to a certain extent. The average was 46 per cent for ordinary employees. However, much depends on the trade or industry as well. Those who work in mining or heavy industry have the least opportunities to influence their tasks (35 per cent have full or some influence), and work in the military or the police does not leave much room for individual influence either (37 per cent). Creative work necessarily requires a high degree of independence, and it comes as no surprise that people working in culture and art report the highest degree of influence over own work (74 per cent are able to choose their tasks, at least to some extent). Moreover, in finance, insurance and broking there are also relatively few who have very limited or no influence whatsoever on the tasks they perform.

Many people get a higher education in order to have more independence in their work, and our data indicate that education pays. A clear majority (76 per cent) of people with higher education report that they can choose their tasks at work, whereas only a minority (37 per cent) do so among people with primary education. Keeping in mind the generally lower occupational status of women it would, perhaps, be reasonable to expect that women have less freedom to choose their tasks than men, but the difference is in fact minuscule and hardly statistically significant.

The issue of job security, which will be discussed in the following, is closely linked to the subject of the next main section, i.e. unemployment and exclusion from the labour market. It is only during the past five years or so that unemployment has become common in Latvia. In Soviet times people had a high degree of job security. Now the situation has changed radically, and people have to get used to the fact that their present job might not be secure in the future. Our survey gives evidence that suggests that people no longer take their jobs for granted. Only one fourth of the employed respondents in the survey are not afraid of losing their present job because of closures, redundancies, or for other reasons, during the next few years. Slightly more than one in ten are undecided, while a total of 64 per cent believe that their job could be in danger.

The fear of losing one's job is not exactly evenly distributed throughout the population: There are groups within the population that are clearly more pessimistic

than others – whether their pessimism is founded on realities or not. The most pessimistic are found in the different sectors of industry, especially in mining and heavy industry, and in construction, 75–80 per cent believing their job is in danger. This is not a surprise, as many large industrial enterprises have encountered serious economic problems, and there has been talk of closing many of them. Among the most optimistic are employees in the armed forces and police, and in culture and art, where respectively 34 and 47 per cent are afraid of losing their jobs. The self-employed are distinctly more optimistic than people in state-owned or private companies. On the other hand, people in joint ventures are the most pessimistic. Here, a total of 83 per cent believe they could lose their job within the next few years. Jobs in joint ventures are often associated with high social status in Latvia, but as we can see they also involve a considerable risk.

Ethnic Russians are visibly more afraid of losing their jobs than ethnic Latvians are, although one should not exaggerate the difference. After all, majorities in both ethnic groups believe their jobs could be in danger. However, while this applies to 57 per cent of ethnic Latvians in the survey, it is true of 73 per cent of those with a Russian ethnic background. Whether this is linked to the language requirements for certain job categories which many Russians have not passed or are afraid they will not pass, is open to question. Another plausible explanation may lie in the fact that relatively many of the ethnic Russians have been working in large, state-owned enterprises that now run the risk of being closed down.

Still, although some jobs are clearly more insecure than others, it is relevant to ask how easy it is to find a new job for those who lose their present one. Thus, while well-educated people report roughly the same degree of pessimism with regard to losing their present job as those with only primary education or less, one would expect people with higher education to have less trouble finding a new job. We will look at this issue in more detail in the following section.

UNEMPLOYMENT AND EXCLUSION FROM THE LABOUR MARKET

THE UNEMPLOYED

The first unemployed people in the post-war era were registered in mid-January 1992. During that year, there was a drastic rise in registered unemployment and, by the end of December, the unemployment rate had reached 2.3 per cent (31,300) of the economically active. In the latter half of 1993, registered unemployment reached 5 per cent, then stabilised at 6 per cent in 1994, at the time of the living conditions survey.

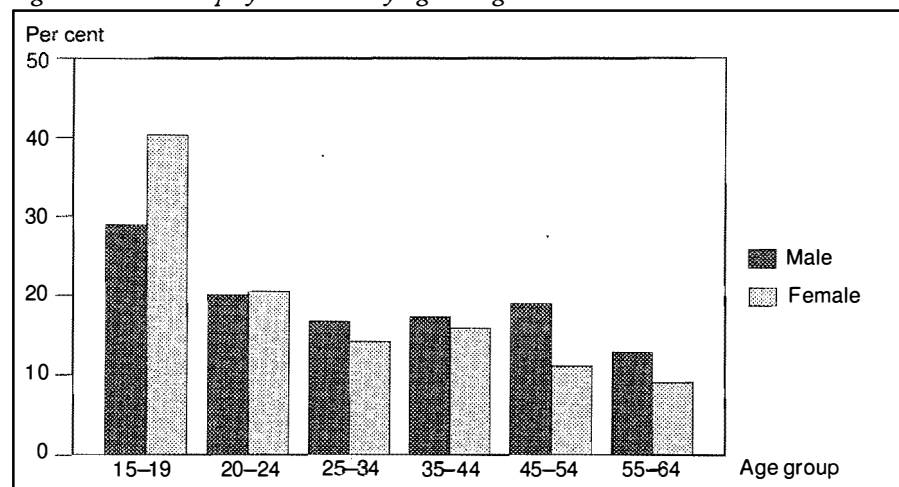
For reasons discussed in the introduction, official rates of registered unemployment do not necessarily tally with the unemployment rates based on the ILO method of calculation. We have already established that 45 per cent of all Latvians

of the age of 15 or more were employed in September of 1994. The unemployment rate was then 9 per cent, while the remaining 45 per cent were classified as outside the labour force. One should note, though, that unemployment rates are calculated as a percentage of the labour force, meaning that Latvia's real unemployment rate at the time of the survey was as high as 17 per cent. This figure is almost three times as high as the official Latvian unemployment rate at the time, showing the discrepancy between the official Latvian definition of registered unemployment and the definition applied by the ILO.

In order to evaluate job creation and welfare policies, it is important to be familiar with the characteristics of the unemployed population. In the first part of this section, therefore, we will attempt to describe the composition of the unemployed, using background variables such as gender, age, regional distribution, ethnic affiliation, and educational level. The next step will be to assess mobility in the labour market by estimating the time it takes on average from a person becomes unemployed until he or she is once again employed. Finally, we must take a closer look at the economically inactive population (those not in the labour force), to find out if this group comprises potential job-seekers or persons who for some reason have been excluded from participating in the labour market, and who no longer find it worthwhile to apply for work.

In Latvia, men have a slightly higher unemployment rate than women, 19 and 15 per cent, respectively. There are considerable differences, though, between different age groups, as shown in Figure 7.10. Unemployment is very high among the youngest age group. Our survey data indicate that one third (34 per cent) of the economically active 15 to 19 year-olds are unemployed. Obviously, young people, often school leavers without education or experience, have trouble crossing the threshold into the labour market. This is particularly true of the females in this age

Figure 7.10: Unemployment rates by age and gender. Per cent.



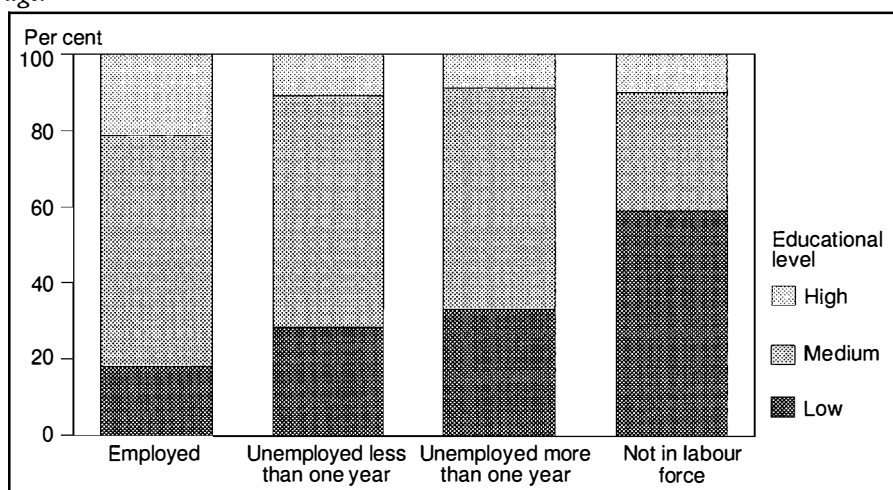
group, as shown in the figure. Forty per cent of all economically active females 15 to 19 years old are unemployed.

One should bear in mind that a large proportion of the young are still at school and therefore not in the labour force. Relatively more boys than girls enter the labour force at an early age. Thus, compared with the total population in each age group, 10 per cent of the boys and 12 per cent of the girls between 15 and 19 were unemployed. When the total population in each age group is used as the basis for analysis, we find that unemployment problems are relatively evenly distributed among all age groups until retirement age, varying from 11 to 16 per cent of the total population in each age group. The highest unemployment is found in the 20–24 age group.

The second important observation from the figure is that men have a higher unemployment rate than women in all age groups after the age of 25. The difference is particularly striking in the age group from 45 to the age of retirement (strictly speaking, people should not be labelled unemployed after the age of retirement, even though they may still be job seekers). Thus, males run a greater risk of being excluded from the labour market after the age of 45. This is consistent with the finding referred to in the section on employment, i.e. that male employment levels drop from the mid-30s onwards.

Comparing the educational levels of the employed, the unemployed and those outside the labour force, we notice some interesting patterns (Figure 7.11). The figure includes only those of working age. The first thing that should be mentioned is that there is a marked difference in educational attainment between the employed and the unemployed. While 18 per cent of the employed have primary education

Figure 7.11. Labour force status by educational level. Per cent of respondents of working age.



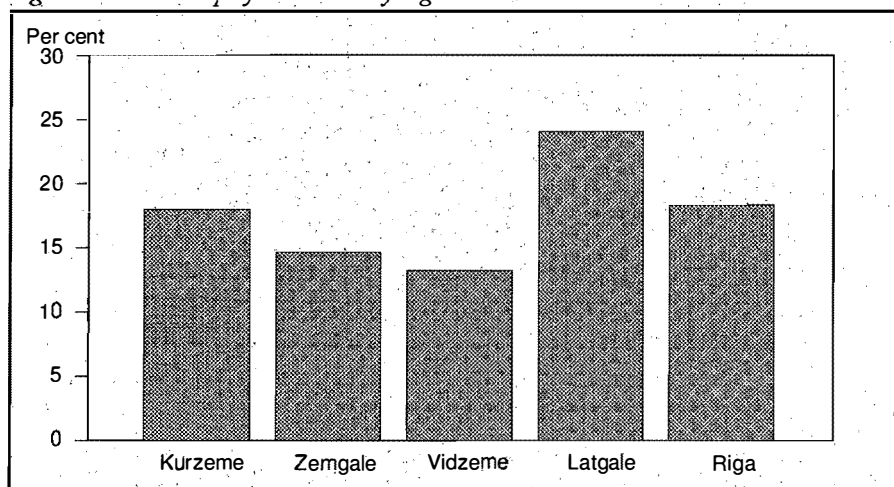
Explanation: Low level: No education, primary and basic school. Medium level: Secondary and secondary specialised education. High level: Complete or incomplete higher education.

only, the proportion among the unemployed varies from 28 to 33 per cent, depending on how long they have been unemployed. Similarly, the proportion of the unemployed with higher education is only half of the corresponding proportion among the employed. Thus, it seems that those with higher education have had greater success in adapting to the new situation in the labour market.

Our expectations that persons with higher education would have better prospects of finding a new job are not fully confirmed by the data. The figure shows that the difference in educational level between those who have been unemployed for more than a year and those who have worked during the past year, is relatively small. One explanation might be that some of the people who have seen such prolonged unemployment (as distinguished from *long-term unemployment*, which is normally defined as unemployment for more than six months) have education and skills that are not in demand in the present labour market.

Another revealing finding is that the educational level is clearly lowest among persons outside the labour force. It is reasonable to ask if rather subtle labour market exclusion mechanisms are at work here. Has a substantial proportion of those not in the labour force given up looking for work because of inadequate schooling, or the sheer unlikeliness of actually finding a job? Is unemployment just the first step in a comprehensive selection mechanism for re-entering the labour market? It may be premature to make concrete assumptions about how unemployment functions in relation to the least educated in Latvian society. One should not forget that many of those not in the labour force are young people who are still at school, and who have not yet had the opportunity to obtain a higher education. However, even after adjusting for this factor, the proportion of persons with a low educational level still remains considerable (57 per cent as opposed to 59 per cent when pupils and students are included). It therefore seems reasonable to conclude that those not in the labour force have the lowest level of education in Latvia – also when adjusted for

Figure 7.12: Unemployment rates by region. Per cent.



age – and that this is likely to have implications for their (re-)integration into the labour market.

Let us concentrate on the unemployed. Officially registered unemployment is higher in rural than in urban areas, but our survey results do not confirm that the same is true when the ILO definition of unemployment is applied. One reason for this may be the large informal sector in the Latvian economy. Some of those registered as unemployed actually had odd jobs during the past week, and are therefore not defined as unemployed in our survey. This phenomenon may be more common in rural than in urban areas, especially since it should have been possible to find temporary work in rural areas during the harvest season when the survey was conducted.

Based on our survey data, we can also conclude that unemployment levels vary substantially in different regions of the country, as illustrated in Figure 7.12 (see previous page). With an unemployment rate of 13 per cent of the labour force, the northern and central region of Vidzeme has the lowest proportion of unemployed. The most difficult situation is found in the easternmost region of the country, Latgale, where the unemployment rate is as high as 24 per cent, implying that one in four members of the labour force were unpaid active job-seekers in September 1994. As mentioned earlier, Latgale has always been the least developed region of Latvia. Latgale has suffered more than other Latvian regions from closures of many large industrial enterprises and the collapse of collective farms.

Although unemployment has affected all ethnic groups in the population, there are still some minor differences that deserve attention. Ethnic Latvians have an unemployment rate which is somewhat lower than the average (14 per cent), while those who define themselves as Russians are somewhat over-represented among the unemployed, with an unemployment rate of 20 per cent. Some of this difference may be explained by the fact that many Russians live in Latgale, where the employment situation is more precarious than elsewhere in Latvia. Similar differences may be noted between citizens of Latvia and non-citizens or citizens of other countries, with unemployment rates of respectively 16 and 20 per cent of the labour force. This suggests a somewhat more difficult employment situation for persons whose historical roots are not in Latvia, but the differences are too small to be deemed systematic inequalities.

It may be argued that unemployed people who belong to households where other members are employed, are more fortunate than unemployed people living alone. The first group can normally rely on support from the other members of the household. In this context it is worth noting that people living in one person households actually run a greater risk of becoming unemployed than persons in all other types of households, even when adjusted for age. Nearly one quarter of the respondents who live alone are active job-seekers while, as noted above, the average for the whole population is 17 per cent.

MOBILITY IN THE LABOUR MARKET

The length of time people spend as unemployed job-seekers before finding a new job is an indication of the how dynamic the labour market is. The ability of individuals to find employment is clearly dependent on their qualifications and the attractiveness of their skills in the labour market.

The median time of unemployment is 8 months for women and 9 months for men. In other words, half the respondents of each gender have sought work for a longer time period, while the other half have been job-seekers for a shorter period. The average number of months spent looking for a job is very similar for the two sexes, i.e. about 10 1/2 months each. This must be considered a rather sluggish labour market, since it takes a relatively long time from when a person loses his or her job until he or she is back on a payroll again. A majority (61 per cent) of the job-seekers – both men and women – are long-term unemployed, meaning that they have been unemployed for six months or more. Nearly three in ten of the unemployed had not worked for over a year. After prolonged unemployment, many people simply give up their search for work. They can no longer be called active job-seekers, so they often enter the category of persons defined as being outside the labour force (see below).

Further analysis of those who had been out of work for more than a year reveals some interesting patterns. Prolonged unemployment is particularly widespread in Latgale, where more than half the job-seekers have been out of work for more than a year. Clearly, this aggravates the unemployment problem in the region. In contrast, the same is true of only one in five of the unemployed in Zemgale. Thus, Zemgale is characterised by a far more dynamic labour market than Latgale. Also, prolonged unemployment is much more common in the older than the younger age groups. The prospects of re-entering the labour force after losing a job are much smaller for people over 40 years of age than for younger people. We have already seen that education does not seem to affect the prospects of going back to work for the middle-aged and elderly, probably because their education and skills are not in great demand in a society in transition. Among the youngest, i.e. those between 15–19 years, relatively few have been without work for a long period of time, and only 20 per cent have been unemployed for more than a year.

People in smaller towns run the greatest risk of being unemployed for a prolonged period. The employment situation is particularly difficult in towns whose economic activities have centred around cornerstone enterprises that have now been closed down, and where there are few options for alternative employment. Even though it is easier to find temporary work in rural areas, it has proven difficult to find permanent employment there as well. Finally, there is the additional problem for those living alone that the rate of long-term unemployment is considerably higher for one person households than for other types of household.

There may be many reasons for unemployment, but we would expect closures and redundancies to be among the most important. Soviet-style industrial

enterprises were all notoriously overstaffed, and the fear of mass redundancies has been a salient issue in Latvia's discussions on economic reform in recent years. Figure 7.13 shows that enterprise closures and redundancies are among the most frequently mentioned reasons for unemployment. Voluntary resignation is also mentioned by a substantial number of people. The figure clearly shows that men and women have become unemployed for different reasons. A higher percentage of men claim to have resigned voluntarily, while women more often report closure of the enterprise or redundancy as the main reasons for their being unemployed.

The unpaid job-seekers in the survey were also asked which measures they had taken during the past week to find a job. If they had taken more than one measure,

Figure 7.13: Main reason for not working by gender. Per cent of respondents who have worked during the past 12 months.

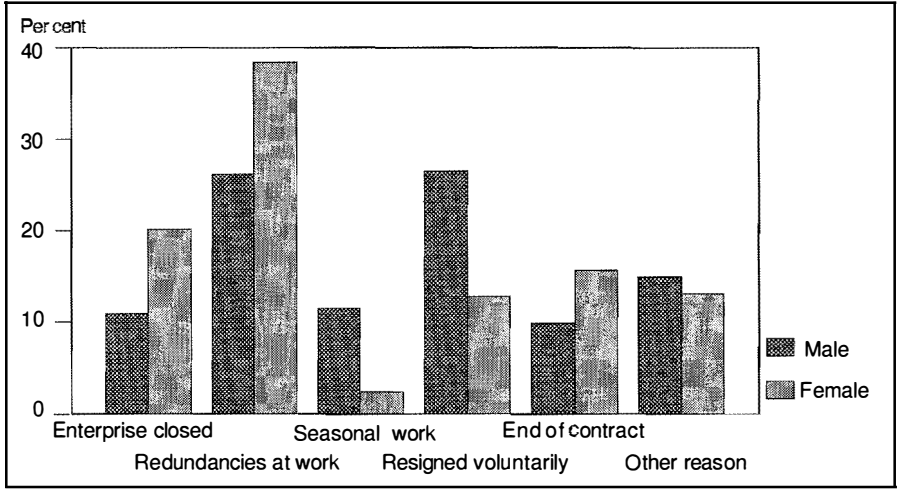
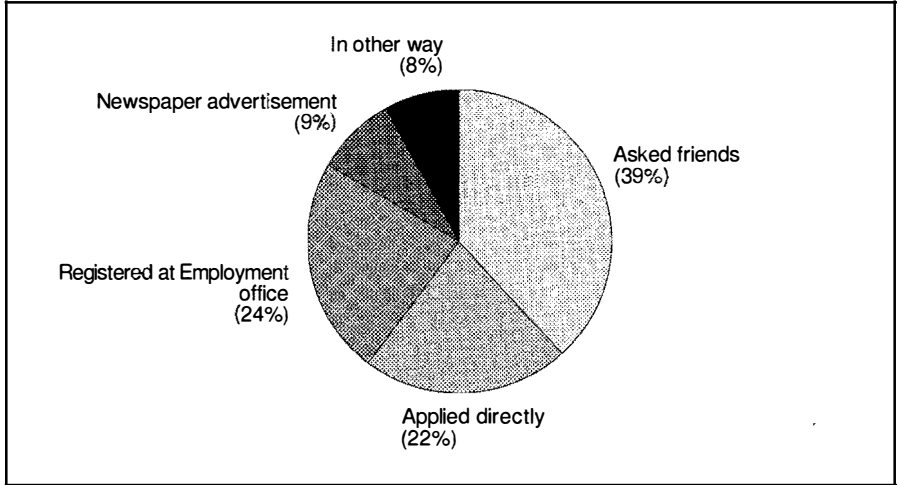


Figure 7.14: Steps taken to find work. Per cent of unpaid job-seekers.



they were asked to indicate the one they considered to be most important. The distribution of their replies is illustrated in Figure 7.14. The figure reveals that informal ways of job-seeking are more common than registering with the Employment Office. In fact, less than one quarter of the respondents report registration at the Employment Office as their main job-seeking activity. Although some may have registered without reporting this as their main job-seeking effort, there are strong indications that a relatively small proportion of job-seekers actually register at the Employment Office. There may be many reasons for this, but the most important can probably be found in the strict requirements for obtaining official status as unemployed and becoming entitled to unemployment benefits.

UNEMPLOYMENT BENEFITS

Unemployment benefits amounting to 90 per cent of the minimum wage, which is defined by the government, are granted to people whose employers have paid social security taxes for not less than 6 of the past 12 months. There is also a provision granting benefits equivalent to 70 per cent of the minimum wage. This arrangement covers people who have completed an education and received a certificate showing their educational qualifications but who have not yet found any employment; demobilised military personnel; released prisoners; those who have been rehabilitated after disability; and women who have children from 3 to 3 1/2 years of age. The total period an unemployed is entitled to unemployment benefits is 6 months in the course of a 12-month period. The number of registered unemployed people who received unemployment benefits declined from 80 per cent at the beginning of 1993 to 40 per cent in the summer of 1994, benefits expiring for a large number of people. Moreover, it is noteworthy that only those who work in enterprises that pay social security taxes are entitled to unemployment benefits.

According to estimates from the survey, only one in five of those classified as unemployed according to the ILO definition receive unemployment benefits. The strict eligibility requirements for such benefits are probably the main reason why so few people receive them, something which also explains why a relatively small proportion of the unemployed bother to register at the local employment office.

HIDDEN UNEMPLOYMENT

As indicated above, over the past few years *hidden unemployment* has also become a problem in Latvia. Such hidden unemployment mainly expresses itself as forced, i.e. technically unnecessary, cessations of production, involuntary unpaid vacations for employees and reduced working hours.

The Latvian living conditions survey provides little direct information on hidden unemployment in Latvia. Official statistics, though, suggest that the problem is not inconsiderable.. Hidden unemployment is a rather common phenomenon in

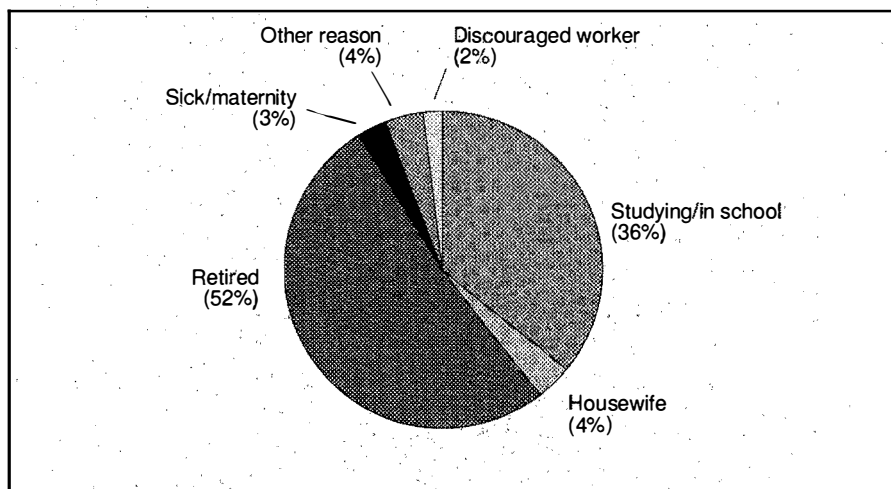
state-owned and local government enterprises. Estimates based on a 1994 survey carried out by the Central Statistical Bureau of Latvia suggest that forced losses in working hours amounted to three million wasted man-days in state or local government-owned enterprises and organisations, and in companies in which the state has a majority stake (i.e. at least 51 per cent). Most of the loss in working hours (55 per cent) was caused by full day (shift) forced breaks. Involuntary, unpaid leave made up one third (35 per cent), whereas one tenth (10 per cent) of the working time losses were due to a reduced working day or a reduction in the number of shifts. Manufacturing and construction enterprises accounted for 90 per cent of the total forced working time losses of all enterprises in the 1994 survey referred to above.

THE ECONOMICALLY INACTIVE POPULATION

In addition to employed people and unpaid job-seekers, there is also a third group: people who are not considered as part of the labour force. A majority (52 per cent) of those outside the labour force are old-age pensioners receiving pensions (Figure 7.15). A substantial proportion (36 per cent) is also made up of people who are studying or at school. It should be noted that students who have had paid employment in the reference week are classified as employed. In this context, we shall concentrate on the remaining 12 per cent of the economically inactive population who are neither pensioners nor students, and who make up 6 per cent of the total population of Latvia.

The distribution of these persons is as follows: The largest group is made up of housewives, comprising 3 per cent of the economically inactive but 29 per cent of the residual category. The fact that only 6 per cent of the women in the economically inactive group give this answer, shows that Latvia has relatively few full-time

Figure 7.15: Distribution of population 15 years of age or older outside the labour force. Per cent.



housewives. In the present difficult economic situation, very few households can afford to have someone working at home unless there are small children in the household who nevertheless require care and some form of compensation is given. Note that the survey does not indicate whether the status of the housewife is voluntary or involuntary.

The next group, according to size, consists of persons with handicaps or illnesses, pregnant women and women on maternity leave. Our estimates suggest that the ratio of those who are ill/handicapped to those who are pregnant or on maternity leave, is about 3:1. This group makes up 3 per cent of the economically inactive. However, one quarter of those who have not retired or are still at school belong to this group. The size of this group depends to some extent on how integrated those with illnesses or handicaps are in the labour market, and – although we have no data which can confirm this – one would expect that some of those who gave the reasons for not working listed above, would have preferred to be in paid employment if they had the chance.

Another group of people outside the labour force consists of persons who are potential job-seekers, but who have either stopped seeking work, given up all hope, or who do not know where or how to look for a job. These people are commonly referred to as *discouraged workers* and are classified as economically inactive. Even if only 2 per cent of the economically inactive belong to the group of discouraged, they still constitute 16 per cent of those who have not retired or are in school. In addition, as argued above, one would expect that some of the disabled, sick, housewives, students, and even pensioners, would have liked to work if jobs had been available. The proportion of discouraged workers is therefore likely to be higher than the figures reported in the survey.

Let us now take a brief look at the characteristics of the discouraged workers. The most important finding is that the share of discouraged workers is considerably higher among the middle-aged than among the young. The proportion increases until the age of 35, after which it stabilises until retirement age. While only 3 per cent of the economically inactive from 15 to 25 years of age are classified as discouraged workers, the same is true of 14 per cent of those from 35 to 55. Second, men are more likely than women to be labelled discouraged workers. This is particularly true in the age groups above 35 years. Between one fifth and one quarter of the economically inactive men in the age group from 35 to retirement report that they have given up looking for a job. It should be stressed, however, that those who have given up comprise only 3 per cent of all men in this age bracket. Among women, the highest proportion of discouraged workers is found among the very youngest, i.e. those between 15 and 19 years old.

People who report other reasons for not seeking a job include those who have not yet started their search, those who would like to work but have to take care of sick or elderly family members, those who live on savings or pensions, those who have found work but have not started yet, those waiting to be called back to a former job or to get an answer from potential employers, and those who do not seek em-

ployment for some other, unreported, reason. In total, these people make up only 2 per cent of the economically inactive population.

As mentioned above, those outside the labour force are characterised by an average educational level which is considerably lower than that of the employed or even the unemployed. The need for these people in the current Latvian labour market is very little. Whether or not some of them would have preferred to work, had they had the opportunity, is open to question. In subsequent chapters we shall study the consequences that a lack of integration in the labour market may have for other aspects of living conditions.

CONCLUSIONS

The results of the Latvian NORBALT living conditions survey 1994 confirm, and in some respects paint an even darker picture of the situation in the Latvian labour market than do existing reports primarily based on figures for official unemployment rates (UNDP 1995, Latvian Ministry of State Reforms 1995). An unemployment rate of 17 per cent of the economically active population – almost three times the official unemployment rate – must be deemed serious, especially in the light of the fact that part-time workers and the temporarily absent are counted as employed in accordance with ILO recommendations, thereby concealing some of the hidden unemployment in the country. Additional statistical information gives evidence of an increasing share of persons without any job experience prior to being registered at the Employment Office, as well as of a rising percentage of long-term unemployed. These trends suggest that special attention should be paid to the training and re-training of the unemployed with a view to helping them to enter or re-enter the labour market.

The survey results show that employment problems are particularly common among the youngest segments of the population, and that they make themselves especially felt in connection with their introduction to the labour market. Persons with at least some formal education tend to be more successful than those with little formal education. Young girls are more affected than young men by the rigid labour market at present, and this may be one of the reasons why many girls in the young age groups opt for continuing their education. Employment problems also tend to increase towards the age of retirement, and in this case it is men, mainly those with little education, who are the most vulnerable. Usually having most of their work experience from manual work in the Soviet planned economy, these middle-aged men are not in great demand in the Latvian labour market today. It cannot be of much comfort to these men, who can be regarded as being excluded from the labour market, that they are approaching the age of retirement, as pensioners face peculiar difficulties in today's Latvia. The predicament of Latvian old-age pensioners will be discussed in subsequent chapters.

Not only do people encounter problems in entering and leaving the labour market, a large number are regularly exposed to hazards and strains at the workplace. It is expensive to improve working conditions, and improvements are unlikely to become a top priority under the current economic conditions. Thus no major improvements in the working environment are likely to be made in the foreseeable future. It does not seem far fetched to assume that the poor working conditions, especially for men, affect the general state of health of the working population and that they therefore provide part of the explanation for the low and decreasing life expectancy of Latvian residents.

ECONOMIC RESOURCES

Aadne Aasland

*Kai iraugu, tai pazynu
Bogotu saimniecu
Lobi svorki mugurā
Skatī nauderņa karmanā*

[When I see her, I recognise
A rich farmer's wife:
She is dressed in fine clothing,
Money jingling in her pocket.]

From a Latvian folksong.

INTRODUCTION

The macroeconomic transformation taking place in Latvia has had important implications for the economy of Latvian households. From the start, the transition has been accompanied by a sharp decline in the gross domestic product. The GDP per capita decreased by more than a half from 1990 to 1994. Naturally, this also affected real household incomes. As a result, the majority of Latvians have experienced a considerable deterioration in material living conditions, and the number of the poor has grown dramatically. The rampant inflation that developed when most prices were freed in 1991 and 1992 was a great shock for the population.¹ There had also been some inflation in Soviet times, but much of it had been artificially repressed, leading to empty shelves in the stores. Now that Latvians could enjoy a much wider selection of goods in the shops, they faced the paradoxical problem of not being able to afford to fill their shopping baskets. Although wages increased as well, they could not keep up with the increase in prices. The purchasing power of the employed declined by 11 per cent from December 1991 to November 1994. Thus, the disposable real incomes of many people covered nothing but the most pressing daily necessities.

Some people, of course, reaped substantial financial benefits from the changes. The many new restaurants, cafés and clubs in Riga and other cities have been frequented by well-dressed *nouveau riche*, who appear to have no trouble paying the bills amounting to an average monthly income or more. Many people began driving expensive Western cars and wearing the latest French fashions. In sharp contrast, another noticeable change has taken place in the city landscape with ragged men and women appearing on the streets to beg for money. The misery thus manifested, though, only represent the tip of the iceberg. In Latvia there is a growing number

¹ In 1991 inflation was 262 per cent while it was 958 per cent in 1992.

of poverty-stricken people who have serious problems eking out a living. In other words, the decline in average income has been accompanied by an increase in inequality. This situation coincides with severe budgetary constraints, giving the government little freedom of manoeuvre, and exerting considerable pressure on the traditional instruments of social policy.

How, then, do people cope with the deteriorating living standards and strained household economies? The chapter sets out to map and analyse the various kinds of income sources of Latvian households and individuals. The aim of the first section is to outline how wages, governmental transfer incomes and private enterprise are distributed among the various household types in the present economic situation. Many households try to compensate for deteriorating living conditions by working more hours or by engaging in alternative economic activities. Such compensation strategies will be discussed in the next section. This will be followed by special sections on Latvian consumption patterns and adaption to economic hardship.

In order to obtain reliable information about income and expenditure patterns, a comprehensive and detailed *household budget survey* is needed. Such a survey is currently being carried out in Latvia by the Central Statistical Committee of Latvia, with guidance from the World Bank, and will provide a basis for calculations regarding poverty lines and the household income levels. As we have hinted, this chapter approaches the question of economic resources from a somewhat different angle. The main focus is on how people's general welfare is affected by the financial resources at the disposal of the household.

SOURCES OF INCOME

Although a living conditions survey cannot produce exact information about household incomes and expenditures, the Latvian NORBALT living conditions survey 1994 contains several questions of importance to discussions on the subject. Randomly selected individuals were asked to report the types of incomes they and the other household members had received during the previous 12 months.² The responses to this question provide rich and comprehensive data on the income patterns of individuals and households in Latvian society.

Let us first examine the distribution of income types. Each respondent was asked to list a maximum of five different types of income which he or she had received during the previous year. Respondents could choose from a prepared list of kinds of income. Figure 8.1 (see next page) shows that less than half the respondents (47 per cent) received wages or salaries from employed work. Almost the same percentage (46 per cent) received no earned incomes (including wage income, income from

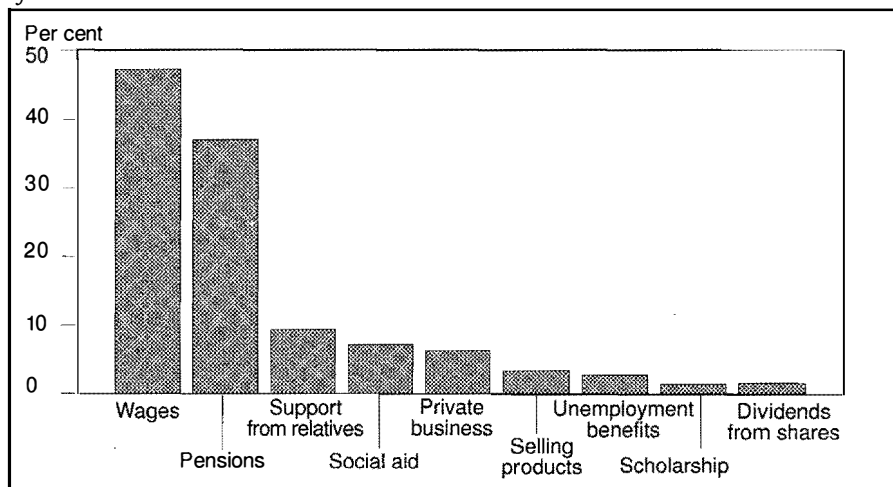
² When the randomly selected individuals were unable, for whatever reason, to answer the questions concerning the other members of the household, a responsible adult member of the household was asked to answer (see Appendix 2).

private business or farm, dividends from shares or interest incomes, or income from homemade products, arts and crafts, etc.). While only a few of those without earned incomes had received no income at all (4 per cent), most had received some form of government transfer and/or help and support from people outside the household. Some were undoubtedly supported by other members of the household. Government transfers include pensions, welfare, unemployment benefits and disability benefits. Of course, the income subsidies distributed by the government are largely derived from taxes paid by those who have some form of earned income. It is, therefore, noteworthy that only just over half the population contribute to supporting the large percentage of the population who are dependent on transfers from the government.

One of the main reasons why so many people do not have earned incomes, is that Latvia has an early retirement age; 55 for women and 60 for men. Thus, 35 per cent of the adult population are pensioners. More than two-thirds of them are women. Our data show that only 13 per cent of male and 8 per cent of female pensioners have some form of earned income on top of, or instead of, their pensions. In other words, most Latvians leave the labour force when they reach the retirement age. It is worth mentioning that some people who continue to work after reaching the age of retirement receive pensions on top of their salaries.

Although 17 per cent of the Latvian labour force are active job-seekers (or unemployed according to the ILO definition; see the chapter on employment), only 3 per cent of the respondents received unemployment benefits during the previous year. Further analysis shows that only one in five of those who were active job-seekers at the time of the survey received unemployment benefits. This relatively low figure can chiefly be explained by the strict eligibility requirements. Only people who have been officially registered as unemployed at the Employment Office are entitled to unemployment benefits. One should note that a substantial number of people

Figure 8.1: Proportion of individuals (18 years of age and above) with different sources of income. Per cent.

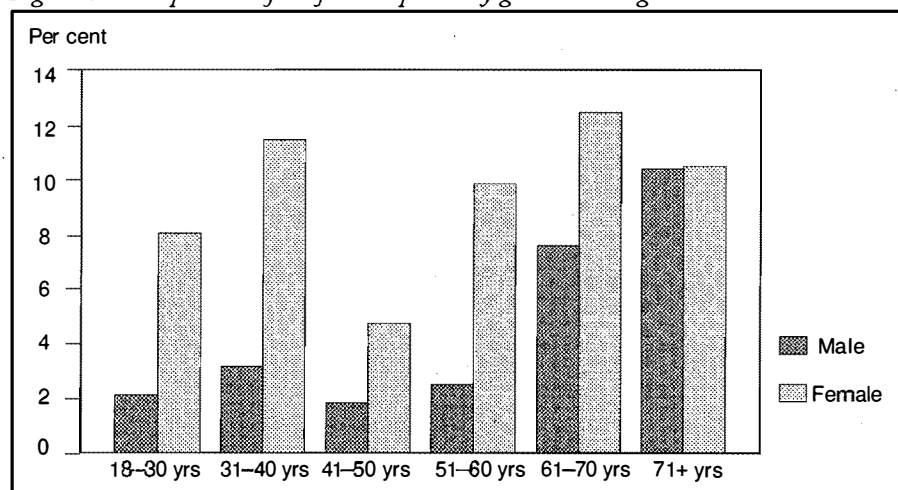


who qualify as unemployed according to the ILO definition do not register and do not, therefore, receive such benefits. In Latvia the unemployed are entitled to benefits for a maximum of six months. Those who are unemployed for longer periods of time have to apply for welfare if they cannot manage otherwise. The NORBALT survey bears out that the Latvian arrangements for those who have attained the status of unemployed are effective. Ninety-seven per cent of those who are officially registered report having received unemployment benefits during the past year.

As can be seen from the Figure 8.1, more people receive welfare than unemployment benefits, and according to the survey data, 7 per cent of the adult population had received such aid during the past year. Figure 8.2 shows the distribution of welfare recipients by age and gender. Women report being on welfare more often than men in all age groups, although the gap narrows with increasing age. The relatively high proportion of welfare recipients among women in the younger age groups may be partly attributable to the fact that a larger number of women than men are single parents. However, although single providers receive welfare more than twice as often as others, only one in six actually get such aid.

Our survey data indicate that payment of welfare is not solely determined by the needs of the potential recipients but also factors such as the financial capacity of the municipality distributing such aid.³ One would expect that the need for welfare would not be much less in the capital than in other regions, but in fact, the proportion of welfare recipients in Riga is only half of the average for the country as a whole. In some other regions, most notably in Kurzeme, the proportion of recipients is exceptionally high; for example, 17 per cent of the respondents in Kurzeme's rural districts reported that they had received welfare. There are no other indications of why there should be more social clients in this region than in other parts of Latvia.

Figure 8.2: Proportion of welfare recipients by gender and age. Per cent.



³ This is also supported by Ravnsbæk Bruun, et al (1995: 97).

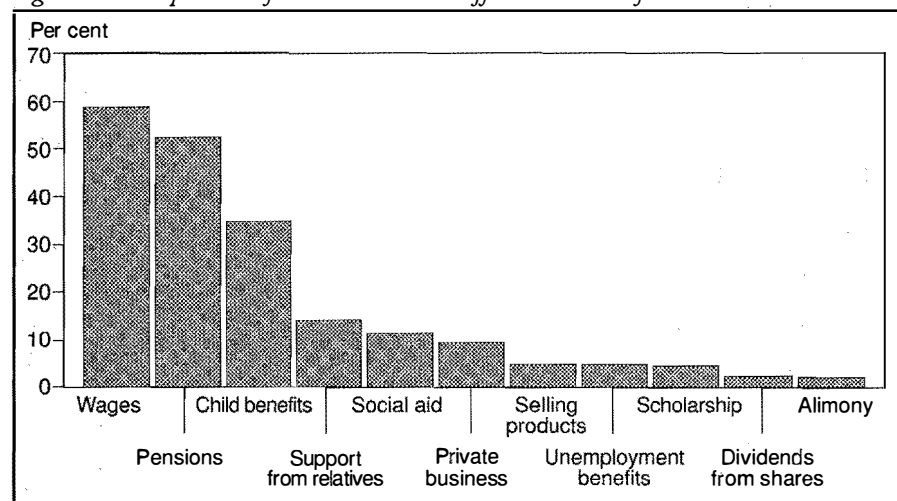
At the same time, the eastern region of Latgale, where one might expect to find a large number of welfare recipients, does not differ much from the average.

The pattern of income sources for households is largely identical to the one for individual respondents. Figure 8.3 shows the distribution of various kinds of incomes at the household level. All sources of household income are registered in this figure, regardless of whether they occur one or more times within the same household. Although the figure shows all types of household incomes, it does not rank them according to importance. For instance, wages would normally contribute more to household finances than child benefits received, but this is not reflected in the figure.

Only 59 per cent of the households have one or more wage incomes. In fact, 27 per cent of Latvian households have no earned income, and slightly less than 2 per cent of the households report having no income at all. A majority of the households received at least one form of government transfer. All Latvian families with children receive a children's allowance until the child reaches the age of 15, and for those who still study or attend school, until the age of 18. As shown in Figure 8.3, more than one third of all the households receive this type of benefit. However, as children's allowances have become rather small the last few years, they will be omitted from the subsequent analysis.

The survey data further reveal that more than half of all households receive some form of pension, usually for old age. Moreover, about 12 per cent of the households receive income from welfare. In comparison, the corresponding figure for Norway (1990) was just below 7 per cent (Statistics Norway 1993: 241). As expected, households with single providers and, to a smaller extent, one-person households and households with small children were over-represented among the recipients of such aid.

Figure 8.3: Proportion of households with different sources of income. Per cent.

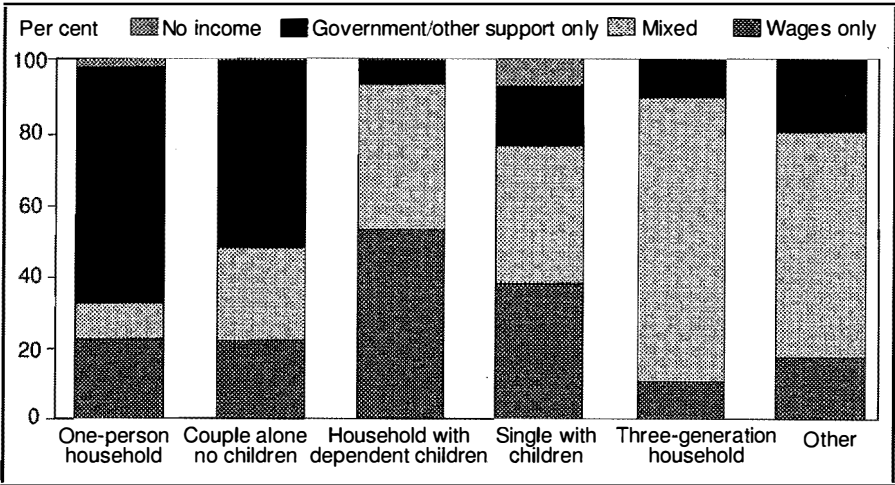


To analyse the distribution of income types more thoroughly, households have been classified according to their income sources. The following picture emerges:

1. Households with earned incomes only (29%).
2. Households with a larger number of earned incomes than other types of income (10%).
3. Households with equal numbers of earned incomes and other types of income (18%).
4. Households with a larger number of government transfer and assistance incomes than earned incomes (8%).
5. Households with government transfer and assistance incomes only (34%).
6. Households without any reported sources of income (2%).

Naturally, the distribution of these incomes differs with household types. Some major trends are illustrated in Figure 8.4. For the purpose of clarity, the household categories listed above have been simplified in the figure; types 2 to 4, i.e. households with a variety of income sources, are treated as one group. The figure shows that one-person households and households consisting of a couple and no children have a tendency to rely on governmental transfers or assistance, while wage incomes dominate in households with dependent children. This is because there is a high percentage of old-age pensioners in the two former groups, who obviously are less likely than others to have regular, paid employment. The figure also shows that the group with no reported income is small in all household categories, but somewhat larger in households with a single provider (and dependent children) than elsewhere. Moreover, single-parent households (households with a single provider) are more likely to be dependent on government transfers or help from others than other households with dependent children.

Figure 8.4: Income sources by household type. Per cent.



COMPENSATION STRATEGIES

Low salaries and high prices have caused serious problems for Latvian household economies. Households that find themselves in dire financial straits will be motivated to seek ways to compensate. Several options may be considered to counter the threat to their welfare resulting from the loss of real wages. The first is to look for extra work outside the household. Those who are already employed might try to work longer hours or to seek additional employment somewhere else. Another possibility is to find work for household members not currently part of the labour force, for example pensioners.

A second option would be to initiate or intensify alternative economic activities. Many Latvian households have access to farmland or plots where they can produce food for their own consumption, or for sale. In a strained economic situation, the importance of such activities tends to increase. Moreover, people can engage in a number of other economic activities of a more informal nature in order to earn extra income. Such activities may for example include performing various personal services for payment, taxi-driving in a privately-owned vehicle, or travelling to other countries (often in the CIS) to buy cheap products, and then selling them in Latvia where prices are higher. Of course, people also have the option of engaging in illegal or semi-legal economic activities. The Latvian living conditions survey contains questions about formal and informal economic activities and can therefore provide some relevant information about the compensation strategies of Latvian households.

Only 8 per cent of people in the active labour force in Latvia reported having an extra job where they worked an average of 18 hours during the previous week. Sixteen per cent were looking for such a job. The pressure on the labour market and the increasing unemployment figures seems to make it rather difficult to find additional work. However, a considerable proportion of the workforce works long hours which also normally adds to household income. Among those who have regular work, 17 per cent had spent more than 50 hours on their main job during the previous week and 9 per cent had worked more than 60 hours (the official work week is 40 hours in Latvia). Thus, a total of almost one quarter of the active workforce had either worked more than 50 hours or had an additional job.

If we look at the household employment level, we find that additional employment for at least one member of the household, including long working hours, is a quite common compensation mechanism during economic hardship. One third of the households have at least one person – and 9 per cent two persons or more – who either have an additional job or who work 50 hours or more in their main job. In addition, we know that a substantial number of people are looking for extra work.

The larger the share of consumers in the household, as measured by the consumer ratio (see chapter 3 on households), the more likely the household is to have someone working long hours, either in their main job or in additional employment. Also, the larger the household, the more common it is to have someone engaged in this type of work. In a large household more adults or children are able to take part in

household duties, freeing one person to provide more income. However, only a few single providers; usually single parents, work long hours or have an additional job. In such households parents have to spend most of their spare time caring for the children. Since it is expensive to bring up children, there is a tendency for households with many dependent children to have at least one person earning additional income through extra work. In Latvia, as in most other countries, these persons are more likely to be men than women.

Another important finding is that people in Latgale work less hours than other Latvians, and that it is less common in this region to have additional employment. The difficult situation in the Latgalian labour market (see the chapter on employment) is likely to be a significant factor in explaining this phenomenon. Apart from Riga, Latgale is the Latvian region with the largest share of the employed looking for extra work.

As mentioned above, there are a number of informal economic activities in which households can engage if people want to improve their household economy. Table 8.1 shows a list of economic activities and the percentage of households engaged in each type. As shown by the table, very few people report taking part in most of the listed economic activities, with two exceptions. A small but significant number of households sell vegetables and fruit from their land plots (7 per cent), or perform personal services (home and car repair, washing, laundering, hairdressing, etc.) for payment (8 per cent). A total of 15 per cent of all households include at least one person who is involved in one or more of the listed activities. It should, however, be noted that this result is likely to represent a slight underestimation of the real figure, since some respondents are reluctant to report all their economic activities in an interview situation, especially activities which belong to the shadow economy.

Growing fruit or vegetables can make a significant contribution to strained household finances, particularly in a situation where food prices on food products have increased exorbitantly. Produce may be sold, as mentioned above, but it may also be a source of food for the family. Latvian families are famous for a high degree of self-sufficiency as regards food products, and the survey findings support this. As

Table 8.1: Proportion of households engaged in different forms of informal economic activities. Per cent.

Type of activity	Per cent
Purchase and resale of manufactured goods and/or foodstuffs for profit	1
Taxidiving in a personal car	1
Travel to other countries in order to purchase items	1
Carry out personal services for payment	8
Sale of vegetables, fruit or flowers on local market/streets	7

many as 60 per cent of the households own a farm or have access to a garden or small plot of land which they use to cultivate fruit, vegetables or flowers. A quarter of these households have a farm, while the rest have a garden or a plot of land. Although the plots tend to be relatively small – half of them were less than 500 square meters in size – they represent a valuable contribution to the living standards of households. Moreover, when it is hard to find work in the official labour market, it is sometimes possible for members of households not in full employment to spend more time on food production, provided, of course, they have access to a farm or to a land plot.

CONSUMER DURABLES

In living conditions studies the possession of consumer durables may provide a useful indication of a household's financial resources. Access to some major appliance, such as a refrigerator, washing machine or car may in itself increase the welfare of a household. Also, the value of consumer goods can sometimes be realised during times of economic hardship. Many Latvian families have reacted to the current worsening of living standards by selling goods that are not seen as vital, this giving them economic relief, at least for a time. Moreover, households characterised by strong financial resources are likely to spend a larger share of their household budget on such goods than on necessities like food and accommodation.

One should, however, be careful about drawing conclusions about a household's welfare solely on the basis of information about the ownership of consumer durables. First, priorities may vary among families, and what is seen as a necessity by one family may be regarded as superfluous by another. Second, families may have access to some consumer durables without necessarily owning them. However, sharing consumer appliances, such as a washing machine, is relatively uncommon in Latvia. Third, the quality and age of consumer durables may vary, which will affect their usefulness. Fourth, some families may put themselves into great debt by purchasing more consumer durables than they strictly speaking can afford. Such constant economic pressure and stress may erode the well-being of household members. In other words, if the task is to evaluate a household's financial resources, such information must be used with caution and always be seen in relation to other information about the household. Nevertheless, since ownership of consumer durables tends to correlate strongly with other economic indicators, it may be seen as an important indicator of the economic resources at the disposal of the household.

Data from the Latvian living conditions survey 1994 show that a majority of Latvian households own major appliances such as refrigerators, television sets, washing machines and vacuum cleaners (see Figure 8.5 next page). In fact, more than half the households possess all these consumer durables. As can be seen from the figure, only one quarter of the households in Latvia have their own car, while 5 per cent own a motorbike. Video and stereo equipment do not appear to be very common, as less than 15 per cent of Latvian households own such equipment.

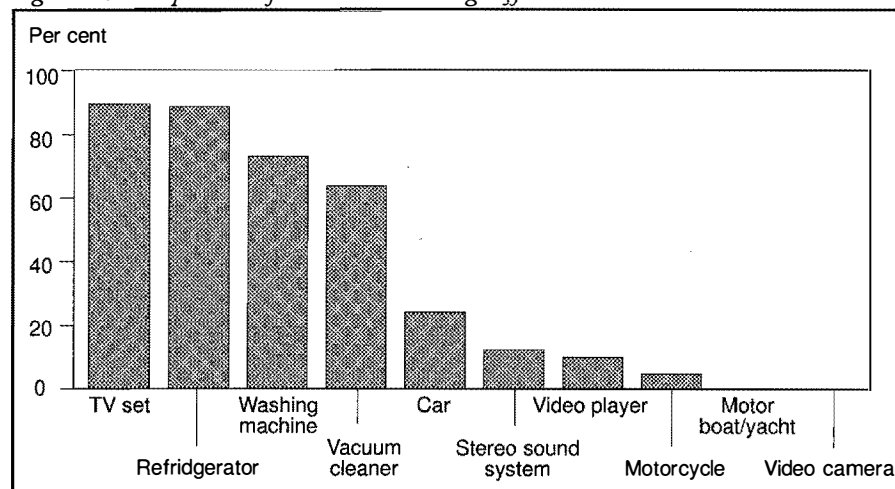
Despite the fact that Latvia is situated by the Baltic Sea, and there are many in-land lakes and rivers, very few Latvian households own a boat. Thus, the figure shows that durables that modern society has come to regard as necessities are found in most Latvian households, while what might be considered luxury (or less needed) items are less widespread.

One clear indication of the strain that most households render is the fact that only a small fraction of households have bought any of the above-mentioned consumer durables during the past six months. Although most of these consumer durables do not have to be replaced very often, it is still noteworthy that only one to two per cent of the households that own a refrigerator, washing machine, television set or vacuum cleaner have bought these appliances during the six months prior to the survey. The problem is no longer the availability of such goods in Latvian shops; they are not hard to obtain for those who have the money. However, at present most Latvian households must give priority to more urgent needs, such as adequate food and clothing. There are, of course, also people whose economic situation has improved during the transition period. Only relatively rich people can allow themselves to buy new cars, stereos or video equipment at present. According to our data, 6–7 per cent of the households owning a car, stereo or video equipment have acquired the goods during the previous six months.

To enable us to make a more detailed analysis of ownership patterns, an index has been constructed listing the most typical consumer durables and their prevalence in households. A household can have a score from 0 (no durables) to 7 (seven durables). In grouping the categories, we find that the majority of the households (53 per cent) have three or four durables, 20 per cent have two or less, while the final quarter has five or more durables.

Naturally, large households tend to have more consumer durables than small households do. While as many as 43 per cent of the one-person households have a

Figure 8.5: Proportion of households owning different consumer durables. Per cent.



score in the range of 0–2 on the consumer durable index, the same is true of less than 8 per cent of households consisting of three people or more. Economic factors are likely to be significant, but one must also take into account that access to some of the listed consumer durables is less urgent for smaller households (e.g. washing machines), and that large households enjoy some advantages from having economies of scale. Buying a new TV set is less costly for a large household than for a small one, and each member of a large household rarely needs a set of his or her own.

The consumer ratio in the household is another factor that correlates strongly with the ownership of consumer durables. The less producers a household has, seen in relation to the household size, the fewer consumer durables it is likely to have. Naturally, there are substantial differences among the various household types as to their ability to buy consumer durables. Households with dependent children who are 7 years old or more (above school age) have the highest average number of consumer goods. Somewhat fewer durables are found in households with younger children. This is natural, as newly established households cannot purchase all the goods they may want during the very first years and, clearly, they will obtain more goods as the years go by. Households with a single provider and dependent children have far fewer durables than the average, and single-person households are the worst off of all household types.

There are also interesting regional variations. Households in urban districts tend to have more durables than those in the rural districts. The only exception is in Kurzeme, where the rural districts are characterised by households with a large number of consumer durables; in fact the highest average in all of Latvia. The most deploring situation is found in Latgale, especially in the rural districts, where 43 per cent of the households own as little as two or less consumer durables, while only 11 per cent have five or more. This must be seen in relation to the difficult economic situation in this region in general.

ECONOMIC HARDSHIP

The survey gives a vivid and, hopefully, quite realistic picture of the degree of a household's financial vulnerability. The five relevant questions read as follows: «If you reflect back on your household's economy during the last 12 months, did you ever:

- A. have to rely on outside help in order to pay your regular expenses.... on time?
- B. find yourself unable to afford to heat your home....?
- C. find yourself unable to have meat or fish for dinner more than 1 or 2 times per week?
- D. have to refrain from purchasing necessary clothes or footwear ... ?
- E. involuntarily have to refrain from taking part in social or cultural activities.....?

It should be stressed that the measures listed here are subjective. They will to a certain extent be influenced by the typical position or role of the respondent within the household. This should be taken into account when interpreting the results, since the answers have been given by a responsible adult who would normally, but not always, be the same as the randomly selected survey respondent. Since the respondents refer to situations which actually have taken place, the effects on the results should be negligible.

As can be seen from Table 8.2, almost half the households relied on outside help to pay their regular expenses on time during the previous year. More than a quarter of the households experienced this more than three times. A somewhat smaller proportion of the households reported that they were unable to heat their homes to an acceptable temperature. It is, however, still worth noting that more than one third of all households have experienced this problem. Though, perhaps, not as serious as the two problems mentioned above, the three remaining problems on the list were reported by a majority of households in the survey. Almost six in ten could not afford to have meat or fish for dinner more than once or twice a week. Only one in five were able to buy clothes or footwear whenever they needed this, while one

Table 8.2: Experience of economic hardships during past year. Five indicators. Per cent of households.

Households which could not:	Never	1-2 times	3-12 times	12 times +
Pay regular expenses	55	17	18	10
Heat home	63	8	15	14
Eat meat or fish	42	10	22	26
Buy clothes or shoes	20	13	28	39
Social activities	32	8	19	41

in three could afford to take part in the social and cultural activities they wanted. These results suggest a severely strained financial situation for the majority of households in Latvia.

An index of economic hardship has been constructed to identify the characteristics of the most vulnerable households, and of the households that are better off financially. Reliability analyses confirm a strong correlation between the listed variables. In the index, constructed to reflect the severity of the problems and the distribution of the answers to the five questions, households fall into four different groups. The first consists of households which reported not having any of the economic difficulties in question, making up only 11 per cent of all the households in the survey. The second group comprises households at the other end of the scale. This group was identified by selecting those who answered that they experienced *all* the listed problems more than three times during the previous year. Thus, we were able to pinpoint a rather small but economically highly vulnerable group, comprising 12 per cent of the households, which will be the subject of subsequent analysis. A third group, making up one third of the households (33 per cent), includes Latvians who have experienced one or both of the two most serious problems three times or more. These households must also be regarded as rather vulnerable, although less so than the second group. Finally, the last group experienced some economic problems, but not as serious as those listed above, and this group – the largest of the four – constitutes 45 per cent of the households.

This index of economic hardship correlates with other indicators of a household's economic resources, such as the indexes for consumer durables and income sources, but the correlation is not very strong.⁴ The general trend is, however, clear: Households with few consumer durables and no earned incomes are more likely to be financially exposed than others. It should be stressed that there is no absolute correspondence between the variables, and we also find many financially vulnerable households among those who have many consumer goods and earned incomes.

The consumer ratio (see above) of a household is an important factor in determining the degree of economic hardship. The more producers there are, compared with the number of non-producers, the smaller the likelihood that the household will be economically defenceless. Households with many employed members usually have higher total incomes and are less dependent on outside help. If a household has one or more unemployed members, the opposite effect comes into play. Moreover, families with many children and/or pensioners tend to be more vulnerable than others. One household type stands out as the clearly most vulnerable, that is, the household with a single provider (normally a mother) and dependent children. One quarter of these households have experienced *all* the problems on the list at least three times, and only 3 per cent have not experienced any. Single-person households (often female pensioners) are also more likely to belong to the most vulnerable group than other household types are. As expected, couples living on their

⁴ The correlation (r) is 0.2 for both variables.

own without any children experience the fewest of the above-mentioned financial problems.

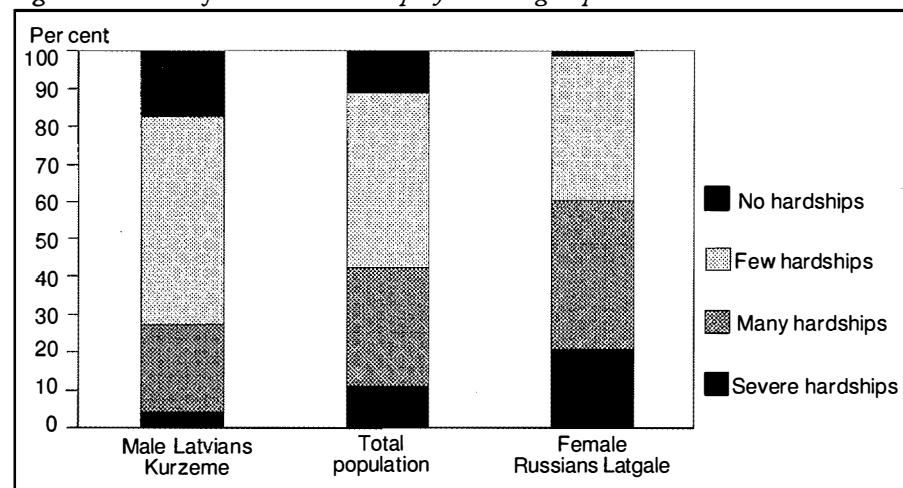
It seems that additional jobs and other alternative economic activities protect households from severe financial difficulties. Also, families with a farm or plot of land where they can produce food, are usually able to avoid serious economic hardship.

There are no marked differences between people living in the countryside and in the cities, but there is a tendency for a relatively higher percentage of more vulnerable households to be found in Riga and the other large cities, while economic hardship is less widespread in smaller towns and rural areas. This may be somewhat surprising, since we know that people in the cities possess more consumer durables than people in rural areas. Life in the city is more expensive than in the countryside and, although many city-dwellers own a plot of land, many do not have any possibility of producing their own food. These people tend to experience more hardship than others. Expectations may also be greater in the cities than in the countryside. People in the cities have more money, but there are also more costly temptations in the cities. Availability creates new needs which cannot be fulfilled due to economic constraints.

Again, it should be noted that Latgale is clearly characterised by more serious economic problems than the other regions of Latvia. This is particularly true of Latgale's urban districts, which have a higher percentage of economically vulnerable people (18 per cent), while only 5 per cent have not experienced any of the listed forms of economic hardship. Kurzeme, on the other hand, is under-represented among vulnerable households in urban and rural districts alike. The percentage of the most vulnerable in this southwestern region is only 6 per cent.

Household characteristics may also be ascribed to the randomly selected individuals, so it may therefore be of interest to look at the relation between a set of in-

Figure 8.6 Level of economic hardship by selected groups. Per cent.



dividual variables and the hardship index. Since the questions are answered on behalf of the whole household, some of the individual effects are filtered and thereby reduced. However, certain tendencies are relatively clear. People who enjoy high occupational status have experienced fewer financial problems during the previous year, while people in the primary occupations are heavily over-represented. It is also noteworthy that women have a tendency to report a greater degree of hardship than men do. There may be many reasons for this. Women generally earn less money than men and are therefore more strongly affected by rising prices. The effect of gender persists, however, even when adjusted for a large number of other variables. One important reason for the gender differences seems to be that women in Latvia are more often responsible for paying bills and doing errands, so they experience more situations in which they come face to face with the household's financial problems.

Although the ethnicity of the respondent does not have a great effect on the hardship index, it is still statistically significant, showing that more Russians are economically vulnerable than ethnic Latvians. Some of the effect disappears, however, when adjusted for other variables, such as the degree of urbanity and regional location. Thus, part of the explanation for the slight difference between ethnic groups seems to be that Russians are over-represented in urban areas and in Latgale, where the scores on the economic hardship index are higher than elsewhere.

As far as economic hardship is concerned, we would expect that ethnic Russian women in Latgale and ethnic Latvians in Kurzeme would represent opposite ends of the scale. Thus, Figure 8.6 compares the hardship index of the two groups. As the figure shows, there are important differences between the groups: Far fewer ethnic Latvian men in Kurzeme experienced economic hardship during the past year. Hardly any of the Russian women in Latgale could report a problem-free household economy. Certain combinations of individual characteristics increase the likelihood of vulnerability, but gender and ethnicity in themselves do not have a great effect. It should therefore be emphasised – and this is confirmed by the figure – that we find economically vulnerable individuals in all groups, regardless of gender, urbanity, education, professional status, ethnicity and so on. In other words, most of the differences found in terms of economic hardship cannot be accounted for by any of the background variables in the survey.

LATVIAN HOUSEHOLDS IN TRANSITION: CONCLUDING OBSERVATIONS

While a new elite of educated younger people, often employed in business are enjoying high and rapidly rising incomes in the mid-1990s, most sections of the population have felt a very different side of the changes. Although there are more goods available in the shops, the purchasing power of the average household has dropped significantly, and most people are spending most of their income on food. According to Latvian household survey data from 1993, the average income of each household

member was only 90 per cent of the value of the crisis minimum defined by the government.⁵

It has been shown in this chapter that many households try hard to compensate for the loss in real incomes, by working longer hours, finding extra jobs, producing food on small plots of land, or by engaging in some other alternative economic activities. This has undoubtedly helped to stave off complete collapse for many households. However, very few households have been able to avoid a serious decline in their household economy. This is clearly illustrated by consumption patterns. The consumption of meat and milk has fallen sharply, while that of bread and potatoes has risen. It has also been shown in this chapter that few people can afford to buy *new* consumer durables, as the lion's share of household income is needed for food.

Increasing rents for housing and rising prices on services such as electricity, gas and telephone have made many people unable to pay their bills. This impression is confirmed by our survey data, which show that respondents living in large flats have more problems paying their bills than respondents living in medium-size flats. When housing is heavily subsidised, people do not have to worry about the price of rent and heating, and most Latvians took as much space as they could obtain. Today one needs a regular, relatively high income to pay the current costs of living in a large apartment. Thus far very few people have been forced to leave their flats because of their inability to pay. However, some tenants who lived in large apartments have had to move to smaller flats. Local electricity boards occasionally discontinue services to tenants or owners who have not paid their bills for quite some time. Moreover, many people live under the constant threat of having to leave a house or flat where they have lived for decades, because of inability to pay the rent or municipal charges.

While some young, entrepreneurial «yuppie»-types in the new banks and enterprises have enjoyed rising living standards, well-educated civil servants and teachers, as well as skilled workers, have seen their incomes fall. As a result, the latter professions no longer attract the best and most talented people in the workforce, because they do not offer an acceptable wage. Another aspect of the transition period is the lack of economic stability, which was especially evident at the beginning of this decade. Instability has made it difficult to plan for the future. Many elderly people who have scrimped and saved for many years, have seen the value of their savings evaporate in a relatively short time without being able to do anything about it. In an unstable economic situation, people often seek short-term profits. There is too much risk involved in the longer-term investments needed for the economy to grow and stabilise.

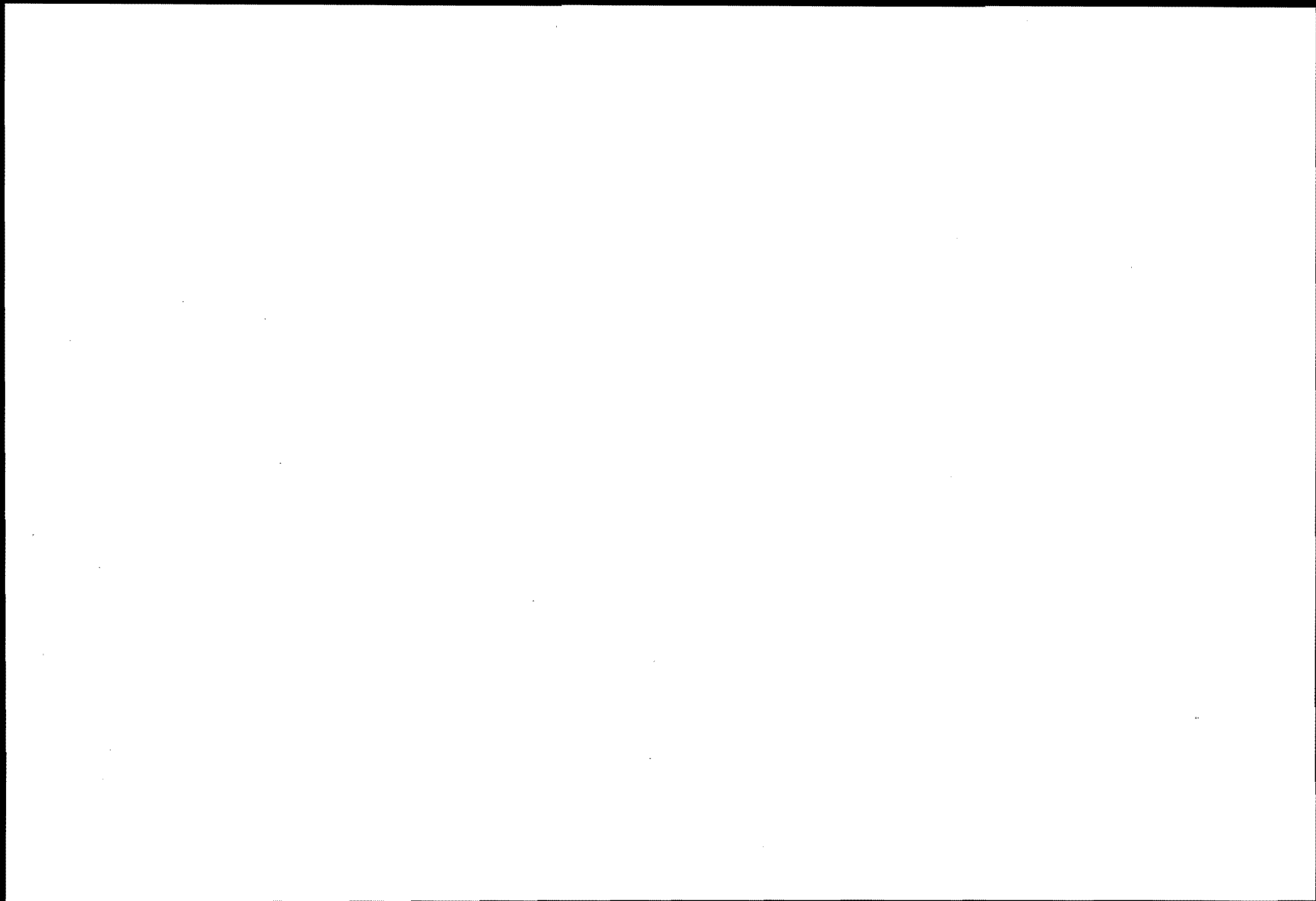
Even if the negative aspects of the transition process have been stressed in this chapter, one must not forget that there are many encouraging signs. Although real wages were higher before the start of the transition, people had a very limited choice of products on which to spend their money. This problem has largely been elimi-

⁵ Data obtained from the CSB. In 1994 the corresponding figure was 105 per cent.

nated. Furthermore, after the introduction of the Latvian currency – the *lat* – the strict financial regime imposed by the Central Bank has laid the basis for real growth with reduced inflation rates. At the time of the survey there were signs that the bottom had been reached and that the economic situation was improving (Latvian Ministry of State Reform 1995: 9), although at a slower pace than in many of the most successfully transformed economies in Central and Eastern Europe (Paeglis 1995: 50). It is, moreover, highly unlikely that the transition process can proceed smoothly without any personal financial sacrifice. Most Latvians also seem to agree on the need for and the direction of reforms. The main argument is centred on their pace and on how they should be implemented.

This chapter has shown that there are substantial inequalities in Latvian society and that some groups tend to be more vulnerable than others. Families with only one provider and one or more dependent children are worse off than other families. Also, old age pensioners, and families where the adults are not active in the labour market, are more likely than others to face economic hardship. Our survey does not give reason to argue that families with children are particularly vulnerable, but families with more than *three* dependent children are somewhat over-represented among the vulnerable households. One might surmise that economic considerations are likely to be one of the reasons for the low birthrates in Latvia.

The NORBALT survey data confirm that Latgale is worse off than other Latvian regions along all economic indicators. The number of people needing social assistance is markedly greater in Latgale than in other regions. To compound the problem, municipal authorities in Latgale have less economic lee-way, in spite of efforts to increase allocations from central authorities. It should again be stressed, however, that although economic tribulations in the wake of the transition are more common within certain population groups and regions, it would be wrong to say that hardship is typical of specific segments or groups. Economic misfortune is primarily a problem at the household and individual level, and differences between individuals are much greater than between regions. The overall impression is that Latvians, despite severe hardship, have been inventive in developing ways to get by until better days arrive.



SOCIAL NETWORKS AND PARTICIPATION

Aadne Aasland

*Labāk man daudzi draugu
Nekā daudzi ienaidnieku
Draugs draugam roku deva
Ienaidnieki zobetiņu*

[Rather scores of friends
Than scores of enemies
Offering a hand
And not a sword]

From a Latvian folk-song.

INTRODUCTION

Only the eremite would appear able to live without social contact of any kind. For the rest of us, social relationships are essential to our identity and well-being. However, the relationships that are most important tend to vary from person to person and also with the different phases of life. Contact with the immediate family, often a partner, constitutes the deepest social bond for the majority of people, irrespective of nation. Many people also establish significant social relationships with friends, colleagues and neighbours. Social integration gives the individual a sense of belonging, often adding meaning and direction to life. Moreover, people with tight social networks often have access to important resources, e.g. information, economic or material support, and/or help with tasks such as childcare or running errands. In an economy in transition, as in Latvia, where the state sometimes cannot guarantee basic social security for all individuals, a wide net of contacts takes on added significance.

Social networks may therefore be considered a living conditions component in their own right. However, it is difficult for a study of living conditions to assess the character and value of social networks, since it is hard to obtain reliable information about the quality of the individual relationships. Obviously, the essence of a social relationship cannot be captured by counting the number of meetings. And of course, social contact can also have a negative side, as when children or adults are bullied at school or at work.

Since social contact requires participation on the part of individual, it is very difficult to influence or direct it by political means. On the other hand, it is possible to take political measures which facilitate contact between people, for example the establishment of youth clubs or centres for elderly or lonely people in a neighbourhood. Yet one cannot force a feeling of solidarity or community upon people. Some people have also questioned whether government programmes aimed

at supporting outsiders in a society actually have the desired effects, since informal local networks often are made redundant as a result.

Thus, socioeconomic and political developments have at least an important indirect significance for the incidence of social contacts and networks that exist in a society. For instance, educational and labour policies create a framework for social contacts at schools and in the work place. Such policies also influence who actually participates and who is excluded in these social arenas. Policies which, consciously or unconsciously, assume an ethnic dimension (ethnopolitics) are bound to have implications for social contacts between various ethnic groups. Moreover, political decisions that lead to greater social and economic inequalities may, in certain cultural contexts, undermine the feeling of fellowship in society and result in social conflict.

SOCIAL NETWORKS IN LATVIA

Latvia is a society which in many respects has undergone the same modernisation process as the Scandinavian countries, with the result that social networks gradually have become weaker than they were formerly, when societies were predominantly rural. On the other hand, social networks played a vital role in Latvia during Soviet times. Friends and family connections could provide access to goods and services that were normally hard to obtain due to inefficient distribution systems. Personal connections were important in several respects: People could stand in the line for each other to get hold of scarce consumer goods; they could, for example, exchange high quality dentist services for a week's holiday at a Black Sea holiday resort; or they could help a person enter an institution of higher education. Like access to scarce consumer goods and services, good connections were more essential than wages for a large number of people.

Although Latvian society has changed radically over the past few years, social contacts still hold the key to producing various important resources. When economic conditions worsen, households and individuals have a tendency to adapt themselves to changes by relying on informal economic activities, often outside the ordinary monetary economy. In Latvia, prices rose sharply in the early 1990s, and city people often received food supplies from relatives in the countryside. Thus, they became less vulnerable to the effects of the price increases. There is still a need for such contacts, since the prices of a number of products are much higher than many people can afford. Many of those whose living conditions have deteriorated during the transition to a market economy, rely heavily on their relatives or other contacts. This is, for example, the case with many elderly people who saw their savings more or less disintegrate through rapid inflation in the initial years of the transition process.

During the struggle leading to Latvian independence, there was a great sense of active solidarity and common identity among Latvians. This was, perhaps, most

clearly illustrated during the events in January 1991 when thousands of Latvians came together in Riga to protect their parliament and other official buildings against the Soviet military invaders. Restaurants and cafés did not close at night, they distributed coffee and food, free of charge, to all who asked. Struggling for a common cause against an external – and, partly, internal – enemy, strengthened feelings of solidarity and fellowship. Since then, however, Latvian society has become more fragmented. The most important struggle – to regain independent statehood – has been won. Although there are severe difficulties ahead, which will probably affect most Latvian groups, no agreement has been reached on how to solve the fundamental economic and social challenges.

Political organisations and interest groups have put forward a variety of competing solutions to the problems facing Latvia today. This is, of course, natural in a pluralistic society. Yet many people have become disillusioned because the rapid improvement in living conditions they expected once independence was regained has not materialised. Their disillusionment has been further aggravated by the open and often undignified struggle for power taking place in many areas of society. Latvia seems to be witnessing a degree of social fragmentation and a weakening of the feeling of civic solidarity. As a result, society could become more atomised. Another possibility might be that social networks within certain social groups are strengthened, something which, perhaps inadvertently, may result in sharper divisions in society as a whole.

CONTACTS WITH PARENTS AND FAMILY MEMBERS

The household structure, as described in Chapter 3, is an important indicator of the social interaction taking place in society. Those who live alone – 12 per cent of the Latvian population – are more dependent on having a social network outside their household than people who share a home with family members. The relative frequency of divorce in Latvia indicates that family relations are less stable than they used to be. On the other hand, the fact that most young people stay at home with their parents until they get married, makes social isolation less likely than in many of the Scandinavian countries. However, as emphasised above, not all social contact has a positive character, and the fact that a person lives with others does not always mean that he or she has close social relations with them. When, for example, divorced couples have to live together for lack of finding something of their own, as is sometimes the case in Latvia, the quality of the social relationships is likely to suffer.

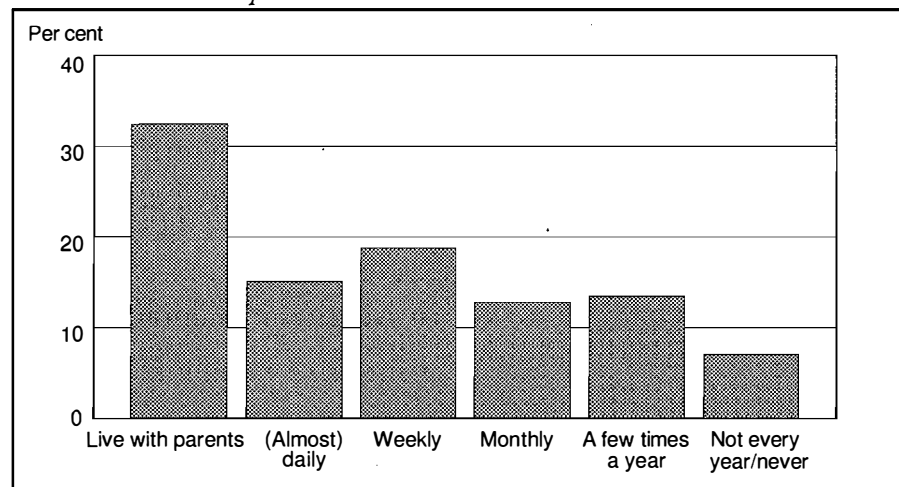
The Latvian NORBALT living conditions study asked questions about the frequency of contacts between respondents and members of their families, such as parents, siblings and children who have moved away from home. Although the survey results say little about the quality of contact, an evident requirement for social integration is that such contact takes place at all. Thus, if interpreted with caution,

the following results at least give an indication of the level of social interaction that takes place in Latvia.

Just over half the respondents (52 per cent) had parents – one or both – who were still alive. Most of these respondents were, naturally, young people. As illustrated in Figure 9.1, one third of them were living with at least one of their parents. A large proportion of the others reported that they see their parents on a regular basis. Only one fifth of those whose parents are still alive see their parents less often than every month. Our data do not give any clear idea of why their contact with their parents is so infrequent. There are, however, strong indications that many of them live far away from the place where they grew up. Only 9 per cent of those who see their parents less often than once a month were born in the community they live in today, while the same is true of more than half the respondents who see their parents on a more regular basis. Similarly, ethnic minorities without citizenship are clearly overrepresented in this group. Many of them probably have parents and family living in other republics of the former Soviet Union.

The older a person gets, the less likely he or she is to have regular contact with parents. It is also noteworthy that Latvian women, contrary to what one might suppose, have somewhat less frequent contact with their parents than men have. This is probably because of the tendency for Latvian families to find housing near the husband's family rather than the wife's. People living in one-person households are no less likely than others to have frequent contact with their parents, but single parents tend to have relatively less contact with their parents than people living in other types of households. More than one third (36 per cent) of single parents with parents still alive see them less often than every month. This is worth pointing up, since single parents make up a vulnerable group whose members tend to need support and social networks more than others. However, our data indicates that a large

Figure 9.1: Frequency of contact with parents. Per cent of individuals 18 years of age or older with at least one parent still alive.



proportion of single parents actually lives in the same household as their parents, where they are more likely to receive the needed help and support than when they live alone with their children.

As we have seen, most Latvians see their parents relatively often, which is an indication of rather strong family ties in Latvia. The large proportion of respondents over the age of 18 who live with their parents must also be understood against the background of the difficult economic situation in the country. In times of economic hardship, people tend to move together into larger households. The Lithuanian living conditions study suggests that this is the case in Lithuania: The proportion of adults living with their parents – and who had parents who were still alive – increased from 24 per cent in 1990 to 28 per cent in 1994 (Knudsen 1996). As noted above, the proportion is even larger in Latvia, and it is very plausible that the proportion living with their parents was smaller before the start of the transition period.

Our survey data show that people in Latvia have less frequent contact with their brothers and sisters than with their parents. This is not a surprising finding. One third of those who have sisters or brothers see them less frequently than every month, while 7 per cent live with at least one sibling. The frequency of contact depends heavily on the distance between the respondent and his or her family, which is probably the main reason why people who have regular contact with their parents are also more likely to have regular contact with their brothers or sisters.

In Latvia most parents continue to stay in habitual contact with their children after they leave home. Of the 40 per cent who have children who have moved away from home, only one in five does not see them more often than a few times a year. Ethnic Russians are somewhat overrepresented among those who see their parents less regularly, which could have to do with the fact that a significant number of younger Russians have left Latvia in the past few years. Another interesting finding is that women tend to have slightly more regular contact with their children than men do. This seems to confirm our assumption that although women in general have less contact with their parents than men, this is not because they are less attached to their parents, but because of geographical distance. Parents who have moved fairly recently – probably most often after the children have left home – have less contact with their children than others, which is another indication that the geographical distance is an important explanation for irregular contact between family members.

CONTACTS WITH NEIGHBOURS AND COLLEAGUES

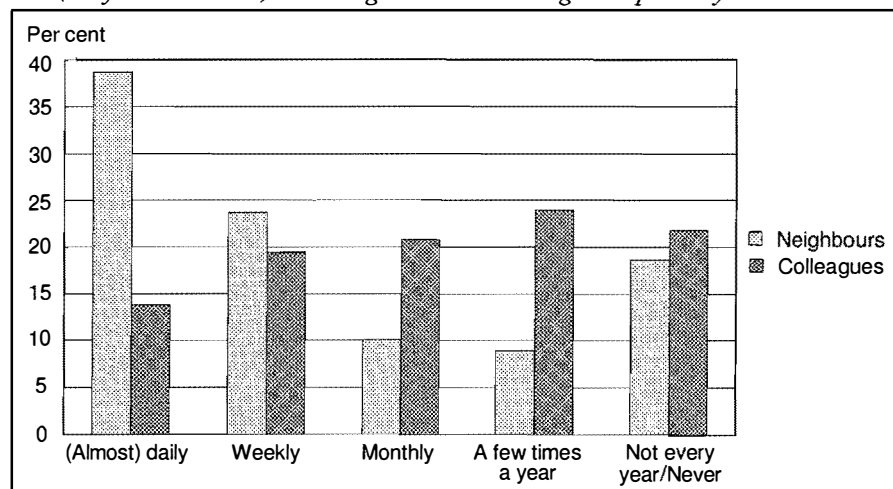
Although usually not as important as the family, the social interaction that takes place in the neighbourhood and at work is normally quite important for people's well-being, and thereby for their living conditions. Surveys in the Scandinavian countries have shown that, when asked about conditions at the workplace, people

tend to regard good relations with their colleagues as being more important than having a high salary (Statistics Norway 1993: 337) The elderly and other people who do not work, are often more dependent than others on good relations with people in their local community. Neighbours can be a very valuable resource for them. The Latvian living conditions study asked questions about how often respondents socialised with the neighbours or colleagues they saw most often, and the results are illustrated in Figure 9.2.

Only two per cent of the respondents report that they have no neighbours, while 40 per cent state that they have no colleagues. Figure 9.2 shows the distribution of the responses of those who had neighbours and colleagues. As can be seen from the figure, people in Latvia seem to socialise more often with neighbours than colleagues. The proportion socialising with their neighbours every day is quite high, almost 40 per cent. Nearly three quarters report seeing their neighbours at least once a month. This is a strong indication of close social networks in the local communities. Social contacts with colleagues tend to be less frequent. Nevertheless, a majority socialise with colleagues at least monthly.

There are some interesting differences between the frequency of contact with neighbours and colleagues. The most important factor in explaining contact patterns with neighbours is the degree of urbanity. People living in rural areas tend to report much more frequent contact with neighbours than people in more modern urban settings. On the other hand, people in urban and rural areas see their colleagues about equally often. Moreover, people in large households, particularly three-generation households, do not socialise with their neighbours as often as others do. Many of them probably satisfy their need for social interaction with members of their own household. People who are outside the labour force and, particularly, unemployed people socialise with their neighbours more than the employed do. This

Figure 9.2: Frequency of contacts with neighbours and colleagues. Per cent of individuals (18 years and older) with neighbours and colleagues respectively.



may have to do with the fact that they often have more time to spend on social relationships, which may assume added importance as they cannot take part in normal social activities at a workplace.

While neighbours show a weak tendency to socialise more with increasing age, the opposite is the case for colleagues, and here the tendency is quite strong. Almost three out of four respondents in the 18–25 age group report at least monthly contact with colleagues, while the same is true of just over 40 per cent of those more than 50 years of age. Furthermore, men tend to socialise more often with their colleagues than women do. Single parents see their neighbours about as often as others, but they report less frequent contacts with colleagues. This is likely to be due to working single parents having to take care of their children outside working hours, for which reason it is easier to socialise with people in the neighbourhood than with colleagues who might live further away. In households with two parents and dependent children, however, the frequency of contacts with colleagues is greater than in other types of households.

EXCHANGE OF HELP AND SERVICES

Lack of social contact with other people often leads to loneliness and isolation which, of course, can have severe implications for a person's well-being. However, social contacts may also be an important resource, i.e. a basis for help and sustenance. When prices on goods and services rise, it can be vital to be part of a social network where an informal exchange of goods and services can take place outside the official, monetary economy. In Latvia this is particularly true for people whose economic situation has deteriorated as a result of the transition from a planned to a market economy, and who must now rely more on other people to maintain their former living standards.

Respondents in the Latvian living conditions survey were asked whether, during the previous 12 months, they had received unpaid help in connection with any of a number of listed tasks from someone outside their household, and whether they had given such help to anyone. The list consisted of eight different types of tasks (housework; childcare; small services, borrow tools, groceries, etc.; shopping or making other errands; personal services needed during sickness or because of old age; car transport; house repair or construction; and gardening or work on fields). An index ranging from 0 to 8 was constructed by adding the various kinds of help each respondent had given and received. Figure 9.3 shows the distribution of the respondents according to their scores on these indices.

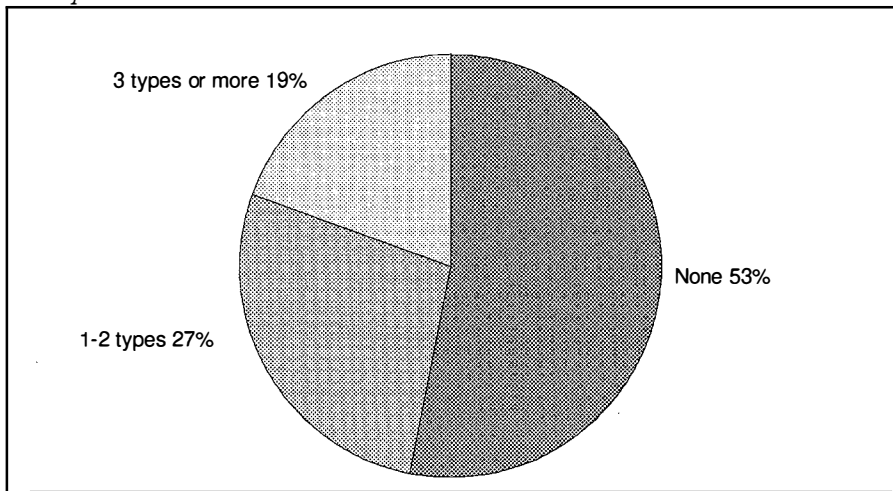
The first finding seems rather peculiar: While more than half the respondents say they have not received help from anyone, less than one third report that they have not helped someone! How can one explain this obvious contradiction? First of all, some people may find it hard to admit that they have received help from others, as this could be taken to imply that they are not able to manage on their own.

Similarly, it may be difficult for some people to admit not having helped anyone at all, as they might appear callous. Three out of ten report having given help with three or more tasks, while the corresponding figure for receiving help was two in ten. Taking the long time perspective, and the many types of help into account, the tables seem to suggest that getting and giving help with unpaid tasks outside the household is not particularly widespread in Latvian society.

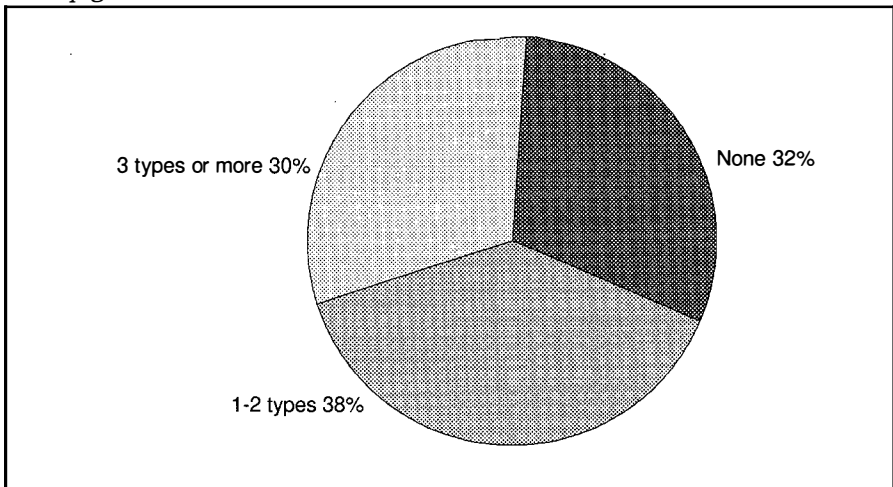
It is, however, interesting to take a look at the types of unpaid, informal help which are the most common in Latvia. Figure 9.4 is calculated on the basis of the answers from the respondents who have given or received help during the previous 12 months. The category called «Small services, borrowing tools, groceries, etc.» is

Figure 9.3: Number of types of help received and given (index range 0–8). Per cent of individuals 18 years of age and older.

A. Help received



B. Help given

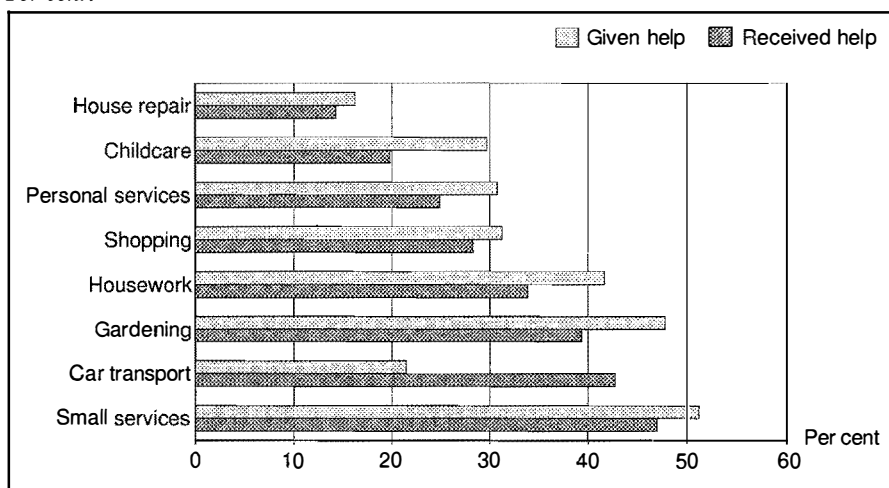


the most relevant, both among those who have received and those who have given unpaid assistance during the previous year. However, while car transport is the second most common task among those who have received help, it was much less common among those who have given help – probably because relatively few people are in possession of a car and those tend to help quite a number of people with transportation. Help with gardening or work in the fields is the second most common task among those who have given help.

Naturally, practically everybody is, to varying degrees, dependent on help from others. It is the youngest and oldest who receive most help. However, the younger a person is, the more likely he or she is to give unpaid assistance to others. Those who live in large households extend and receive less help than people in smaller households. This makes sense, since people in such large households mainly tend to help, or to be helped by, people in their own household. This also explains why people living in three-generation households are typically the least likely to give help to people outside their own household. People living in households with dependent children aged 6 years or less are those who receive most help from others. Single parents are not, however, aided anymore than other parents with dependent children. Social networks tend to be tighter in rural than in urban areas, and people living in the countryside are more likely to receive help than are people in cities and towns.

About the same proportion of Latvian men and women report having given and received unpaid support. However, the traditional pattern of sex roles is to a considerable extent reflected in the survey data when it comes to the kind of help provided. For example, women more often respond that they have lent a hand with childcare, shopping, or personal services for the benefit of the sick or the elderly. Men, on the other hand, are more likely to report having helped with repairs or

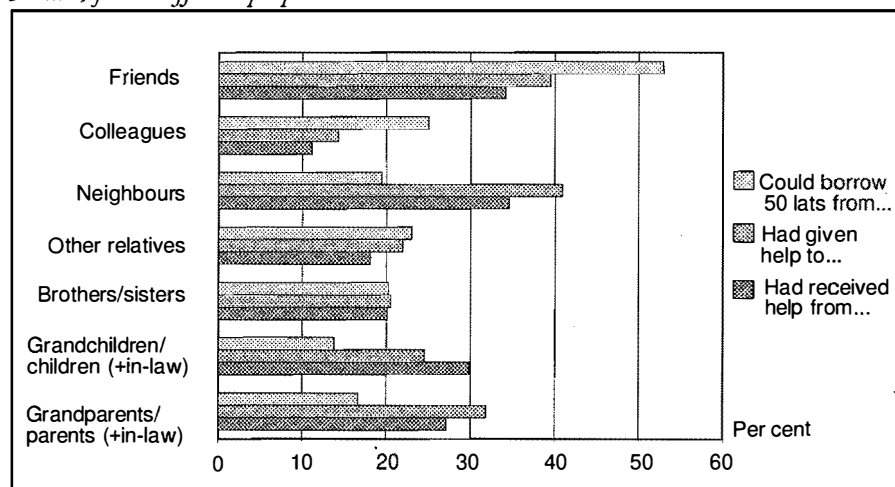
Figure 9.4: Proportion of respondents who have given or received help for different tasks. Per cent.



construction, car transport and small services. Responses are more similar when it comes to receiving assistance, with one important exception: Women are more likely to report having been helped in connection with sickness or old age. This finding, however, is explained by the fact that women are overrepresented in the older age groups where such help is most important.

As we have seen in the chapter on economic resources, in Latvia's present economic situation, many people are having trouble paying their regular bills and even more in covering the cost of sudden, unexpected expenses. Such constant financial pressure can, in itself, have a serious detrimental effect on someone's living conditions. In a crisis, therefore, it may be an invaluable asset to have someone to call on for help. Respondents were asked if they know someone outside their household who would assist them if they needed to borrow 50 lats (about USD 100). The responses show that just under half the respondents (47 per cent) have such contacts, and six per cent are not sure. It should be noted that 50 lats is a rather substantial sum of money in Latvia, and the proportion who would have somebody to borrow money from would, most probably, have been greater if we had asked about a smaller amount. Thus, at the same time as the responses can be seen as an indicator of social networks in Latvia, they also reflect the difficult economic situation in the country. The consequences are, however, that many of those who are most likely to find themselves in a situation where they suddenly need to raise money, have to rely on their own devices or on other members of the household. Looking at responses from different age groups, it turns out that the older a person is, the less likely he or she is to have someone from whom to borrow money. This may be a source of discomfort to old age pensioners, who, in Soviet times, were accustomed to a stable environment, which provided at least a measure of economic safety.

Figure 9.5: Proportion of respondents who have given or received help, or could borrow 50 lats, from different people. Per cent.



Data from the Latvian living conditions survey enable us to shed some light on the exchanges that take place inside social networks in the country. People who have either received or given help were asked whom they had dealt with in such situations. Moreover, those who have someone to go to for a loan of 50 lats, were asked to specify who these persons are. It is important to stress that we are referring to exchanges that take place outside the household, and any exchanges that happen between family members or other people within the household are not registered here. It is still noteworthy, as Figure 9.5 shows, that exchanges between friends and neighbours are reported more often than help among family members. However, family members do not lag far behind. Finally, colleagues are mentioned more rarely than family members as providers or receivers of help.

The picture is somewhat different when it comes to potential lenders of money. Friends hold a unique position as the most common source of help to meet unforeseen expenses. More than half of those who say they know someone they can borrow money from, mention their friends. Colleagues also have a more prominent role in lending money than in carrying out other tasks. They are mentioned the second most frequently. Neighbours and family members, especially parents and children, are less frequently mentioned.

SOCIAL PARTICIPATION

Potentially, there are many ways to compensate for a lack of social interaction with family members, neighbours and friends. Work often provides an important platform. Most forms of paid work involve contact and cooperation with others. Another way of meeting people is to take part in social organisations of some kind. Trade unions, political parties and voluntary organisations are not only places where one can interact socially with other people; they are important sources of information, often providing opportunities for influencing one's own life and that of others.

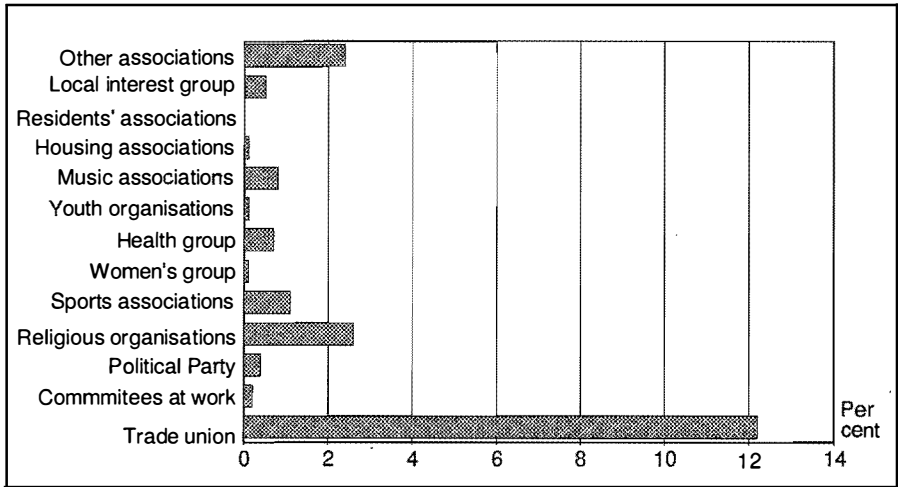
During the Soviet period Latvia was characterised by the same organisational structure as Russia and the other former Soviet republics. If one takes organisational activities as an essential indicator of social participation, the USSR could be seen as a highly participatory society. Virtually all Soviet citizens were members of one or more «mass voluntary» organisations. The Communist Party was the supreme mass organisation but was not the organisation with most members. In January 1986, the Party membership in Latvia was estimated at 172,500 or about 9 per cent of the adult population (Misiunas and Taagepeera 1993: 280). Komsomol, the junior branch of the Communist Party for those between the ages of 14 and 28, was difficult to evade. Although membership was formally optional, it was still seen as crucial for upward social mobility (Sakwa 1989:165–166). However, the most extensive social organisation in the Soviet Union was the trade union organisation. The trade union was organised around the work-place but was engaged in issues going far beyond the scope of those related to the working conditions and social

rights. The trade union ran a massive network of social clubs, sports complexes and residents' associations, and was involved in most of the organised activities in which people took part in their leisure time. Such activities were to a considerable extent monitored by the Party and the authorities.

However, 1986 marked the beginning of a period of national awakening in Latvia, as society started to engage in public life in a completely new fashion, signalling a clear break with the past. The new policy of glasnost' allowed and gradually even encouraged people to express opinions that were not necessarily in conformity with the official views. Ecological concerns were in focus at the beginning of this period. Independent ecological groups were set up, the most important of which aimed at halting the plans to build a hydroelectric power station on the Daugava river. The environmental movement was also important in helping to pave the way for the Popular Front of Latvia, which was formed in the summer of 1988 (Smith 1994: 129). It is well known that this social movement played a prominent role in the struggle for national self-determination and independent Latvian statehood. Within just a few months of its establishment, the Popular Front of Latvia had truly become a mass movement, and by the spring of 1989 the organisation had 230,000 registered members in a country with 2.6 million inhabitants (Karklins 1994: 79). Many more took part in demonstrations and other activities organised by the Front.

Yet while social participation and activism flourished during the period leading up to independence, organisational activities have declined substantially since then. The Latvian NORBALT living conditions survey 1994 reveals that only 19 per cent of the adult population report membership of any political, social, religious, sports or cultural organisation. This must be considered a remarkably low number compared with the former level of activity in Latvia, and also when compared with membership numbers in the Scandinavian countries. In Norway, for example,

Figure 9.6: Proportion of respondents who are members of different types of organisations. Per cent.



almost 40 per cent of the population belong to a trade union of some kind (although less than 10 per cent are so-called active members), and 30 per cent to a sports association (Statistics Norway 1993: 344). In contrast, only 12 per cent of the adult population of Latvia are with a trade union (see Figure 9.6 previous page) and one single per cent hold membership of a sports association.

As the figure indicates, membership figures are rather low for all types of organisations in Latvia. Apart from trade unions and sports associations, the only types of organisations that have a membership rate of more than one per cent of the respondents are religious organisations (3 per cent). It is noteworthy that only 0.4 per cent of the respondents are members of a political party. Moreover, although all the respondents in the survey were 18 years of age or older, one would still have expected more than 0.1 per cent of the population to belong to a youth organisation. Further analysis shows that it is in the youngest and the oldest age groups that people are the least likely to belong to an organisation, while the likelihood among middle-aged people is somewhat greater.

The survey data show that there is not much difference between men and women in terms of frequency of membership in organisations, but when it comes to the nature of organisations, they demonstrate rather different membership patterns. Men are more inclined to be members of trade unions, while women dominate in religious organisations. Employed people are more often members of an organisation than the unemployed and those outside the labour force. However, when adjusted for membership of trade unions, the difference is very small. The higher the educational level and professional status of an individual, the greater the likelihood that he or she is a member of an organisation. However, even people with higher education and the highest professional status are more likely not to belong to an organisation than to be members of one.

CONCLUSIONS: SOCIAL ISOLATION IS A RARE PHENOMENON

It is, of course, difficult to draw any conclusions about whether or not a person is socially isolated solely by looking at his or her frequency of contact with other people. People are different, and some prefer to spend most of their time on their own, without feeling socially isolated. Others may have regular contact with other people but are lonely because of a lack of intimacy in their social relations. However, it is plausible to argue that the potential for social isolation is greatest among those who do not have regular contact with other people. The survey data tell us that 14 per cent of the respondents do not have weekly contact with family, neighbours or colleagues outside their household. However, the majority of them live in households with other people, and it is likely that they also have close social interaction there. Slightly more than two per cent of the population live alone and report having contact with family, neighbours or colleagues less than once a week.

Those with less frequent contact with people outside their own household have a much greater tendency not to have a social network through which they can exchange unpaid favours and services. Again, this is more of a problem for people living alone and for single providers than for people who, for example, live in three-generation households where such exchanges can take place within the household itself. The living conditions survey shows that those who live on their own are likely to meet people outside the household less regularly, and to lack a social network for exchanging favours and services. If the said person is also elderly, outside the labour force, and has a health problem of some kind, the potential for social isolation increases significantly.

Yet the main conclusion to be drawn from the Latvian NORBALT living conditions survey is that complete social isolation seems to be a relatively rare phenomenon in Latvia among all the groups of the population. The most vulnerable individuals are, as mentioned above, elderly people outside the labour force who live on their own and who have a health problem restricting their mobility. These people are also the least active in organisational life. However, even among people with all these characteristics, less than 15 per cent are potentially isolated in social terms, according to our application of the concept. Although it is possible to point out links between social isolation and other components of living conditions, it is hard to argue that social isolation is caused by other living conditions problems. Rather, our findings suggest that most people interact socially with others regardless of the other components of their living conditions, even though some groups of the population run a greater risk of becoming isolated than others. It is also important to stress once again that, even if relatively few people are socially isolated according to our strict definition, we are not likely to capture all those who feel isolated despite regular contact with others. Also, the implications may be serious for those involved. For example, while less than one in five of all respondents report that they have been quite or extremely depressed during the previous week, almost half the respondents classified as potentially isolated have such symptoms. In all likelihood we are dealing with an interplay of causes and effects here. Psychological problems may affect the ability to make and maintain contact with other people, but a lack of human association may also create and strengthen such psychological problems.

POLITICAL ATTITUDES

Birgit Jacobsen

*Es – laimes pakavu,
es – savu likteni,
es – savu laikmetu
izkalsū pats.*

My good-luck horseshoe,
My own destiny,
My own era –
I shall forge these all myself.

Ojārs Vācietis (1933 – 1983)

INTRODUCTION

The evolution of a national political consciousness in Latvia began in the late 1980s. Full independence was finally achieved in the aftermath of the failed August 1991 coup in Moscow, which i.a. contributed to the subsequent dissolution of Communist Party power. This brought a definitive end to 50 years of Soviet rule in the Baltic states. Early in the liberation process, people were filled with hope for the future, and they were easily mobilised at demonstrations to mark the anniversaries of the Molotov-Ribbentrop Pact. Most remarkable was the human chain formed by the people of the Baltic states in August 1989 to demonstrate their solidarity, as they linked hands all the way from Estonia to Lithuania. They also took to the streets in memory of the huge deportations that took place under Stalin, and in commemoration of old Independence Days. Feelings of fear and insecurity gave way to a growing sense of national confidence. Environmental organisations took the lead from 1986 by raising special interest issues in public debates, and asking questions that involved no direct confrontation with the central authorities in Moscow. Later on, these and other organisations developed into the well-known popular fronts, attracting several thousand activists.

In the 1980s Latvian folk songs and folklore took on added cultural-political importance. While folk music had offered an outlet for protest in Soviet times, it now became the driving force behind what was later referred to as the «singing revolution». Latvians gathered together with Estonians and Lithuanians at the Baltica 88 folk festival in Riga. The tradition of neighbours giving each other a hand and working together to realise common projects was also revived and subsequently developed into informal groups organised to protect old churches and historical monuments (Karklins 1994: 69).

The first group to raise truly controversial political issues was the Helsinki 86 human rights group. They reminded the public of Latvia's political past as an independent state and of the human losses and suffering endured under the Soviet regime. The group's activities typified the awakening of civic awareness in Latvia. The inactivity and antipathy so characteristic of Soviet society were now replaced by genuine political interest and concern. Gradually, people began to participate in political movements and demonstrate against the Soviet authorities. Manifestations of political opinions gained a legitimate foothold in the minds of Latvians.

For a long time it was expected and hoped that economic expansion would contribute to an improvement in the standard of living, and thus offset some of the human costs of transition. Nationalist leaders accented Latvia's economic viability and invaluable cultural resources. It was the policies of *glasnost* and *perestroika* principally formulated by the general secretary of the USSR Communist Party, Mikhail Gorbachev, which created new room for manoeuvre for Baltic leaders. Latvia embraced the new market principles and demanded decentralisation of economic activities to the republics; later on she demanded complete economic independence.

The NORBALT living conditions survey reveals political attitudes that have evolved after a few years with a new political regime and a new economic system. Not unexpectedly, optimism and hope have to some extent given way to pessimism and disappointment. The shrivelling role of the Popular Front and the rise of new political parties may have served to confuse people, engendering passivity rather than promoting a quest for clear solutions to the huge set of problems they face in their daily lives.

First and foremost, the Latvian living conditions survey focuses on attitudes towards the privatisation process and on peoples' opinions about the new economic chasms that have developed between different groups of society. The survey does not investigate political opinions regarding trust in political parties, but rather strives to explore people's general confidence in the political system. For example, we posed a question about whether public officials withhold information and whether they accept bribes. Though the results are based on subjective opinions, it is nevertheless possible to sort out some interesting views on the political culture of Latvia. Studies of political interest are a classic theme in political science. What aspects of human life can explain political interest, especially in the light of the huge mobilisation processes that took place in Latvia just a few years ago? People can lose faith in their own abilities when faced with unpredictable and changing environments. We therefore examine the current substance of the relationship between political influence and selected background factors.

The last section of this chapter is devoted to the respondents' evaluation of the future. If people see no future prospects for themselves, they may wish for a change of scenery. In other words, they may want to move to a more prosperous country. This survey contributes to our understanding of the potential for emigration. We round off the analysis by drawing conclusions about some of the most important findings.

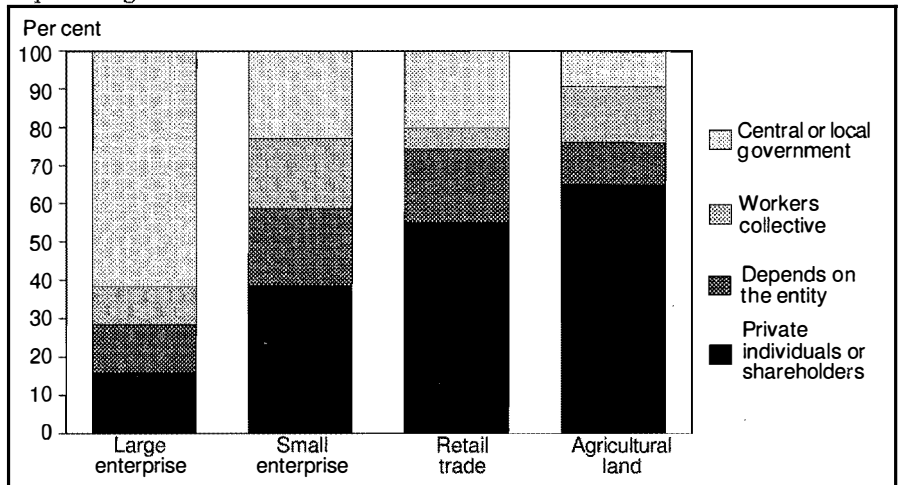
PRIVATISATION

The randomly selected individuals in our survey were asked who, in their opinion, should own: 1) industrial enterprises with less than 100 employees, 2) industrial enterprises with more than 100 employees, 3) retail trade shops, and 4) farm land. The main categories of responses were: a) state, b) workers jointly, c) private individuals/ shareholders, and d) depends on the industry, trade or farm. Figure 10.1 displays the percentages of preferred ownership, according to the various alternatives.

The privatisation process has only just begun in Latvia. Only a tiny share of small enterprises has been sold to private owners. Municipal governments still run most activities or lease them out (UNDP 1995). The survey shows a clear tendency to favour private ownership of small and medium-sized enterprises. But nearly two thirds (62 per cent) of the respondents advocate the position that large companies should be state owned. People also seem to mistrust private shareholders and managers who have acquired properties previously considered to be of special value to the general public. The growth of a shadow economy has benefited a minority group at the expense of the majority. The process of converting a planned economy into a vigorous market economy has been a bitter experience for many people.

Our respondents are more likely to support privatisation for small industrial enterprises, retail trade and farming. Twenty-three per cent say they want the central or local government to own small enterprises, while 55 per cent want retail trade shops to be privately owned. Sixty-five per cent say that farm land should be privately owned, while less than 10 per cent would support state ownership.

Figure 10.1: Preferences concerning ownership of large and small enterprises, retail trade shops and agricultural land. Per cent.



To poll the opinion of the Latvian population on privatisation today, we constructed an index (IP) by assigning values to the responses of each respondent, so the scale would range from -8 to +8. The responses to the four questions cited above were assigned the following values: «state ownership» -2, «collectives and co-operatives» -1, «depends on the unit» +1 and «private persons or shareholders» +2. The main features of this index are presented in the illustration below (Figure 10.2), ranging on a five-point scale from «strongly against» (-2) to «strongly in favour» (+2).

Although responses vary considerably, the population is fairly supportive of the privatisation process in Latvia. To investigate the formation of opinions further, we ran a linear regression model with the index (IP) as the dependent variable and age, gender, citizenship, education, ethnicity and urbanity as explanatory variables. The result is presented in an appendix at the end of the chapter (Table 10.1).

Figure 10.2: Attitudes to privatisation. Additive index. Per cent.

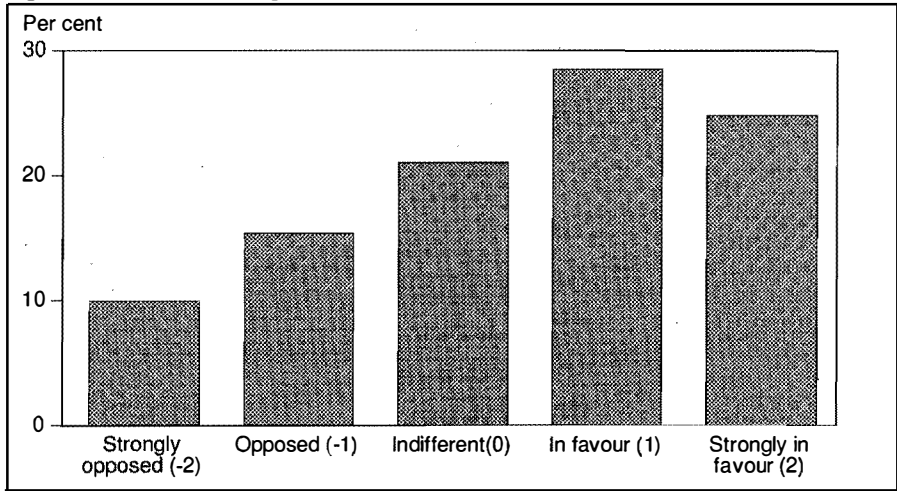
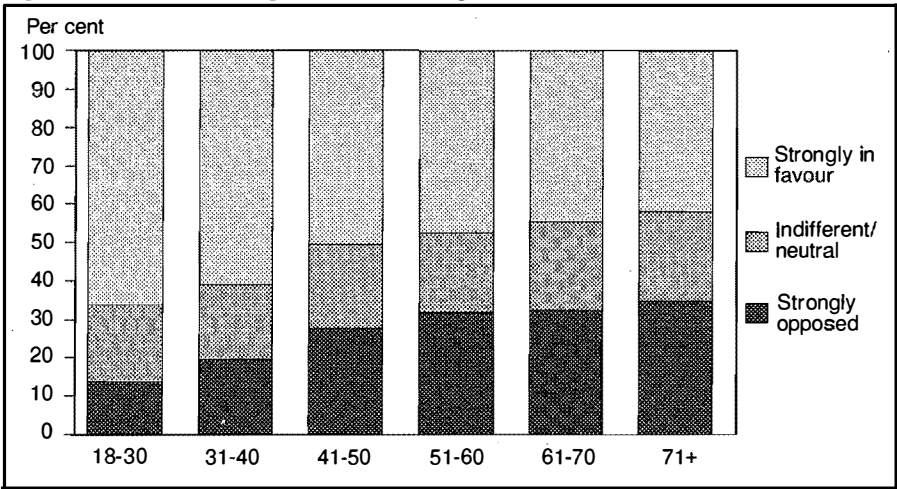


Figure 10.3: Attitudes to privatisation by age (index). Per cent.



Many factors seem to have an impact on peoples' opinion. On the whole, age has the strongest effect on individuals' attitude towards privatisation. Increasing age is accompanied by increasing scepticism towards privatisation (Figure 10.3), but the differences are much more pronounced between the «young» and the «middle aged» than between the «middle aged» and the «old».

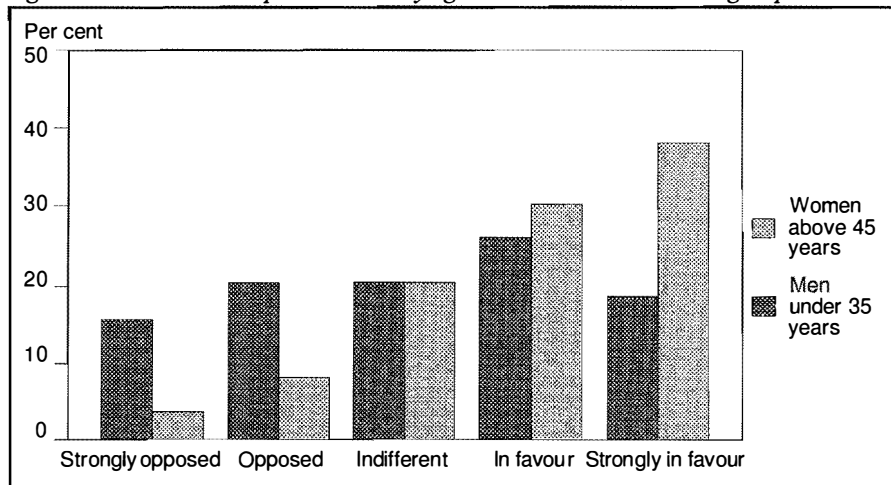
Men are more prone to favour privatisation than women are, Figure 10.4 highlights differences between the sexes and different age groups by displaying the attitudes of young men and «elderly» women, respectively.

Educational level also influences the likelihood of favouring privatisation, with a high education increasing the probability that one endorses privatisation. One assumed effect of ethnicity is evidently confirmed by our survey data. Ethnic Russians are less prone than ethnic Latvians to support privatisation. We can postulate that there are certain disparate interests in rural and urban areas that affect people's inclination to support privatisation. We have found that a low population density tends to reduce support. Not unexpectedly, men appear to be less sceptical to privatisation than women.

INCREASED INEQUALITIES

When this living conditions survey was conducted, four years had passed since the declaration of full Latvian independence in August 1991. Special interest was therefore attached to examining the feelings of the population of Latvia a few years after emancipation. Of special importance were questions concerning the economic transition and the effects it had on different income groups within Latvia. The gap between rich and poor increased substantially from 1993 to 1994 (UNDP 1995:

Figure 10.4: Attitudes to privatisation by age and sex (index). Selected groups. Per cent.

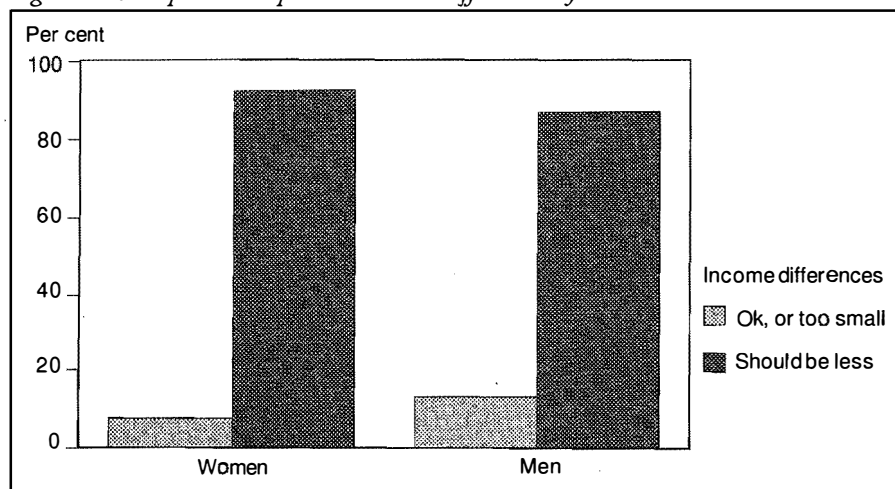


55). The survey set forth to examine peoples' opinions by asking: «What do you think about income differences in Latvia?»

The general picture points in the direction of strong scepticism towards the deepening chasms between social groups. We observe that an overwhelming majority, more than 80 per cent of the randomly selected individuals interviewed in this survey, reported that they think income differences ought be less. Scarcely six per cent said that the present differences are at an appropriate level, while another 10 per cent did «not know». We may interpret these numbers in the light of the heavy emphasis the Soviet system placed on the principle of equality, even though it was not always successfully implemented. Men are less opposed to income differences than women, but the differences between the genders are surprisingly small (Figure 10.5).

To determine how opinions on income differences are related to other observable characteristics of individuals, we ran a logistic regression which is presented in Model 10.2 in the appendix at the end of the chapter. The analysis showed that the level of education does not have any prescriptive power at all with respect to attitudes towards inequality. Age and sex, on the other hand, have a slight but significant impact, although the differences seem small. In particular, higher age increases the probability of being negative towards income differentials, but the marginal effect declines and the turning point appears to come around the age of 60–65. Being a male reduces the estimated odds of disapproving inequality. Ethnicity plays no dividing role. Ethnic Russians and ethnic Latvians are almost identical with respect to their opinion on income differences.

Figure 10.5: Opinion on present income differences by sex. Per cent.



CONFIDENCE IN GOVERNMENT AUTHORITIES

Under Soviet rule, it was most common to install indigenous party secretaries who had long experience from serving in other Union Republics in important positions in the Baltic republics. With intimate knowledge of the country's contours, they could quickly manoeuvre the local waters, and they were loyal servants of the central Party apparatus. Under Brezhnev, a kind of consensus government developed in the satellite states of the Soviet Baltic. In return for maintaining social stability and implementing central policies within the region, the political leadership was granted stability by the local political organisations (Smith 1994: 121–123). Latvians could make prosperous careers in government administration, but they were under-represented in the Party apparatus.

The central system of control contributed to the slowness of decision-making, and public officials could easily hide behind a ponderous organisation, making it easy for them to disclaim responsibility. As the withholding of information constituted an important part of the communist ideology, this also victimised the ordinary man on the street. Secrecy appeared to be the rule rather than the exception in Soviet Latvia, and it encouraged corruption. Have things changed in the interim?

In the living condition survey we asked respondents to agree or disagree with the following assertions: «Government authorities suppress important information of which the public should be aware», and «Government authorities are inefficient in their execution of duties». The answers do not make encouraging reading. First of all, people generally place little faith in public officials, as can be observed in Figure 10.6 (see next page). However, the results should probably be interpreted in the light of the general disappointment many people feel about the failure to implement many Latvian policies, especially with regard to the economy. Eighty-eight per cent think government authorities withhold information «sometimes», «often» or «very often», while ninety-three per cent of the population believe they are inefficient.

Yet, Russians agree with these assertions far less frequently than ethnic Latvians. In fact, it seems that Russians have somewhat more confidence in Latvia's government authorities than the Latvians themselves have.

A peak of distrust is manifested in the responses to the question: «Do government authorities and officials accept bribes?» The response choices were: never; seldom; sometimes; often; very often; do not know; and refuse to answer. As many as 89 per cent of those who gave an affirmative answer say that bribes are accepted «sometimes», «often» or «very often». However, a large number, 45 per cent of the selected individuals of age 18, answer that they «do not know». This may cause a selection bias, in the sense that those answering the question are not a fully representative sample. Particular characteristics may be assigned to this group, which is evidently trying to evade giving a precise evaluation of the government authorities. One explanation that comes to mind immediately, is that respondents perceive the

question as threatening. They may even feel embarrassed by the fact that they have been persuaded to pay bribes to someone, or because they have taken bribes themselves. Last, but not least, people may be uncertain about the situation that exists today. With their knowledge of the previous system, they hesitate to take a stance. Data reveal that two thirds of the «do not knows» are women, but it is difficult to give a plausible explanation of the differences. Figure 10.6 shows the percentages who say that government authorities suppress information, perform their duties in an inefficient manner, and/or accept bribes.

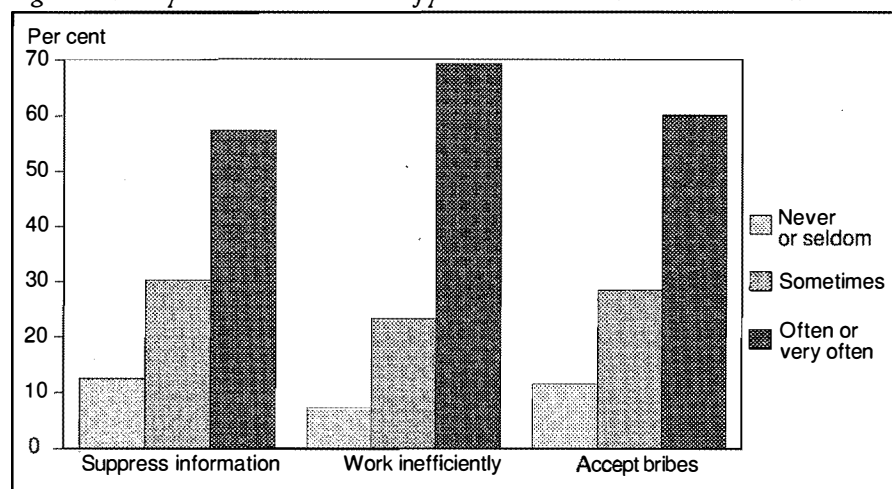
The questions concerning government authorities' withholding of information, inefficiency and predilection for taking bribes are all strongly correlated (the correlation coefficient varying between 0.40 and 0.50). Not surprisingly, a lack of confidence in one area tends to be accompanied by distrust in other matters as well.

WOMEN IN A SOCIETY IN TRANSITION

Women maintained a high educational level in Soviet Latvia. They even surpassed the educational achievements of men. In spite of this, they have never reached men's average level of salary (UNDP 1995: 39). In the Soviet society both genders were equally obliged to work. In addition to their jobs, women were expected to handle the daily routines, spending time queuing for bread, raising their children and doing housework. Men, on the other hand, could concentrate on advancing their careers. This placed constraints on women's opportunities to participate in public life.

The Soviet political system required a certain number of women in the legislature, but they attained a level higher in municipal bodies than at the national level.

Figure 10.6: Opinion on the conduct of public authorities. Three indicators. Per cent.



el. So far, the restoration of independence has not brought about an appreciable change in these differences between the sexes.

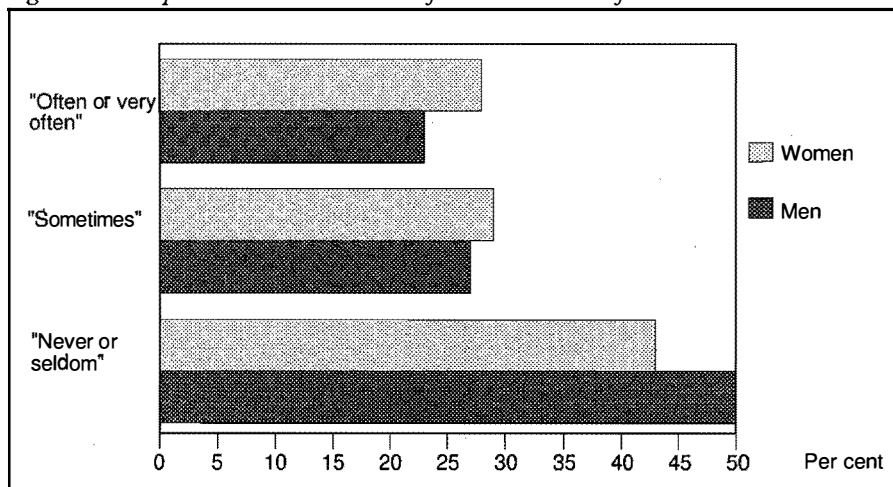
In the NORBALT living conditions survey, respondents were confronted with the statement: «Compared with men, women are discriminated against on the labour market». The answers ranged on a five point scale from «never» to «very often». Fifty-four per cent confirmed that discrimination occurs sometimes, often, or very often. Thirty-two per cent said it never occurs, while 14 per cent answered «seldom». The gender distribution for each category of answer is displayed in the Figure 10.7.

The figure reflects small differences between the two genders. Fifty-seven per cent of women and 50 per cent of men think that women are discriminated against «sometimes», «often» or «very often». It is difficult to assess whether women are rarely aware of being discriminated against, or if men ostensibly understand the underprivileged position of women. Women's high level of participation in the labour force is probably the main explanatory factor, because work integrates women into the social sphere, and gives them more self-confidence.

The definition of discrimination has other, more severe connotations in Latvia than those we are acquainted with in the West. When the most prevalent form of discrimination was the equal suppression of the Soviet regime, less attention could be paid to the position of women. Educational upbringing in the Soviet spirit tended to brainwash people, and the closed nature of the Union deprived Latvians of making comparisons with other societies.

Nevertheless, women are probably more dependent on conscious cooperation to cope with the unstable, changing environment today than they were in «predictable» Soviet times. The closing down of social institutions linked to state enterprises (child care arrangements, etc.) has caused the dissolution of networks which previously ensured that women were a natural part of the work force.

Figure 10.7: Opinion on the occurrence of discrimination of women. Per cent.



POLITICAL INTEREST AND PERCEIVED INFLUENCE

Political interest compounds many facets of an individual's life, as it is influenced by a large set of background variables. Political interest emanates from individuals' perceived ability to influence political decisions, and it reflects their general confidence in the political system.

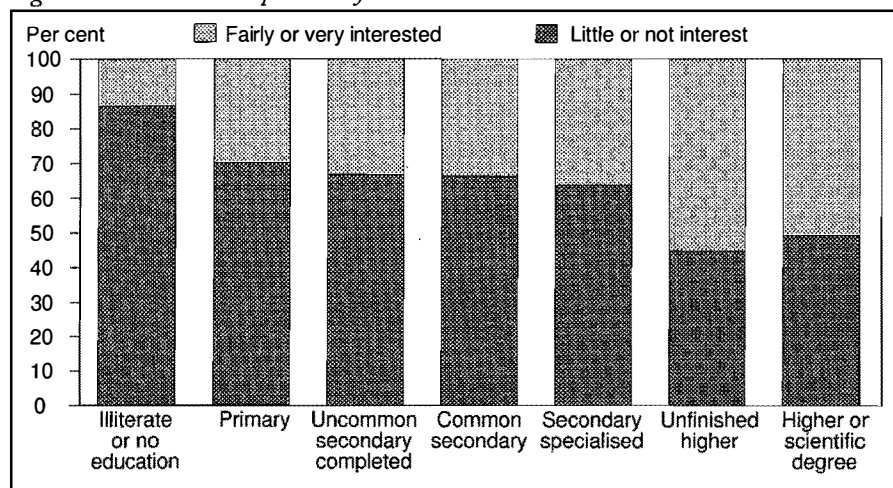
Four questions were asked in order to explore 1) the respondents' general interest in politics, 2) their perception of politics as complicated, 3) their perceived influence on political decisions, and 4) their ability to plan for the future. We have prepared a logistic regression model for each of the questions, all of which are presented in Model 10.3 in the appendix at the end of the chapter.

Our data suggest that political interest increases with increasing age, but at a decreasing pace (i.e. the marginal effect is a decreasing function of age). That is, the younger generation is the least likely to take an interest in politics. Not surprisingly, men are more interested in politics than women. People with little or no education display less interest than highly educated respondents, an observation which is fairly widespread in other democratic countries as well. Figure 10.8 shows the distribution of political interest according to educational level.

Residents of Latvia who had not yet acquired citizenship when the survey was conducted were more disillusioned than the country's citizens. The lack of citizenship reduced people's interest in political issues, while ethnicity seemed to have no significant effect. However, people living in urban districts were more prone to show political interest than the rural population.

An alarmingly high proportion of people (71 per cent of the adult population) think that «politics is so complex that it is difficult for people like me to understand what it is all about». Again, women are more prone than men to express uncertainty. Sixty per cent of men and 78 per cent of women agree with the assertion. The least

Figure 10.8: Interest in politics by educational level. Per cent.



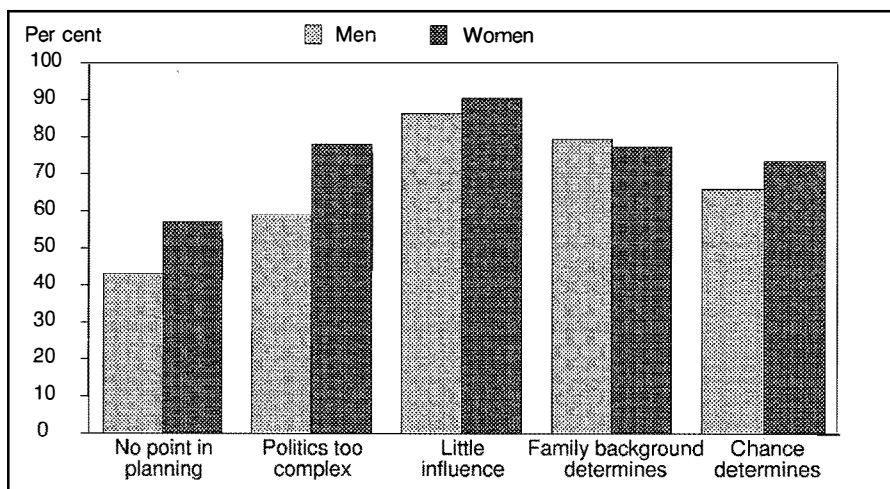
educated are more confused by the political landscape than the highly educated. Finally, Russians tend to experience more bewilderment than ethnic Latvians.

Since regaining independence, the population of Latvia has had the chance to vote for a series of political parties with different party platforms. They have also extended their channels of influence through the highly-valued freedom of speech and expression, and through participation in civic organisations. How do Latvians grasp their new-won rights, and how do they understand the power they have achieved? Randomly selected individuals were asked to «agree» or «disagree» with the following assertion: «As a private person I can vote, but in reality I have little influence on political decisions».

Women were more likely to agree with the statement than men, although both genders reported high frequencies (89 per cent on the average). Education also plays a part in people's evaluation of their own ability to exercise influence. Little or no access to political decisions is usually a factor of a low level of education, which enforces the feeling of distance to political institutions. A high level of education, on the other hand, strengthens one's faith in one's own ability to exert political influence. The oldest generation expressed the least perceived influence.

The most interesting finding, however, is related to the impact of ethnicity. Russians expressed more confidence in their ability to exert influence (17 per cent) than ethnic Latvians do (7 per cent). This may be explained by Russians being very conscious of the unstable situation in their motherland, therefore expressing greater trust in Latvian politics. Furthermore, it would be strange if Russians struggling for the right to vote were with the same breath to express doubts about the usefulness of that right, implying that citizenship would have no positive effect on their ability to influence decision-making. Figure 10.9 illustrates several factors believed to affect the different genders' perceived lack of influence.

Figure 10.9: Five indicators on lack of personal control by gender. Per cent who agree with statement.



The respondents were confronted with the statement: «There is no point in planning the future because almost nothing ever succeeds». Fifty-one per cent of the population of 18 years of age or more agreed with this assertion, and women were more likely to agree than men, the affirmative score being 57 per cent for females and 43 per cent for males. We found a strong positive correlation between low educational levels and distrust in one's ability to succeed with plans. The youngest generation is the most optimistic, while the older age groups express the most concern. Future plans take on a different look, depending on ethnic affiliation. According to themselves, plans seem less feasible to Russians and other ethnic groups than to ethnic Latvians. Forty-six per cent of Latvians and 59 per cent of Russians agree that plans are difficult to make.

Some phenomena cannot be explained solely by the above mentioned background variables, as they reflect perceptions and transient feelings during a period of comprehensive economic, political and social transition. In Latvia, as many as 70 per cent agree with the statement that: «Luck and chance determine our lives». Sixty-six per cent of males and 73 per cent of females agree. As individual responsibility gradually supersedes state responsibility in practically every aspect of social life, the Latvian population loses its childhood faith and starts to believe in personal fate. This is more clearly manifested in the next statement: «It is first and foremost family background that determines your success in life.» This presumes that economic resources have become unevenly distributed among different groups of society. Before newly established economic and democratic institutions can demonstrate stability, more responsibility will be laid on the shoulders of the family. According to our data, 78 per cent of the adult population agree that family background determines one's fortunes in life. For better or for worse, the youngest generation is more disposed to this mentality than the older generation.

EMIGRATION – AN ALTERNATIVE TO DETERIORATING LIVING STANDARDS?

The immigration of Russians and other ethnic groups into Latvia in the Soviet period fundamentally altered the ethnic composition of the Latvian population. Conversely, the departure of former Soviet army personnel has now caused population reductions in the most densely populated areas of Latvia. The economic difficulties connected with resettlement are impeding the part of the population eager to emigrate. Having become a small, separate nation-state dominated by the ethnic Latvians, Latvia no longer seems to be such a protecting and prosperous place for ethnic Russians, who must redefine their position and make important choices about their future.

We asked our randomly selected individuals if they had any plans to leave the community in which they lived. Only 6 per cent confirmed that they had such

plans. It is noteworthy that ethnic Latvians (7 per cent) are more prone than ethnic Russians (4 per cent) to report that they are planning to leave the community in which they live. Similarly, very few – only 4 per cent – of the non-citizen residents of Latvia report plans to leave their community. However, the picture is somewhat different if we count only those who plan to leave the country. Only 3 per cent of the population have such intentions, and Russian non-citizens are somewhat overrepresented here.

We know from the chapter on population that a small, but significant, number of Russian-speakers have already left the Republic of Latvia. The conclusion to be drawn from the survey is clear: The Russians who live in Latvia today are likely to stay. The situation in the CIS, especially in Russia, is probably decisive for those who are trying to decide whether to leave or to stay in Latvia. Although Latvia's economic situation has deteriorated, Russians are well aware of the fact that the situation in Russia is no better, and they seem to fear that the prospects for a recovery there are bleak. Leaving also involves a large number of practical problems. Most urban areas with living conditions on a par with those in Latvian cities are inaccessible to Russians from Latvia because of housing shortages and a lack of job opportunities; the most likely places for newcomers to settle would be provincial Russian cities or impoverished rural areas. These are usually unattractive alternatives for the predominantly urban Russians.

Figure 10.10 (see next page) shows the destinations considered by those who are likely to leave their community of residence, broken down by ethnic affiliation. The figure reveals important differences between the ethnic groups. While ethnic Latvians were prone to move to another region of Latvia (77 per cent), this was the case for only one quarter (26 per cent) of the Russians. Russians, on the other hand, were more prone to migrate out of the country, and a large number considered Russia the most likely place to go (42 per cent).

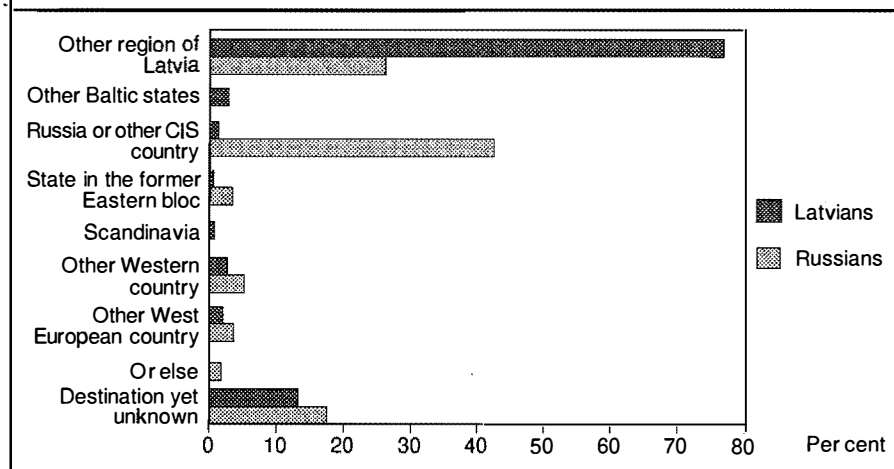
Perhaps somewhat surprisingly, Western countries do not stand very high on the list of priorities among Latvians who want to emigrate. It seems that Latvians are aware of the strict immigration requirements of Western Europe and the United States. Moreover, barely one per cent of those with emigration plans say they would like to move to a Scandinavian country, which – if they were to succeed – would make a total emigration volume to Scandinavia of about one thousand people. A substantial percentage (16 per cent) of potential emigrants have not yet made up their minds about where to move.

A considerable proportion of potential emigrants – more than twice the average for the population as a whole – have relatives living abroad, either in the West or in the CIS. Forty per cent of the respondents who reported plans to move out have relatives in the above mentioned countries. More than two thirds have relatives in Russia or other states in CIS, while 14 per cent have relatives in a Western country. Naturally, this also influences the choice of destination among those who plan to leave.

What, then, are the features characteristic of those who want to emigrate from Latvia? In countries in the throes of economic hardship, it is often young, well-educated individuals who leave. Since reporting plans about leaving in connection with a survey is different from actually doing so, the figures presented here cannot be seen as accurate estimates of the number of people who will actually be leaving Latvia in the years to come. However, the survey can provide a rough description of potential leavers. We already know that Russians and those who are not citizens of Latvia account for a higher proportion of potential leavers than ethnic Latvians, but ethnic affiliation is not the main factor behind the propensity to leave. Age and education are more important. The survey confirms our expectation that those who plan to leave are predominantly young people. Hardly anyone over the age of 50 reported plans to emigrate. The highest rate is among those between 18 and 30 years of age. Also, it is those with higher education, often professionals or people working in the service sector, who are the most likely to emigrate. They tend to have more resources and therefore a better chance of finding work and settling in a new area. So far it has been Russian-speakers with higher education who have left the country most frequently. The length of time spent in Latvia is of minor importance in explaining plans to leave the country, although people born in Latvia are less likely than others to plan to leave.

There are a variety of reasons why people wish to change their place of abode, of which the most frequent in our data appear to be as follows: «life is unaffordable» (29 per cent), «bad housing conditions» (26 per cent), «going to live with family» (23 per cent), «unable to find work in chosen profession» (22 per cent). It is worthy of note that «political reasons» also figure among the most frequently reported reasons for leaving the country among ethnic Russians (25 per cent). This explanation is mentioned by only 3 per cent of ethnic Latvians.

Figure 10.10: Destination of those who plan to leave present community by ethnic affiliation. Per cent.



Though individuals' priorities may change in the light of internal developments in Latvia and the (lack of) stability in neighbouring Russia, our data reveal little potential for mass emigration. However, since it is usually the young, best-educated, businesslike elements who tend to leave, and Latvia already faces the problem of having too few people of working age, even small-scale emigration from Latvia on the part of these groups could seriously affect the basis for future economic growth and social improvement.

CONCLUSION

Latvia's population is strongly affected by the political, economic and social reforms taking place during the present period of transition. People are generally very sceptical to the deepening chasms developing between different income groups. There are significant generational differences with respect to people's support of the privatisation process, with young people being the most supportive. Women express greater scepticism than men, and ethnic Latvians are somewhat more supportive than Russians. People have an inherent distrust of official authorities. An overwhelming percentage of the population believes government authorities withhold information and work inefficiently, and this case in point should evoke some serious thinking on the part of the government.

According to our respondents, bribes still seem to be regarded as a common feature of the administration, although women are more prone than men to answer that they «do not know» if public officials accept bribes. With regard to the discrimination of women, though it exists, there are very small differences in opinion between the genders. Women's participation in public life is rather limited, a fact reflected by their lack of political interest. It is rather daunting to observe that the majority of the population takes no or little interest in politics, and the degree to which they think that politics is «too complex to me». The vast majority expresses disbelief in own abilities to influence political decisions, a factor which serves to widen the gap between the individual and political decision-makers. Naturally, non-citizens are less involved in politics than citizens. Perhaps surprisingly, ethnic affiliation does not play the dividing role we may have anticipated. Though disillusioned about the political and economic progress in Latvia, people are quite supportive of the privatisation process. Since the main stream of emigration already has taken place, only a small percentage of the population reports that they plan to emigrate. Regardless of ethnic origin, those who reside in Latvia today are most likely to stay, and face the fortunes and fate of the country.

APPENDIX

MODEL 10.1: OPINION ON PRIVATISATION

Table 10.1: Linear regression. Opinion on Privatisation. Dependent variable: Index ranging from -8 (strongly against privatisation) to +8 (strongly in favour).

Variables	B(SE)	Beta
Gender (male=1, female=0)	.88(.17)	.10
Age	-.11 (.03)	-.41
Age 2	.0007(.0003)	.29
Citizenship (Yes=1, No=0)	-.05 (.26)	-.01
Level of education (index ranging from 0 to 8)	.57 (.06)	.21
Russians (Yes=1, No=0)	-1.75(.25)	-.18
Other ethnicities (Yes=1, No=0)	-1.44(.31)	-.11
Living in urban area (Yes=1, No=0)	1.06(.20)	.11
Constant	2.35	

Note: Due to the particular sampling scheme used in the present survey, reported standard errors (SE) in this as well as the following logistic regressions may underestimate the true level of uncertainty. See Appendix 2 on Methodology for details.

Model 10.2: Opinion on income inequality

A model with a categorical dependent variable taking the value 1 for those advocating smaller income differences and 0 otherwise.

Table 10.2: Opinion on income inequality. Logistic Regression (Logit) Dependent variable = 1 for «income differences should be smaller» (=0 otherwise)

	B(SE)	Exp(B)	Partial R
Gender (male=1, female=0)	-.62(.13)	.54	-.11
Highest education			.00
1. primary school (Yes=1, No=0)	-.01(.47)	.99	.00
2. uncompleted secondary (Yes=1, No=0)	.31(.50)	1.36	.00
3. common secondary (Yes=1, No=0)	-.02(.48)	.98	.00
4. secondary specialised (Yes=1, No=0)	-.00(.48)	1.00	.00
5. unfinished higher (Yes=1, No=0)	-.07(.57)	.94	.00
6. higher (Yes=1, No=0)	-.09(.49)	.91	.00
7. scientific degree (Yes=1, No=0)	-1.49(.84)	.22	-.03
Citizenship (Yes=1, No=0)	-.09(.19)	.91	.00
Age	.06(.02)	1.06	.06
Age 2	-.0005(.0002)	.99	-.04
Ethnicity			.00
Ethnic (1) (Russian =1, Latvian or Other=0)	-.28(.19)	.76	-.01
Ethnic (2) (Other =1, Russian or Latvian=0)	.02(.24)	1.02	-.00
Constant	1.04(.63)		

The second column (Exp(B)) gives the factor by which the odds (probability of dependent variable being 1 divided by probability of dependent variable being 0) changes when the relevant variable increases by one unit. If (Exp(B))>1, the estimated effect is positive. The third column (R) is a measure of partial correlation. It ranges from -1 to +1. A positive value of R indicates that as the variable increases in value, so does the probability of the dependent variable taking the value of 1 rather than 0. The reference group for education is the one indicating that the respondents are illiterate or have no education.

MODEL 10.3: POLITICAL INTEREST AND PERCEIVED INFLUENCE

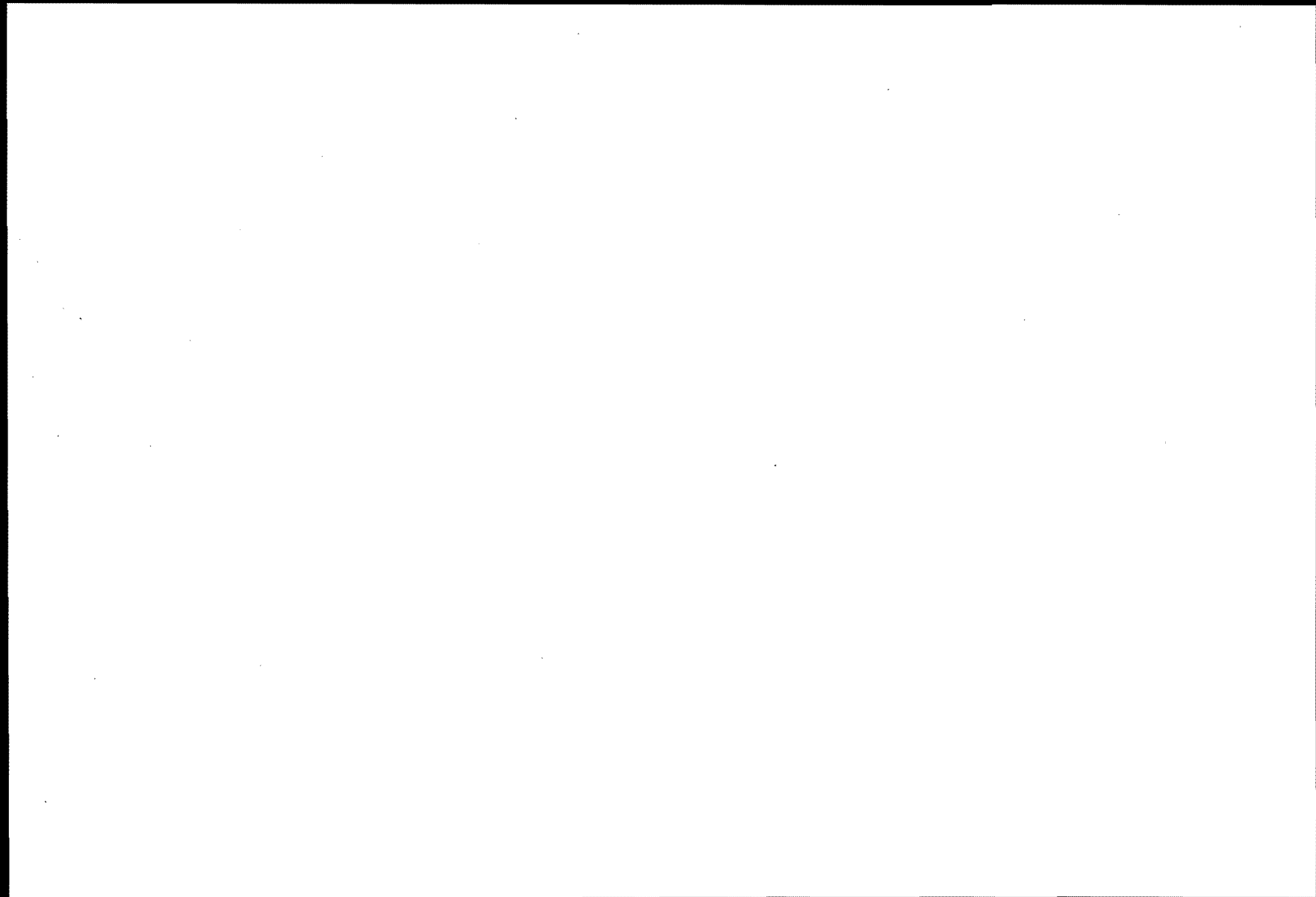
This model comprises three sub-models. The models encompass the same explanatory variables as in Model 10.2.

Table 10.3a: Logistic regression. Political interest and perceived influence.

	Dependent variable:No point in planning (agree=1, otherwise=0)			Dependent variable:Politics too complex (agree=1, otherwise=0)		
	B(SE)	Exp (B)	Partial R	B(SE)	Exp (B)	Partial R
Gender	-.55(.08)	.57	-.12	.99(.09)	.37	-.18
Education			.13			.27
1. primary school	-.44(.31)	.65	-.00	-2.23(1.05)	.12	-.03
2. uncompleted secondary	-.55(.32)	.58	-.01	-2.71(1.05)	.07	-.04
3. common secondary	-.95(.32)	.39	-.04	-3.43(1.05)	.03	-.05
4. secondary specialised	-.96(.31)	.38	-.04	-3.45(1.05)	.03	-.05
5. unfinished higher	-1.29(.38)	.28	-.05	-4.44(1.07)	.01	-.07
6. higher	-1.64(.32)	.19	-.08	-4.83(1.05)	.01	-.07
7. scientific degree	-2.13(.84)	.12	-.03	-4.74(1.25)	.01	-.06
Citizenship	.08(.12)	1.09	.00	.15(.15)	1.16	.00
Age	.07(.01)	1.08	.08	.04(.02)	1.04	.03
Age 2	-.0006(.0001)	.99	-.07	-.0003(.0002)	.99	-.03
Ethnicity			.06			.08
Ethnic (1)	.51(.12)	1.67	.07	.73(.14)	2.07	.08
Ethnic (2)	.46(.15)	1.59	.05	.57(.17)	1.77	.05
Constant	-.97(.42)			3.49(1.09)		

Table 10.3b: Logistic regression. Political interest and perceived influence.

	Dependent variable: No influence on political decisions (agree=1, otherwise=0)			Dependent variable: Politics too complex (agree=1, otherwise=0)		
	B(SE)	Exp (B)	PartialR	B(SE)	Exp (B)	PartialR
Gender	-.43(.12)	.65	-.07	-.60(.08)	.55	-.11
Education			.12			.18
1. primary school	-.93(.60)	.39	-.01	.82(.14)	2.27	.09
2. uncompleted secondary	-1.10(.62)	.33	-.02	.36(.15)	1.43	.03
3. common secondary	-1.17(.61)	.31	-.03	-.07(.13)	.94	.00
4. secondary specialised	-1.00(.61)	.37	-.02	-.15(.13)	.86	.00
5. unfinished higher	-1.69(.66)	.18	-.05	-1.03(.23)	.36	-.07
6. higher	-1.93(.61)	.15	-.06	-.67(.14)	.51	-.07
7. scientific degree	-1.28(1.17)	.28	.00	-1.07(.66)	.34	-.01
Citizenship	.01(.16)	1.01	.00	-.27(.12)	.77	-.03
Age	.05(.02)	1.05	.05	-.10(.01)	.90	-.11
Age 2	-.0005	.99	-.04	0.0007(.0001)	1.01	.07
Ethnicity			.13			.00
Ethnic (1)	-.99(.17)	.37	-.13	0.09(.07)	1.10	.00
Ethnic (2)	-1.03(.20)	.36	-.11	-.01(.08)	.99	.00
Constant	2.84(.74)			4.19(.37)		



CUMULATIVE ASPECTS OF LIVING CONDITIONS

Aadne Aasland

*Kam, dieviņi, tā darīji,
Citam labi, citam slikti,
Citam devi zelta naudu
Citam spēķi rociņā.*

[Why have you, dear God, made life so
Good for some, bad for others?
Some endowed with gold and money,
Others with a beggar's staff.]

From a Latvian folksong

INTRODUCTION

In this report we have examined what are generally considered the most important components of living conditions one by one. References to other components have been made fleetingly, and only insofar as they could shed light on the issue immediately at hand in the analysis. Broadly speaking, each component has been dealt with as a separate case. However, such one-dimensional analyses are seldom able to provide a true picture of more general welfare trends (Andersen and Barstad 1991). In reality, living conditions are produced as interactions of several components. To obtain a more comprehensive picture of the welfare resources of individuals and households, it is therefore necessary to take a closer look at these relationships. Moreover, this approach enables us to detect convergences of living conditions deficits and thereby identify particularly vulnerable groups (i.e. those who experience hardship along a series of parameters). The aim of this chapter, then, is to go beyond the individual indicators presented in this report, in order to draw a more comprehensive and coherent picture of trends in general living conditions in Latvia.

There are several problems involved in creating a general or combined measure of living conditions. One option could be to develop a composite living conditions index by totalling the scores of all the individual living conditions indicators. The aggregate sum of the score on each component would be a measure of a person's or a household's living conditions. However, this and other general measures of living conditions must be viewed with some caution. Even though researchers might agree on how to select the requisite indicators, it is hard to estimate the relative importance of each component and thus to know how

much each component should count in the final analysis. Most people would agree that it is more important for a person's well-being to enjoy good health than to hold membership in a social organisation, but it is hard to estimate how the various factors should be weighted.

A second problem in terms of constructing composite measures of living conditions concerns how to create yardsticks for each component – where does one draw the line between satisfactory and poor living conditions? Ideally, the respondents' subjective perceptions of satisfaction or happiness should count more than the objective criteria defined by the researcher (Ringén 1995: 3). In practice, this is a difficult task. Moreover, it is easier to agree on what constitutes bad living conditions or severe resource deprivation than it is to settle on the definition of an ideal life situation or a satisfactory level of resources. Finally, instead of providing an absolute measure of living conditions, when considering the cumulative aspects of living conditions, one must focus on the position of the individual or household relative to that of others.

Despite the methodological challenges, it is still important to analyse the composite portfolio of living conditions in order to shed light on the relationships between different aspects of welfare and social life. Thus far, the analysis in this report has confirmed a relatively strong correlation between some living conditions components, while others seem to be more or less independent of each other. This chapter systematises such findings. Our aim is now to combine some of the most important indicators into a smaller number of living conditions dimensions. We will rely on factor analysis for this purpose. Based on background variables in the survey, the next step will be to identify which population segments experience, respectively, the best and the worst living conditions. Tracing the tendency of cumulative living conditions to be unequal or convergent, may help us to define vulnerable groups.

SELECTION OF VARIABLES AND INDICES

It is not obvious which indicators should be included in a more general analysis of living conditions. Ideally, we would include all relevant indicators, weighted according to their relative importance. However, for practical reasons, it makes more sense to select a few indicators from different parts of the survey, the total of which might be expected to give a relatively accurate picture of a person's living conditions. The indicators include observations on both the individual and the household level, and they include objective findings as well as subjective evaluations made by the respondents. Most of the variables or indices have already been discussed in previous chapters. The selection of variables is presented on the next page.

HEALTH

General health. A variable indicating the subjectively reported general health condition of the respondent. Values range from 1 (very good) to 5 (very bad).

Psychological state. An additive index (from 0 to 7) summarising the degree of personal/psychological difficulties, from being suddenly scared for no reason, to experiencing feelings of worthlessness (high value = many problems).

ECONOMIC RESOURCES

Objective:

Ownership of consumer durables. An additive index (from 0 to 7) summarising the prevalence of various types of equipment owned by the household, from refrigerator to car (high value = no or few items).

Subjective:

Economic hardship. A recoded index variable (from 0 to 3) indicating the household's subjective experience of economic difficulties during the past year, from having to rely on outside help to pay regular expenses, to involuntarily having to refrain from taking part in social or cultural activities (high value = severe hardship).

FAMILY RESPONSIBILITY

Consumer ratio of respondent's household. This is a variable (ranging from 0 to 1) based on the ratio of financially dependent household members (consumers) and working household members (producers) (high value = large share of consumers).

HOUSING

Number of rooms per household member. This is an indicator of how many household members there are per room in the respondent's dwelling. (high value = many members per room).

Indoor standard. An additive index (from 0 to 9) for the reported quality of the household dwelling made by summarising the number of household facilities from WC to telephone (high = no or few facilities).

INTEGRATION IN THE LABOUR MARKET (VULNERABILITY)

Household income types. A variable (ordinal) ranking the type of income a household may derive from private incomes, wage incomes only, mixed types of income, government transfers only, to no incomes (high value = no incomes).

SOCIAL CONTACT

Social isolation. A dichotomised variable differentiating between people who have no or little social contact with family, neighbours and colleagues, and people who have regular contact with other people (high value = little contact).

SOCIAL SECURITY

Exposure to crime. An additive index (from 0 to 5) summarising experienced violence, threats or crime during the past year, from violence which led to visible bruises to street robbery/mugging (high value = experienced many types of crime).

Fear of being exposed to crime. An additive index (from 0 to 6) summarising the respondent's fear of being exposed to violence or threats in various places, on the street, at public places, or at home (high value = strong fear).

CONTROL / MENTALITY

Personal efficacy. An additive index (from 0 to 5) summarising the respondent's belief in own ability to influence his/her future (high value = low self-confidence).

For all variables: High value implies difficulties or problems (deficits).

TWO MAJOR DIMENSIONS OF LIVING CONDITIONS

While looking for cumulative effects which could indicate systematic inequalities in Latvian living conditions, our primary aim has been to test the hypothesis that a large number of living conditions components can be reduced to one or more living conditions dimensions. This hypothesis has been confirmed by a factor analysis showing that there are two major living conditions dimensions (factors) around which Latvian living conditions tend to cluster (detailed results may be found in the appendix at the end of the chapter). One dimension represents a person's objective material standing in concrete terms, while the other represents his/her self-perceived sense of well-being. It is clear that both factors are of great importance for living conditions and that people with a high score on either of the two factors experience difficult living conditions. Inequalities in living conditions are to a large extent centred around these two dimensions.

The first of the two factors incorporates the household's income types, consumer ratio, number of consumer durables and the indoor standard of the household. Another component which has a relatively strong correlation with this factor is the respondent's self-perceived general health condition. The factor loadings on these variables suggest that this factor serves as a comprehensive measure of the respondent's socioeconomic resources. These resources are, as shown in the chapter on economic resources, to a large extent determined by the economic resources of the individual's household, and are to a significant degree produced by the household's integration in the labour market. In other words, at the top extremity of this dimension we find people who, to a large extent, depend on government transfer incomes or help from others, who live in households with few producers, with few consumer durables and a poor indoor standard. Respondents at this end of the scale are also characterised by worse health conditions than average. At the other end of the scale one finds people living in households where wage incomes predominate, where many members have permanent employment, where there are plenty of consumer durables and many household conveniences.

The second factor incorporates variables based more on the individual's subjective evaluation of his or her well-being. The correlation is particularly strong for the variables indicating the psychological state of the individual and the extent to which he or she fears crime. However, the factor also has a high loading on variables such as subjective general health condition, economic hardship and, although somewhat less, the belief in one's own ability to influence the future. Finally, the factor loads on the respondents' exposure to crime. What these variables have in common is that they all point to the individual's sense of security and control over his or her life. The factor is therefore a measure of the respondent's security and control resources. Thus, people with a high score on this dimension tend to report more psychological problems than others. For instance, they have a stronger fear of becoming victims of crime. They evaluate their own health as poor, and many have experienced economic hardship during the past year. Moreover, these people's belief in their ability to

change their life situation is not very strong. Many of these deficits can be confirmed by more objective criteria. For example, people who report bad health also experience more incidents of chronic illnesses. However, even if there is a degree of subjective perception involved, subjective satisfaction is a very important part of living conditions, so this dimension should be taken just as seriously as the first in a discussion of general living conditions trends.

Some variables do not load high on either of the two dimensions. They seem to be relatively independent of the other variables. This is, for example, the case with social isolation. As was argued in the chapter on social contacts and participation, a high degree of social isolation is hardly something that can be explained by other living conditions resources; it is an individual characteristic which should be explained in psychological terms rather than through living conditions theory. Nor is the number of rooms per household member relevant to the two dimensions identified. This makes sense, as we know that the Latvian housing market has been strongly regulated. Moreover, households with young children tend to live in slightly more crowded conditions than other types of households, but that does not necessarily mean their general living conditions are worse.

As we have seen, one variable loads high on both dimensions¹, and serves as a mediator between the two, namely, the subjective assessment of one's state of health. In other words, socioeconomic and security/control resources are more easily obtained by people in good health. The risk of becoming an outsider is much greater for a person with poor health than for others. Since health has such a strong impact on the general welfare of the individual, it will be singled out as a separate dimension alongside the other two factors in the further analysis.

EXPLAINING INEQUALITIES

The factor analysis has suggested two main dimensions on the basis of our living conditions material: the socioeconomic and the security and control dimensions. The general state of health was shown to be a mediator between the two. The next step is then to construct two factor variables, where each person is given a score on both dimensions with the average score of 0 (and a standard deviation of 1 – see the appendix). A positive score on one of the variables is associated with living conditions deficits along this dimension. A high or low score on both dimensions indicates respectively poor or good general living conditions, whereas a low score on one dimension combined with a high score on the other suggest that some form of compensation is taking place. Our task now is to identify which groups or segments of the population are better or worse off, in terms of both socioeconomic and security/control resources. We will also include a section on health because of its strong relevance to general living conditions.

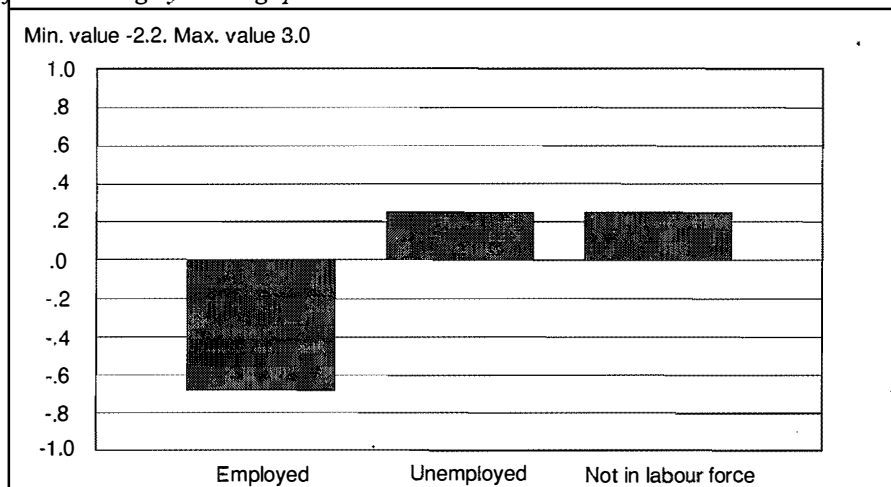
¹ There were two more variables which had a high factor loading in the first analysis, but where the loading was reduced after rotation. These were «economic hardship» and «psychological state». After rotation it was only subjective health condition which had a high loading on both factors (see the appendix at the end of the chapter).

SOCIOECONOMIC RESOURCES

As we have seen, the socioeconomic resources of an individual are made up of several components. The factor embraces the household's integration in the labour market, ownership of consumer goods, housing standard and family responsibilities. Thus, by definition, people who are employed run a much smaller risk than others of lacking socioeconomic resources. Employed people should therefore score lower than others on the factor variable for the socioeconomic dimension. Figure 11.1, which shows the average score for three labour force categories, fully confirms this. Very few people who are integrated in the labour market suffer from a severe lack of socioeconomic resources; the vulnerable groups are found among the unemployed and those outside the labour force. Evidently, transfer incomes (pensions, social security, etc.) are usually not large enough to compensate for the lack of earned income provided by employment. The figure shows that the average scores of the unemployed and those outside the labour force are quite even. Hence, the big gap is between those who are integrated in the labour market and those who are not. Those outside the labour force are people with very different characteristics. The largest group are the pensioners, followed by the disabled and sick, and those who have given up finding work. At the same time one should note that this group also includes housewives who can afford to stay home because their husbands earn high salaries.

As regards people outside the labour force, it is those living on their own and those who are single providers with dependent children who are most at risk. This finding is clearly illustrated in Figure 11.2, which shows the socioeconomic situation of people in different labour force categories, adjusted by household type. People in one-person households are somewhat better off than others as long as they are

Figure 11.1: Socioeconomic problems by labour market integration. Average factor score for each category. Old-age pensioners not included.

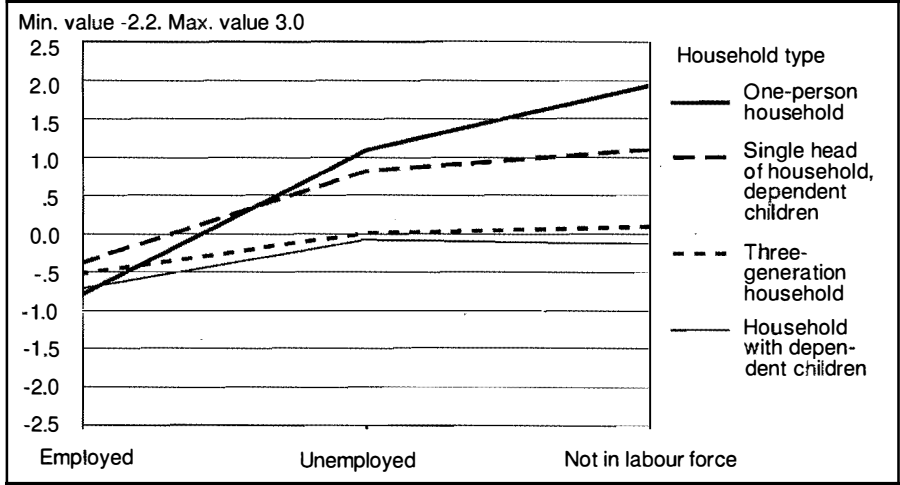


employed, but if they become unemployed or, even more so, if they do not work for some other reason, their situation becomes dramatically worse. The socioeconomic position of single providers with children is not much better, but the danger of becoming a complete outsider if they do not work is somewhat smaller than for the former group. Government support for single parents is probably an important reason why this group is in a relatively better position than single adults without children.

As the figure shows, the employment situation of the individual is much less relevant to people living in households with other providers, be they three-generation households or nuclear families with children. Although three-generation households are somewhat worse off compared with the nuclear family, the difference is marginal, and there is reason to believe that many potential outsiders are protected by living in extended family households. Large households can get by even in the cases where there is only one provider, if, as often happens, he or she compensates by having a substantial salary. It is worth pointing up that an unemployed person living in a three-generation household or a nuclear family household has a better score on the variable than the population average. This may be perceived as clear evidence of the importance of households' «compensation» function. People living under the same roof take care of each other, and people who would otherwise face serious financial problems may be protected thanks to financial support from other household members. In return, such people can make an important contribution by performing various household tasks.

During the transition period young people are usually in a more favourable socioeconomic position than older people. It seems to be easier for the young to adapt to new economic conditions, to find work in private enterprises or to supplement their income by taking an extra job. Those who cannot find a job

Figure 11.2: Socioeconomic problems by labour market integration and type of household. Average factor score. Old-age pensioners not included.

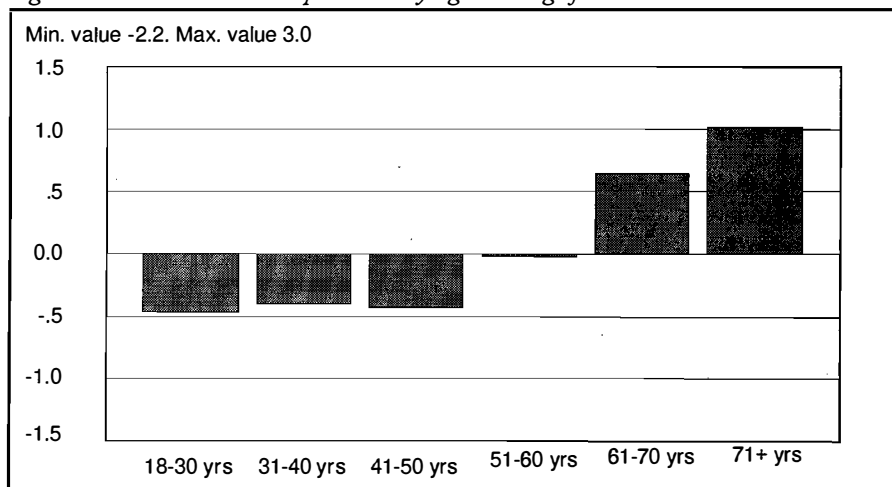


usually live with their parents and are thus protected from poverty. Figure 11.3 shows that it is usually those who are 60 years old or more who suffer the most serious socioeconomic deficits. Very few participate in the labour market, and many live alone. Both factors make them more vulnerable, in socioeconomic terms. If we look at the group of old-age pensioners separately, it should be noted that here, too, the household provides protection against socioeconomic poverty. Old-age pensioners living in three-generation households have an average score of 0.06 on the socioeconomic scale, which is only just above the average for the population, while the average for the old-age pensioner in general is 0.82.

As in most other societies, in Latvia there is a powerful link between a person's socioeconomic status and his or her education, cf. Figure 11.4 (next page). Naturally, the most vulnerable people are those who have only attended primary school or less. It should be pointed out that the pattern is the same for all age groups, but that education gives more protection to the young than to retirees. Somewhat surprisingly, perhaps, gender differences in terms of socioeconomic resources are very small, as shown by the figure. This is probably mainly because people share financial resources with the other members of the household. Of course, it is also significant that most women of working age are active in the labour market. The figure shows that the impact of education on socioeconomic status is about the same for men and women. Sex in itself does not help us to predict the score on the socioeconomic variable to any significant extent; rather, the level of education has much greater explanatory effect.

Although urban areas have experienced economic problems in the transition period, the situation in rural areas has, in many respects, been even more deploring.

Figure 11.3: Socioeconomic problems by age. Average factor score.



Agricultural output has been considerably reduced; it declined by a staggering 28 per cent in 1994 (Štamers 1995: 39). Privatisation has been more advanced in the agricultural sector than in other areas of the economy. However, the process of converting state-owned and collective agricultural enterprises into joint stock companies has proceeded far from smoothly. Rural areas offer few jobs outside agriculture, as most enterprises are situated in the cities. State subsidies are also very limited, and the distribution system of the agricultural output does not function very well.

Figure 11.4: Socioeconomic problems by education and gender. Average factor score.

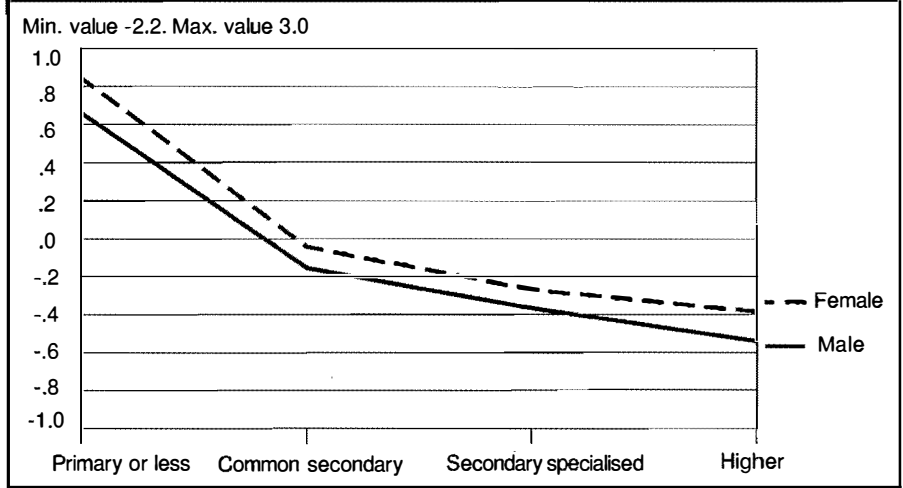


Figure 11.5: Socioeconomic problems by region and urban/rural settlement. Average factor score.

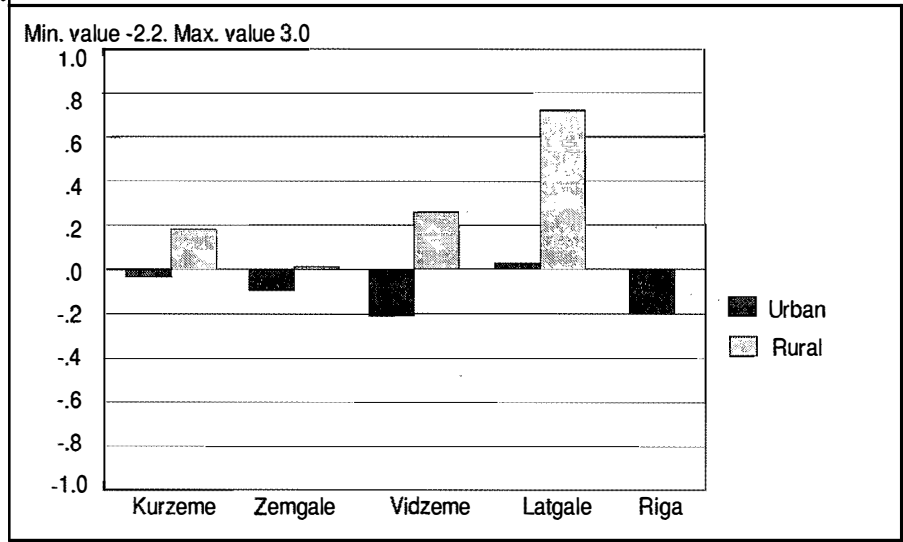


Figure 11.5 (see previous page) confirms that the average socioeconomic position is considerably better in urban than in rural areas, although there is slightly greater social and economic polarisation in urban areas. The figure also shows that regional variation is substantial. The area of Latgale stands out as a special case. Socioeconomic problems seem to be much more widespread here than in other parts of Latvia, as indicated by the figure. We know that unemployment is higher in Latgale than anywhere else, and the chapter on economic resources also showed that Latgale is economically worse off than the other regions. The figure shows that the problems tend to accumulate in Latgale's rural districts and that the urban areas of Latgale are less affected. The problems accumulate in districts that are far away from large cities, and this is true of many parts of Latgale.

As the figure bears out, people in Zemgale's rural districts are considerably better off in socioeconomic terms. Zemgale is known for having the best soil in Latvia (Latgale has the worst), but this is only part of the reason. Distances from Riga and other large cities are much shorter here than in most parts of Latgale, and many people in Zemgale live in the countryside and work in nearby cities or towns, where it is easier to find work. Due to the shorter distances to cities and towns, the poor distribution system concerning, for example, agricultural output does not affect this region as much as Latgale, and it is easier to sell produce at markets in the cities.

Finally, it should be noted that ethnic affiliation and citizenship status are not significant factors in explaining variation in socioeconomic resources. If anything, it is the non-citizens who are at an advantage, but the differences are so minute that one can hardly differentiate between the two groups, especially when we adjust for other variables such as urbanisation and age structure.

SECURITY AND CONTROL RESOURCES

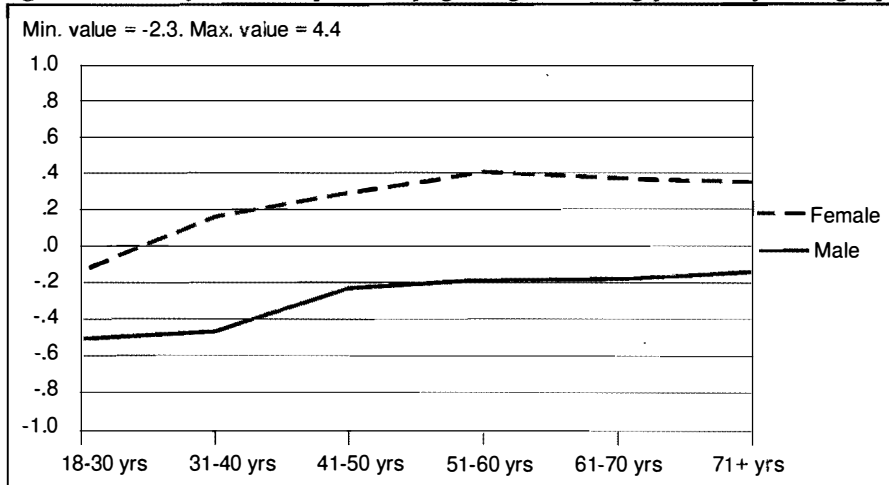
While regression analysis (see the appendix at the end of the chapter) showed that a considerable part of the variation along the socioeconomic dimension can be explained by background variables such as education, employment status, household type, region and degree of urbanisation, security and control resources are far more evenly distributed throughout the population. Such resources do not depend to the same degree on the social status of the individual. The subjective aspects seem to play a more prominent role in explaining variation along this dimension. However, although the subjective aspects are evident, they are still based on some objective criteria or hard facts of life. The perception of economic hardship, for example, is not simply a subjective evaluation of economic position, but involves confrontation with economic realities. Similarly, reported exposure to crime, which is included in this dimension, also reflects objective social phenomena. This dimension must be seen as a state of mind, or a mentality, strongly influenced by the social

processes taking place in society. To a certain extent the dimension is a measure of the capacity to adapt to these social processes.

Gender is the variable that correlates most strongly with the score on the security/control dimension. Does this mean that it has been more difficult for women than for men to adapt to changes over the past few years? We know for sure that women report more psychological problems and are more frightened of becoming crime victims. There may be many reasons for this. Traditional sex roles and expectations may offer part of the explanation. First of all, women may find it easier than men to admit to psychological problems or fear in an interview situation with a complete stranger. Second, women play a dual role: They are almost as integrated in the labour market as men, and at the same time they are expected to perform many of the daily chores at home. Women have less time for relaxation, and for physical and spiritual self-realisation (UNDP 1995: 43 and 45). The distribution of power, money and labour between men and women in society is manifestly unequal. However, it would probably not be correct to say that women in Latvia have a harder life than men since we know they live an average of 12 years longer! It is more likely that women are more sensitive to and exposed to the effects of the social transition; it is their duty to make ends meet, and they are more aware of the problems of other household members.

Figure 11.6. shows that gender is more important than age in explaining differences along the security/control dimension. The differences between men and women are smallest among young people in the 18–30 age group, especially among those under 25. Traditional sex roles are gradually changing for these younger people. People in the older age groups are more likely to have deficits in terms of security and control resources than young people. However, the figure shows that men age 70 years or more have a lower average score along this dimension than women in the youngest age group. Thus, while socioeconomic

Figure 11.6: Security and control problems by age and gender. Average factor score for each group.

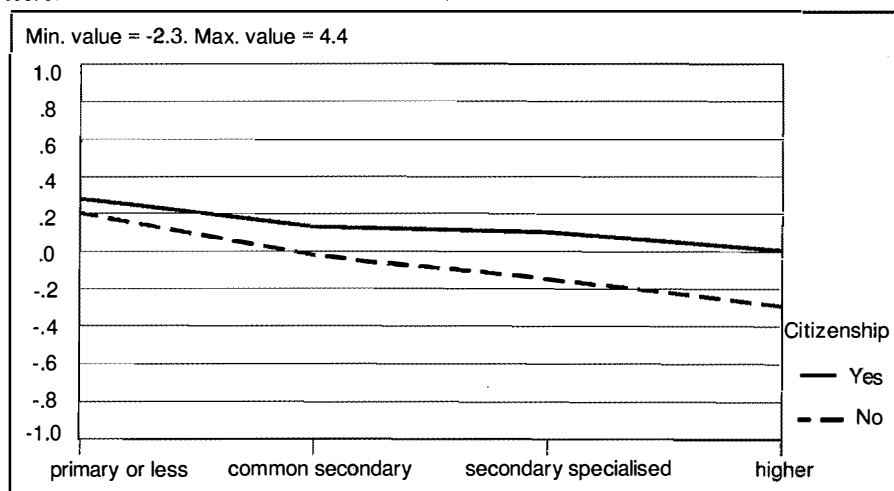


resources are very unevenly distributed among people in different age groups, there is no similar variation when it comes to security and control resources. The opposite is the case with gender.

We have seen that education protects against socioeconomic problems, and education also has an effect on security and control resources which go in the same direction. Education serves as a buffer against living conditions deficits. It seems that it is easier for people with more than basic education to adapt to the rapid economic and social changes taking place in Latvian society, and education makes people less vulnerable in regard to both integration in the labour market and having a subjective sense of well-being. Education gives people an ability to master the situation.

If we look at citizens and non-citizens separately we find some interesting differences, which are illustrated in Figure 11.7. The figure shows that citizens of Latvia normally have a greater sense of control and security than non-citizen residents. One explanation may be that non-citizens, who often belong to other ethnic groups, tend to feel somewhat less easy about their future in Latvia than citizens do. The difference is rather small, however; one might even say surprisingly small considering that non-citizens lack voting rights and many are not sure when or even if they will ever become citizens of their country of domicile. They do not appear to have had many more problems adapting to changes than the citizens of the country. The figure shows, however, that while citizens have a greater sense of security and control the more education they receive, education is of limited relevance to non-citizens. This seems to suggest that one must look for remedies other than raising the educational level of non-citizens if one wants to reduce the existing, admittedly small, gap between the two groups.

Figure 11.7: Security/control problems by educational level and citizenship. Average factor score.

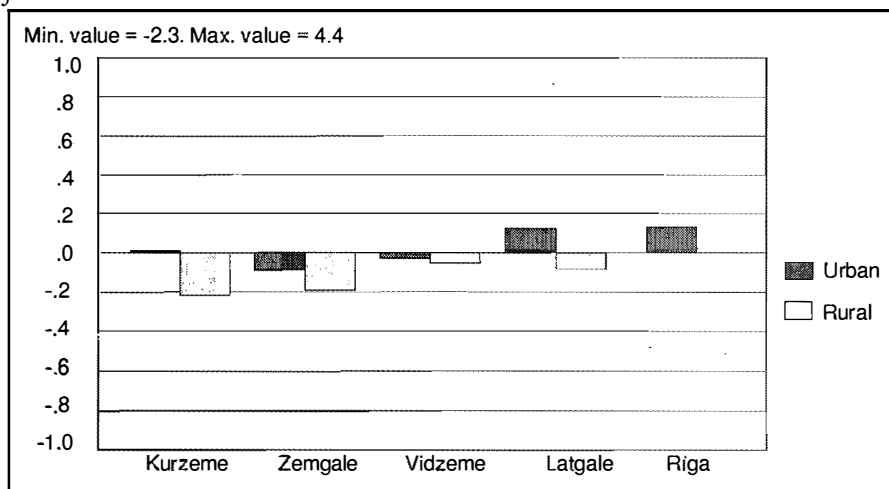


Although regional differences in the distribution of security and control resources are not very pronounced, there are nonetheless some interesting patterns that deserve attention. While the distribution of socioeconomic resources is favourable to urban areas, the opposite is the case with security and control resources. The size of the city is of importance, as the largest cities are appreciably worse off than smaller cities and towns. Thus, even if our data do not indicate that insecurity and a lack of control are strictly urban phenomena, big-city dwellers have a higher propensity than others to report living conditions deficits along this dimension. This is not completely unexpected, as people living in the cities more often lack the social protection provided in a tightly knit community where everybody knows everybody. The consequences of becoming an «outsider», especially in the labour market, are likely to be more severe in the city than in the countryside. Also, crime rates are higher in urban than rural areas, which naturally is reflected in a greater fear of becoming victim of crime in the cities. A higher proportion of people in the cities have actually experienced incidents of crime.

One could say that people in rural districts to a certain extent compensate for a lack of socioeconomic resources by having a greater feeling of safety and being in control. From an economic point of view it pays to live in the city, but the penalty may be weaker social integration and greater vulnerability to crime and insecurity.

Figure 11.8 (see previous page) shows regional variation along the security and control dimension, adjusted for degree of urbanisation. The figure shows that the situation is worst in the city of Riga and the urban areas of Latgale. It is interesting to note that it is the Latgale region that has the most problems in both resource areas, but that this time it is the city and not the countryside that is affected. It is symptomatic that the Latgalian city of Daugavpils, the second largest city in Latvia,

Figure 11.8: Security/control problems by region and urban/rural settlement. Average factor score.



harbours the largest proportion of the population reporting insecurity and lack of control (something which is not shown in the figure). In Kurzeme the cities of Ventspils and Liepaja are similar to other big Latvian cities, but the smaller towns in the region contribute to a comparatively lower (read: better) score than for other regions. The opposite is the case with Vidzeme where the only big city, Jurmala, scores lower compared not only with other cities but also with most rural areas. However, Jurmala is atypical in that it does not have a city centre and more closely resembles a large holiday resort than a city.

However, the perhaps most noteworthy, and surprising, finding is that level of integration in the labour market is not particularly relevant for explaining scores on the security/control dimension. Being unemployed or outside the labour market does not significantly increase one's likelihood of reporting insecurity or a lack of control. This is especially true in rural areas, where the unemployed actually have a lower than average score on the factor variable. The relationship is as expected in urban areas, but it is not very strong there either. It is hard to find a good explanation, but it must have some connection with the transitory nature of Latvian society today. Unemployment is a relatively new phenomenon; it has manifested itself in rather unpredictable ways, and it has struck in many strata of society. This may possibly have served to take away some of the stigma and social isolation normally attached to unemployment, at least for the time being. Furthermore, in a situation where it is hard to plan for the future, many of those who now have jobs are afraid of becoming unemployed. Thus, insecurity is a characteristic of many people in Latvia, regardless of their employment status today.

HEALTH AND LIVING CONDITIONS

The factor analysis showed that health holds a unique position among living conditions components, as it is the only one that is highly correlated with both of the two most important living conditions (socioeconomic- and security/control resources). It is interesting to note that this correlation is so pronounced, despite the fact that the internal correlation between the two dimensions is almost negligible (0.1). Figures 11.9 and 11.10 (see next page) show the average score on each dimension for the various categories of subjectively perceived health condition. The figures confirm the high correlation between health and the two factor variables, and they clearly illustrate what a great risk a person in poor or very poor health runs of becoming an outsider.

Poor health puts restrictions on labour market integration, which, as we know, is essential to producing socioeconomic resources. In the health chapter we saw that health problems increase with increasing age, a well-known, and self-evident, phenomenon in all societies. However, people who report poor health have a higher propensity to have socioeconomic deficits irrespective of age. People with severe

health problems often cannot work, putting them in an even more difficult socio-economic position. Further, elderly people in good health tend to be in a more favourable socioeconomic position compared to those less fit in the same age group. Good health protects against socioeconomic difficulties throughout one's entire life.

Good health also improves one's subjective sense of well-being, as illustrated by the high correlation with the second factor variable. People who report being in shape tend to feel more secure and in greater control of their lives than people who report health problems. Of course, a health impediment can complicate social integration, and people who are isolated often face difficulties in adapting to social

Figures 11.9: Socioeconomic problems by perceived general health condition. Average factor score.

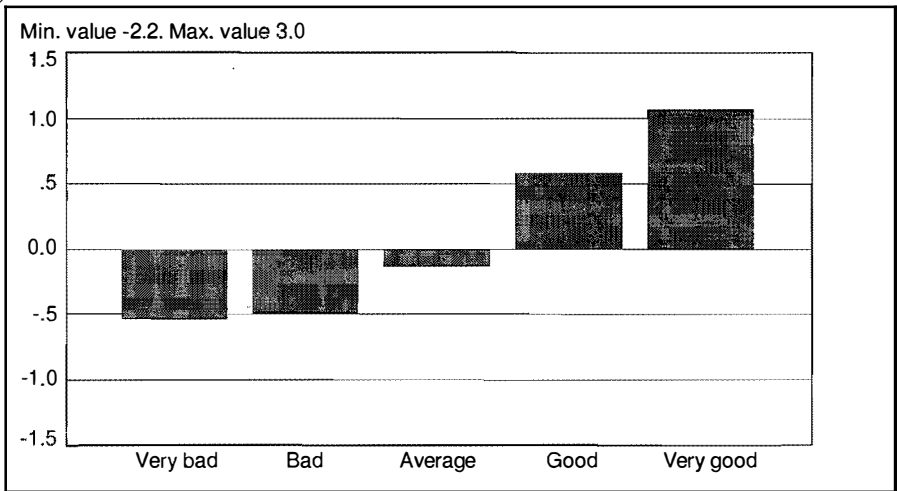
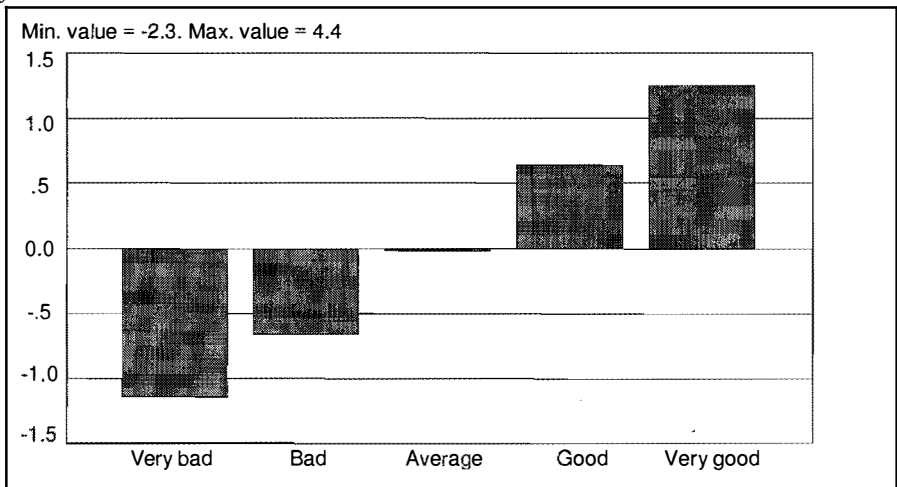


Figure 11.10: Security/control problems by perceived general health condition. Average factor score.



change. This is particularly true in a society like Latvia where the social transformation has been so rapid over the past years, and where much more of the responsibility for personal living conditions now falls on the individual. It is the young, entrepreneurial type that can most easily adapt to these changes, and people with health problems are likely to stand less chance of success. This influences the perceptions of the group suffering from poor health.

It should also be emphasised that, although it correlates strongly with objective measurements of chronic illnesses, our health indicator has a subjective component. To a certain extent one might expect that well-being would influence self-perceptions of health, so that people who feel safe and in control also tend to feel more healthy, regardless of more objective medical criteria. There are indications in the survey data that this is the case. The correlation between the subjective health indicator and the security/control variable is stronger than the correlation between the security/control variable and reported chronic illness. The same phenomenon emerges when we look at socioeconomics instead of security/control resources, but the difference here is much smaller, indicating that the subjective health component plays a more modest role in explaining differences along the socioeconomic living conditions dimension.

To conclude, a person's overall living conditions cannot be viewed independently from health, health being the simple component with the greatest ability to explain variations in individual living conditions. Good health is not an absolute requirement, but it substantially increases the chances of enjoying satisfactory living conditions in other areas and is closely linked to the level of socioeconomic resources and perceptions of security and control. Given that the Latvian authorities want to improve the general living conditions of the population, constructive efforts to improve the physical and psychological health of the citizens (read: residents) are likely to produce the greatest direct effects. Naturally, however, measures to improve health cannot be seen in isolation from other political, economic and social policies.

VULNERABLE GROUPS

As stated in the introduction, one of the aims in this chapter is to pinpoint vulnerable groups with severe living conditions deficits. For practical purposes, a living conditions deficit has been defined (operationalised) so that a score among the top 25 per cent of the population on one of the factor variables or the variable for subjective general health is counted as a deficit (the distribution on the health variable fits this operationalisation very well, as exactly 25 per cent of the respondents say that they have good or very good health and 25 per cent report bad or very bad health). This means that an individual can have from zero to three deficits, depending on his or her score on each of the three dimensions. Similarly, it is possible to use the score on each variable to identify individuals who are

among the quarter of the population with the best situation along the three dimensions. A score in the lowest 25 per cent bracket has been defined as a living conditions benefit. Thus, a person could have three benefits and no deficits, but there could also be people with both benefits and deficits, people, for example, with few socioeconomic resources but good health. One might say that such persons «compensate» for socioeconomic difficulties by enjoying a good health condition.

Since we know there is a strong correlation between health and the two factor variables, we would expect a tendency for living conditions benefits and deficits to accumulate. Table 11.1, which lists the various combinations of benefits and deficits, shows that we more often find an accumulation of deficits or benefits than some form of combination between the two. While 13 per cent of the respondents have both benefits and deficits, 39 per cent have two benefits or two deficits without any «compensation». Our expectations were confirmed.

A vulnerable person was then defined as a person with two or more living conditions deficits and without any compensation in terms of benefits. It must be pointed out that such people have experienced problems related to many or most of the indicators listed at the beginning of the chapter. One in five respondents was classified as vulnerable according to this definition. Six per cent have all the three possible living conditions deficits.

Figure 11.11 shows segments of the population that have a higher than average proportion of vulnerable individuals. The segments are sorted so that those with the highest proportion of vulnerable people are found at the top, while groups with a just above average proportion are at the bottom. The figure shows that people who are illiterate or have no education are in the most critical situation, since 61 per cent have two or more deficits. Among people with primary education, as many as 41 per cent are defined as vulnerable. It should be emphasised that the poorly educated

Table 11.1: Distribution of living conditions benefits and deficits. Per cent.

	% of respondents
3 deficits	6
2 deficits	14
2 deficits, 1 benefit	1
1 deficit	15
1 deficit, 1 benefit	9
No deficit, no benefit	17
1 benefit	17
2 benefits, 1 deficit	3
2 benefits	14
3 benefits	5
Total	100

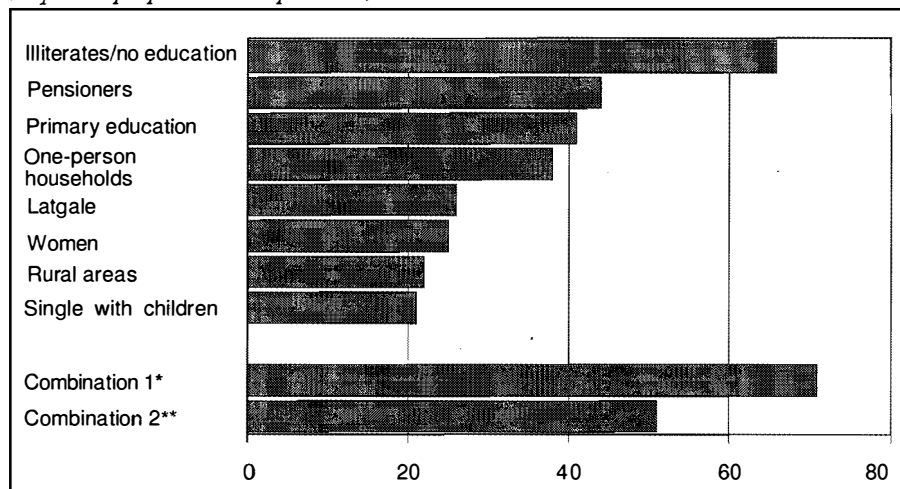
are overrepresented in the older age groups, but education has a similarly strong effect on vulnerability in all age groups. This is yet another confirmation of the importance of education in Latvian society.

As a group, pensioners have a high proportion of vulnerable people: 44 per cent. Many pensioners are in poor health and this, often in combination with limited socioeconomic resources, is the main reason for the difficult situation in which many in this group find themselves. Most of the people living alone are elderly widows and widowers (47 per cent of whom are classified as vulnerable), explaining the large share of vulnerable people in one-person households. Throughout this report we have seen that living conditions in Latgale are worse than in other regions in Latvia. Again, this is confirmed by the larger proportion of vulnerable people in this region, as illustrated in the figure.

The likelihood of being vulnerable is greater for women than for men, a finding that persists even when adjusted for the larger number of women in the older age groups. Ethnic affiliation and citizenship status appear to be irrelevant in explaining vulnerability. All major ethnic groups have roughly the same proportions of vulnerable individuals, and non-citizens are not much worse off than citizens. Single providers with dependent children are in a better situation than pensioners, but they are still slightly over-represented among the vulnerable. Compared with other households with dependent children, the difference is large. The proportion of vulnerable people who live in households with dependent children is only seven per cent.

The likelihood of being vulnerable increases, sometimes dramatically, if an individual has a combination of the characteristics associated with the living

Figure 11.11: Proportion of vulnerable in various segments of the population. Per cent. (Expected proportion: 20 per cent.)



Explanation:

* Combination 1: Female pensioners in Latgale's rural districts with primary education.

** Combination 2: Single breadwinners with dependent children, outside labour market.

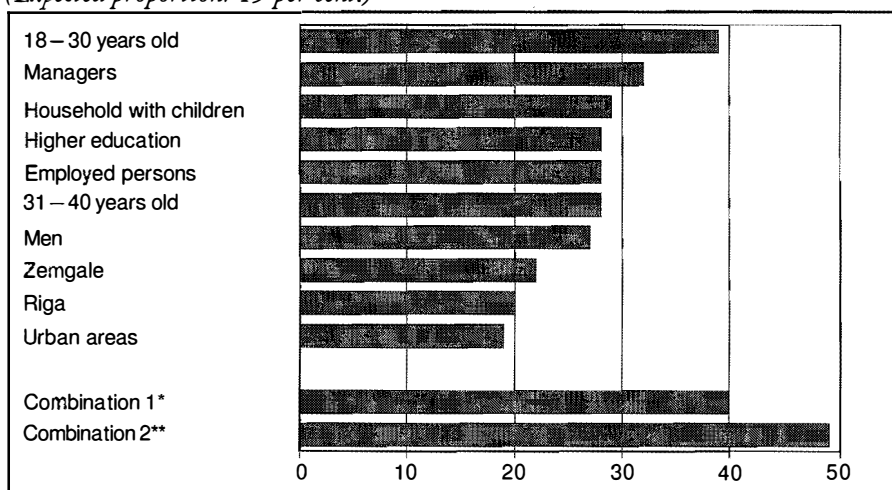
conditions deficits we have described. Thus, a female pensioner from a rural district in Lārgale has a 71 per cent probability of being vulnerable, as illustrated in the figure. According to our definition, more than half the single providers who have dependent children and are not working are vulnerable.

THE PRIVILEGED

Thus far we have concentrated on vulnerable groups and people with living conditions deficits, but it is also interesting to identify groups and people who have fared well during the transition period and who are characterised by living conditions which are better than the average. One way of identifying such people is to select those who have two or three living conditions benefits and no deficits, according to the definitions provided above. This is the case for 19 per cent of the total population, classified as privileged in the present living conditions context. It should again be emphasised that term privileged does not refer to a social stratification or to a measurement of material wealth, since a large number of living conditions components, compounded into three living conditions dimensions, are involved.

Figure 11.12 lists some segments of the population with a larger than average proportion of privileged members. It should be stressed that most of the categories are not mutually exclusive. As the figure indicates, young men who are active in the labour market are those with most living conditions benefits. Age is the most important background variable. People in the 18–30 age group have a greater share of

Figure 11.12: Proportion of privileged in various segments of the population. Per cent. (Expected proportion: 19 per cent.)



Explanation: *Combination 1: Ethnic Latvians in Riga with higher education.

** Combination 2: Male citizens in Zemgale, 18–30 years old.

privileged individuals than any of the other age groups. Young people who do not have a compromising past from the Soviet period, who are more flexible, and who find it easier adapt to changes, seem to enjoy the best living conditions in Latvian society today. The level of education is important, but completion of higher education is not necessarily a prerequisite; those who have started but not finished higher education are actually better off than those who completed higher education. The difference is also quite large between men and women; 27 per cent of males and only 13 per cent of females belong to the group of the population with two or more living conditions benefits.

One might expect to find very few unemployed individuals among the privileged, but the survey data show that the proportion of unemployed who belong to the group with most living conditions benefits is very close to the average for the population as a whole. Again, this indicates that unemployment does not necessarily imply severe living conditions deficits. We must, however, differentiate between different categories of unemployed people. Most of those who are both unemployed and privileged are young people who live with their parents. More importantly, perhaps, is the fact that young people seem to have great opportunities to earn extra income through the unofficial sector of the economy. We saw in the chapter on economic resources that many unemployed people reported some form of earned income. It should be noted, however, that elderly unemployed people who live on their own or in small households are a far more vulnerable group, and the proportion of them who are well-off numbers less than one per cent. Also, unemployment is often just a step on the road to permanent exclusion from the labour market, with all the sorry consequences for general living conditions that this entails.

Non-citizens are not overrepresented among the vulnerable segment in Latvian society, but, compared to citizens, they have a slightly smaller proportion of privileged. Moreover, while 20 per cent of ethnic Latvians belong to the latter category, the corresponding proportion for ethnic Russians in the country is 16 per cent. Although there is a slight difference, it should not be exaggerated, since other background variables are much more important than ethnic affiliation in explaining the likelihood of belonging to the group in the population with the most living conditions benefits.

In some groups the privileged are exceedingly few, and such groups are not listed in the figure. The groups are, as a rule, the same as those with an overrepresentation of vulnerable, cf. the preceding section. Thus, only 3 per cent of the pensioners have two or more living conditions benefits, and the same is true of 4 per cent of people with primary education only, 9 per cent of people living alone and 9 per cent of single providers with dependent children. In addition, 11 per cent of those living in the rural districts of Latgale are defined as privileged, but in the urban areas in Kurzeme people with many living conditions benefits are also fairly far between, 13 per cent according to our definition.

On the other hand, with a combination of characteristics associated with good living conditions, the likelihood of belonging to the privileged few increases. For

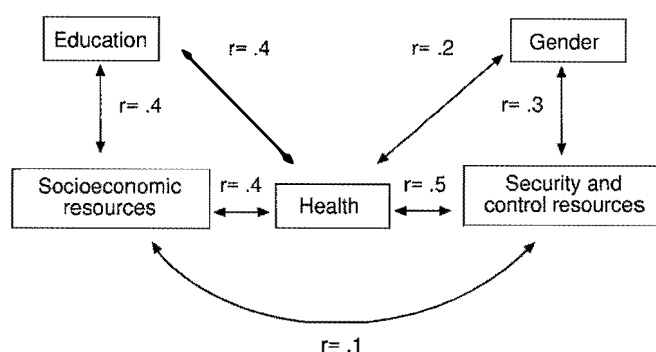
example, about half the men in the 18–30 age group who live in Zemgale and who are citizens enjoy a privileged position. The same is true of 40 per cent of the ethnic Latvians living in Riga, working in the private sector and who have a higher education. Still, it is impossible to single out one or more groups of the population where an overwhelming proportion belong to the privileged in the same way as it is possible to identify some clearly vulnerable groups, such as the pensioners and people without formal education.

CONCLUSIONS

The main findings of this chapter are summarised in Figure 11.13, which, in a simplified way, presents a model for the relationship between the two factor variables, their mediator (general subjective health), and the main background variables. It has been shown that a respondent's socioeconomic resources to a large extent is determined by the household's integration in the labour market. The selection mechanisms operating in the labour market are closely linked to education. Those with little education are at a much greater risk of becoming outsiders than people who have obtained skills and knowledge through the educational system. Education has given and continues to give a competitive advantage in Latvia. Our analysis further shows that there is a strong correlation between socioeconomic resources and the general health of the respondents. Good health is a valuable resource which can yield advantages in the labour market, and the reward is a higher level of welfare. Poor health seriously constrains labour market integration.

However, socioeconomic resources constitute only one of the two dimensions which, together, account for a considerable share of living conditions inequalities in Latvia. The other dimension, which is more subjectively founded, is the sense of security and control the individual has over his or her life. Once again, general good

Figure 11.13: A model of the relationships between the major living conditions dimensions in Latvia and some relevant background variables. Pearson's coefficient of correlation (r).



health proves to have a great impact on a person's well-being. People with health problems often feel anxious and tend to be more unsure about themselves and their surroundings. The relatively strong correlation between gender and security/control resources is also worth noting. It is open to discussion whether it should be explained by women's assumed greater sensitivity and realism, lower level of tolerance, or by some relative deprivations in their life situation.

APPENDIX

A. THE FACTOR ANALYSIS

Variables used in the factor analysis:

Conratio:	Consumer ratio of respondent's household
Rooms:	Number of rooms per household member
Durables:	Ownership of consumer durables
Indoor:	Indoor standard
Crime:	Exposure to crime
Fear:	Fear of being exposed to crime
Health:	Subjective general health condition
Psych:	Psychological state
Hh-inc:	Household income types
Echard:	Economic hardship
Isolat:	Social isolation
Perseff:	Personal efficacy

Correlation matrix for the living conditions components:

	Conratio	Rooms	Durables	Indoor	Crime	Fear	Health
Conratio	1.00						
Rooms	-.02	1.00					
Durables	.31	-.04	1.00				
Indoor	.22	.03	.44	1.00			
Crime	-.03	.02	.01	.02	1.00		
Fear	-.04	-.02	-.03	-.07	.18	1.00	
Health	.24	-.12	.21	.11	.02	.12	1.00
Psych	.12	.00	.14	.05	.19	.19	.39
Hh-inc	.71	-.22	.39	.24	-.01	-.04	.30
Echard	.12	.06	.20	-.03	.08	.12	.13
Isolat	.05	-.02	.04	.00	.01	.03	.13
Perseff	.02	.05	-.01	-.01	.00	.11	.07
	Psych	Hh-inc	Echard	Isolat	Perseff		
Psych	1.00						
Hh-inc	.12	1.00					
Echard	.17	.12	1.00				
Isolat	.05	.04	.02	1.00			
Perseff	.12	-.01	.08	-.04	1.00		

Principal Components Analysis (PC)

Factor	Eigenvalue	Pct of Var	Cum Pct
1	2.50	20.8	20.8
2	1.55	12.9	33.8
3	1.16	9.7	43.4
4	1.04	8.7	52.1
5	1.02	8.5	60.6
6	.95	7.9	68.5
7	.87	7.3	75.8
8	.84	7.0	82.8
9	.76	6.3	89.1
10	.56	4.7	93.8
11	.49	4.1	97.9
12	.25	2.1	100.0

The pattern of so-called eigenvalues, which is indicated by the step when the drop in value from one factor to the next levels off, suggested that two major factors could be traced in the material. The factor loadings for these factors are given in the following factor matrix:

Factor Matrix:

	Factor1	Factor2
Conratio	.74	-.24
Rooms	-.17	.08
Durables	.67	-.17
Indoor	.48	-.29
Crime	.05	.41
Fear	.06	.64
Health	.57	.34
Psych	.40	.58
Hh-inc	.80	-.25
Echard	.31	.37
Isolat	.13	.10
Perseff	.07	.36

Different types of rotations were then tested with very similar results.

The factor scores after rotation according to the OBLIMIN principle (which allows for correlation between the factors) are reported in the following tables:

OBLIMIN converged in 6 iterations.

Pattern Matrix:

	Factor1	Factor2
Conratio	.77	.04
Rooms	-.19	.02
Durables	.68	.07
Indoor	.56	-.11
Crime	-.13	.41
Fear	-.22	.63
Health	.38	.52
Psych	.12	.69
Hh-inc	.83	.05
Echard	.12	.46
Isolat	.07	.14
Perseff	-.09	.36

Structure Matrix:

	Factor1	Factor2
Conratio	.76	.10
Rooms	-.19	.00
Durables	.68	.13
Indoor	.55	-.06
Crime	-.09	.40
Fear	-.17	.61
Health	.42	.55
Psych	.18	.70
Hh-inc	.83	.12
Echard	.16	.47
Isolat	.08	.15
Perseff	-.06	.35

The correlation between Factor 1 and Factor 2 is 0.09.

B. MULTIPLE LINEAR REGRESSION

Dependent variables:

Socioeconomic resources (read: problems). High value: many problems.

Security and control resources (read: problems). High value: many problems.

General health condition. High value: bad health.

Independent (background) variables:

Age Age of respondent

Gender (Male = 0, Female = 1)

Education (Less than primary = 0, to Higher or more = 6)

Ethnicity (Dummy variables: Russian and Other ethnic group with Latvian as reference category):

Latvian - Latvian (Reference category)

Russian - Russian

Other ethnic group - Other

Household type (Dummy variables based on categorisation of households):

1-person household - Onephh

Couple living alone with no children - Couple

Household with dependent children - Hhwithch (Reference category)

Single head of household with dependent children - Singdepc

Three generation household - Thrghhh

Other types of household - Otherhh

Region (Dummy variables based on region in which respondent lives):

Kurzeme -Kurzeme

Zemgale - Zemgale

Vidzeme - Vidzeme

Latgale - Latgale

Riga - Riga (Reference Category)

Employment status (Dummy variables based on respondent's employment status)

Employed - Employ (Reference category)

Unemployed - Unemploy

Outside labour force - Outside

Urbanisation (Urban = 0, Rural = 1)

Missing data were substituted with the mean value.

1. Socioeconomic resources

Variable	Unstandardised partial effect	Standard error	Standardised partial effect
Age	.008	.00	.14
Education	-.089	.01	-.15
Gender	-.070	.02	-.03
Kurzeme	.040	.04	.01
Zemgale	.013	.04	.00
Vidzeme	.024	.04	.01
Latgale	.247	.04	.09
Onephh	.683	.04	.25
Couple	.073	.02	.05
Singdepc	.538	.06	.12
Thrgenhh	-.038	.04	-.01
Otherhh	.001	.04	.00
Russian	-.053	.03	-.02
Orheth	-.020	.04	-.07
Urban	.292	.03	.13
Unemploy	.854	.04	.25
Outside	.958	.03	.48
(Constant)	-.850	.064	

Explained variance (pct): 58 (MR = .76)

2. Security and control resources:

Variable	Unstandardised partial effect	Standard error	Standardised partial effect
Age	.007	.00	.13
Education	-.069	.01	-.12
Gender	.496	.04	.24
Kurzeme	-.175	.06	-.06
Zemgale	-.171	.06	-.06
Vidzeme	-.121	.05	-.05
Latgale	-.095	.05	-.04
Onephh	-.103	.06	-.04
Couple	-.041	.03	-.03
Singdepc	.253	.08	.05
Thrgenhh	-.148	.06	-.05
Otherhh	-.178	.05	-.07
Russian	.106	.04	.05
Orheth	.108	.05	.04
Urban	-.131	.04	-.06
Unemploy	.060	.06	.02
Outside	.009	.04	.00
(Constant)	-.267	.09	

Explained variance (pct): 13 (MR = .36)

3. Health

Variable	Unstandardised partial effect	Standard error	Standardised partial effect
Age	.017	.00	.35
Education	-.075	.01	-.15
Gender	.230	.03	.13
Kurzeme	.050	.05	.02
Zemgale	-.027	.05	-.01
Vidzeme	.020	.04	.01
Latgale	.051	.04	.02
Onephh	-.034	.05	-.01
Couple	.000	.02	.00
Singdepc	.126	.07	.03
Thrgenhh	-.040	.04	-.02
Otherhh	-.018	.04	-.01
Russian	.073	.03	.04
Otheth	.063	.04	.03
Urbanity	-.003	.03	.00
Unemploy	-.032	.05	-.01
Outside	.165	.03	.01
(Constant)	2.202	.07	

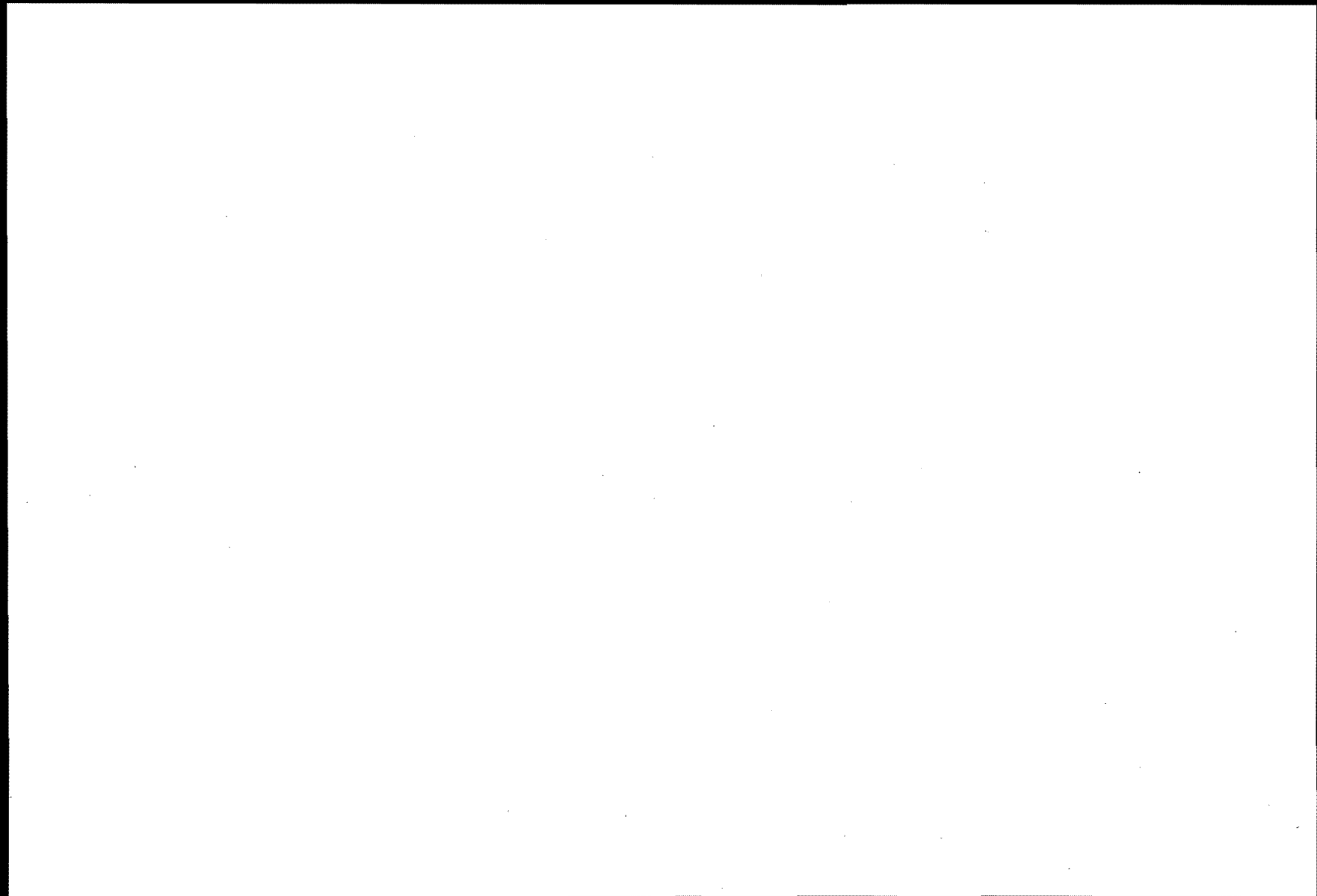
Explained variance (pct): 27 (MR = .52)

BIBLIOGRAPHY

- Aasland, Aadne (1994a), *Russians in Latvia: Ethnic Identity and Ethnopolitical Change*. (Ph.D. thesis). Glasgow: University of Glasgow
- Aasland, Aadne (1994b), "The Russian Population in Latvia: An Integrated Minority?" *The Journal of Communist Studies and Transition Politics*, 2:233-260
- Abbot, Richard (1993), *Doing Business in the Baltic States*. London: Kogan Page Limited
- Andersen, Arne S. and Anders Barstad (1990), "Om sammenfattende analyser av levekår". In: Nordisk Statistisk Sekretariat, *Nordiska seminaret om levnadsvillkor och välfärdsstatistik*, pp. 69-82. København: Nordisk statistisk sekretariat
- Bradshaw, Michael et al (1994), "Economic Restructuring". In: Smith, Graham, ed., *The Baltic States: The National Self-Determination of Estonia, Latvia and Lithuania*, pp. 158-180. London: Macmillan
- Bungs, Dzintra (1990), "Migration to and from Latvia". *Radio Liberty Report on the USSR*, 14.09.90: 27-33
- CSB (1939), *Latvijas Statistikas gada gramata 1939*. Riga: Valsts statistikas parvalde
- CSB (1957), *Latvijas PSR tautas saimniecība. Statistisko datu kraļums*. Riga: Valsts statistikas izdevniecība
- CSB (1994a), *Statistical Yearbook of Latvia 1993*. Riga: Latvijas Republikas Valsts statistikas komiteja
- CSB (1994b), *Latvija: Galvenie statistikas rādītāji 1993-1994*. Riga: Latvijas Republikas Valsts statistikas komiteja
- CSB (1995a), *Dzīves apstākļu apsekojums Latvija 1994. gada*. Riga: Latvijas Republikas Valsts statistikas komiteja
- CSB (1995b), *Demographic Yearbook of Latvia 1995*. Riga: Latvijas Republikas Valsts statistikas komiteja
- CSB (1995c), *Labour in Latvia: Collection of Statistical Data*. Riga: Latvijas Republikas Valsts statistikas komiteja
- Ernšteins, Raimonds and Segliņš, Valdis (1993), "Latvia". In: World Conservation Union, *Environmental Status Reports 1993. Volume Five: Estonia, Latvia, Lithuania*, pp. 79-135. Cambridge: IUCN
- Grøgaard, Jens B., ed. (1996), *Estonian Living Conditions*, The NORBALT living conditions project. Oslo: Fafo (forthcoming)
- Hansen, Erik (1996), *Living Conditions in St. Petersburg and Kaliningrad*, The NORBALT living conditions project. Oslo: Fafo (forthcoming)
- Hernes, Gudmund and Knud Knudsen (1991), *Lithuania: Living Conditions. A Sociological Study*. Oslo: FAFO-SOTECO

- Hidden, John and Patric Salmon (1991), *The Baltic Nations and Europe*. London and New York: Longman
- Hidiroglou, M. I., J. D. Drew and G. B. Gray (1993), "The measurement of Non-Response in Surveys." *Survey Methodology*, 19:81-94
- International Monetary Fund (1993), *Latvia*. IMF Economic Reviews No. 6. Washington, D.C.: International Monetary Fund
- Joeste, Marje and Ulo Kaevats, eds. (1991), *The Baltic States: A Reference Book*. Tallinn: Estonian Encyclopedia Publishers
- Karklins, Rasma (1994), *Ethnopolitics and Transition to Democracy: The Collapse of the USSR and Latvia*. Washington D.C.: The Woodrow Wilson Center Press
- Knudsen, Knud (1996), *Lithuania in a Period of Transition*, The NORBALT living conditions project. Oslo: Fafo
- Kolstø, Pål (1995), *Russians in the Former Soviet Republics*. London: Hurst
- Kutsar, Dagmar (1995), *Transformation in Estonia as Reflected in Families: Insight into Social Stress and Poverty*. (Doctoral Dissertation). Tartu: University of Tartu
- Latvian Ministry of State Reforms (1995), *Latvia: National Report World Summit for Social Development Copenhagen 1995*. Riga: Government Information
- Latvian Ministry of Welfare (1994), *Parskata zinojums par Latvijas iedzīvotāju veselības stavokli, veselības aprūpes iestāžu resursiem un to izmantošanu, darbību 1993.gadā*. Riga: Latvijas Republikas Labklājības ministrija
- Larviešu konversācijas vārdnīca (1927-1928). Riga: A. Gulbja spiestuve
- Latvijas iedzīvotāju veselība 1995-2010 (1994). Konferenču materiāli. Riga: Apiņa apgads
- Lewis-Beck, Michael S. (ed.) (1994), *Factor Analysis & Related Techniques*. London: SAGE Publications
- Lieven, Anatol (1993), *The Baltic Revolution: Estonia, Latvia, Lithuania and the Path to Independence*. New Haven and London: Yale University Press
- Mežs, Ilmars (1992), *Latvieši Latvija: Etnodemogrāfisks apskats*. Kalamazoo: LSC Apgads
- Misiunas, Romuald and Taagepeera, Rein (1993), *The Baltic States: Years of Dependence 1940-1990*. Berkeley and Los Angeles: University of California Press
- Paeglis, Imants (1995), "A Sluggish Pace for Economic Recovery." *Transition*, 22:50-53
- Parsla, Eglite (1993), Dažāda vecuma iedzīvotāju veselības atšķirības Latvijā. Riga: Latvijas Zinātņu Akadēmijas vestis, No. 1 (546):1-8
- Pshenichnikov, P. R. (1910), *Russkie v pribaltiiskom krae*. Riga.
- Ravnsbæk Bruun, Finn et al (1995), "The Development of Social Policy in Latvia". In: Simpura, Jussi, ed., *Social Policy in Transition Societies: Experience from the Baltic States and Russia*, pp. 89-102. Helsinki: The Finnish ICSW Committee
- Ringen, Stein (1995), "Well-being, Measurement, and Preferences." *Acta Sociologica*, 38:3-15

- Sakwa, Richard (1989), *Soviet Politics*. London and New York: Routledge
- Simpura, Jussi, ed. (1995), *Social Policy in Transition Societies: Experience from the Baltic Countries and Russia*. Helsinki: The Finnish ICSW Committee
- Simpura, Jussi and Christoffer Tigerstedt, eds. (1992), *Social Problems around the Baltic Sea: Report from the Baltica Study*. NAD Publication No. 21, Helsinki: Nordic Council for Alcohol and Drug Research
- Smith, Graham (1994), "The Resurgence of Nationalism". In: Smith, Graham, ed., *The Baltic States: The National Self-Determination of Estonia, Latvia and Lithuania*. London: Macmillan
- Smith, Graham (1996), "Latvia and the Latvians". In: Smith, Graham, ed., *The nationalities question in the post-Soviet states*. London: Longman
- Štamers, Guntis (1995), *Latvia Today*. Riga: Latvian Institute of International Affairs
- Statistics Norway (1993), *Sosialt Utsyn*. Oslo: Statistisk sentralbyrå
- The World Bank (1993), *Latvia: The Transition to a Market Economy. A World Bank Country Study*. Washington D.C.: The World Bank
- UNDP, *Latvia Human Development Report 1995* (1995). Riga: UNDP
- van Arkadie, Brian and Mats Karlsson (1992), *Economic Survey of the Baltic States*. London: Pinter Publishers
- Vebers, E. and P. Karnups (1994), "Arvalstnieku problema ir Rīgas lieta." *Diena*, 26.01.94:4
- Venesaar, Urve and George A. Hachey, eds. (1995), *Economic and Social Changes in the Baltic States in 1992-1994*. Tallinn: The Estonian Academy of Sciences
- Virtmane, D., ed. (1992), *Latvijas vesture*. Riga: Zvaigzne
- Vogel, Joachim (1991), *Social Report for the Nordic Countries*. Copenhagen: Nordic Statistical Secretariat
- von Rauch, Georg (1974), *The Baltic States: The Years of Independence*. London: C. Hurst & Company
- Zvidriņš, P. and I. Vanovska (1992), *Latvieši: statistiki demografisks portrejs*. Riga: Zinatne
- Zvidriņš, Peteris (1993), "Changes of Ethnic Structure in Latvia, Lithuania and Estonia." *Latvia: Humanities and Social Sciences*, 1



THE ORGANISATION, TRAINING AND EXECUTION OF THE FIELD WORK

Inta Vasaraudze and Jon Pedersen

RESPONSIBILITIES, RECRUITMENT AND TRAINING

The Central Statistical Bureau of Latvia (CSB) had the overall responsibility for the field work and coordinated the practical administration of field operations. Organisational arrangements were developed in close cooperation with Fafo. Fafo also had overall responsibility for ensuring that the organisation of the field work complied with the quality requirements for the survey.

Supervisors, interviewers and data entry operators were recruited from within Latvia's central and regional statistical offices. In order to carry out a survey of high quality, considerable attention was devoted to training the supervisors, interviewers and data entry operators. It should be noted that this was the first survey of this kind ever conducted by CSB, for which reason it did not have a network of professional interviewers or supervisors. Thus training of the field staff was essential to the successful implementation of the project.

In August 1994, a workshop arranged in Latvia provided training for 12 supervisors (four of which worked in Riga), 77 interviewers (19 in Riga) and nine data entry operators (four in Riga). Fafo scientists worked out a detailed training programme for the field staff. The workshop was headed by David Drury and Aadne Aasland from Fafo, as well as experts from the CSB Social Statistics Department.

In accordance with the programme, supervisors were given a six-day training course (the first three days of which were held for the supervisors separately, while the last three days were held jointly with supervisors and interviewers), while the courses for interviewers and data entry operators lasted three days each.

The training programme consisted of both theoretical and practical parts. At the outset, participants became acquainted with the aims of the project and the organisational aspects of the survey in Latvia. The supervisors' course was designed to acquaint them with the field work procedures, their administrative duties and other information needed to perform their tasks. The interviewers were made familiar with the questionnaire, trained in how to behave in the interview situation, and taught the basics of interviewing techniques. During the training process much attention was paid to practical exercises and role playing. The

interviewers conducted independent interviews and submitted the completed questionnaires to the supervisors. The supervisors checked them, and if there were no errors passed them on to the data entry operators. Thus, from the very start of the training process, close links were established between the interviewer, supervisor and the data entry operator.

The courses and practical exercises helped us to discover and resolve the most common errors that tend to occur when completing the questionnaire. The data entry operators clearly pointed out the importance of carefully editing each questionnaire.

As mentioned earlier, the data entry operators were trained at the same time as the interviewers and supervisors. Training was provided by Karmena Daudzvarde, Head of the Data Preparation Centre at CSB's Main Computer Centre. The training process was complicated by the fact that the regional staff had not worked with computers before, and none of the operators had used the SPSS data entry programme. However, after three days of intensive training, the operators had acquired the skills necessary for carrying out their tasks in a satisfactory manner.

THE ORGANISATION AND EXECUTION OF THE FIELD WORK

The field work took place during the month of September 1994, in accordance with the plans worked out by the CSB and Fafo. It took approximately one month to conduct the whole survey. The interviews lasted an average of 55 minutes.

A detailed plan for organising the field work was prepared prior to the survey. The organisation was subdivided into eight regional units, all coordinated by a supervisor. There were four supervisors in Riga. The supervisors reported to and served as liaisons with the central Field Work Coordinators, who had offices at the CSB in Riga. As there are 26 administrative districts in Latvia, supervisors in a given district were responsible for overseeing the field work in an average of two to three districts. There were usually two or three interviewers in each district, and there were 19 in Riga.

The supervisors and interviewers were in contact at least once a week, but normally more often. Following a limited number of interviews, the interviewer handed over to the supervisor the completed questionnaires, accompanied by a form indicating whether or not the interview had taken place and, if not, indicating the reason for the non-response. Households where the interviewers were unable to find anybody at home were approached at least three times, unless the dwelling had been demolished or vacated. Supervisors and interviewers took advantage of their meetings to discuss any problems which had occurred during the survey. In the case of refusals, they also worked out a strategy to convince such households to participate. The close and frequent contacts between supervisors and interviewers also facilitated administrative control procedures.

Data entry took place in five of the regional offices and in Riga. Thus, most of the districts offices that had a supervisor also had a data entry office. This made it possible for data entry to take place as soon as possible after the supervisor had reviewed the quality of each questionnaire. However, the three supervisors who did not have local data entry facilities delivered questionnaires to the nearest data entry office on a regular basis.

Basic cleaning of the data files took place in the data entry offices, but cleaning and consistency tests were also performed in the central data entry office in Riga upon the completion of the survey. Very few errors were found.

CSB sent out a letter of introduction to all randomly selected individuals, giving a brief presentation of the survey. This was probably an important reason for the high response rate (see below). All interviewers were provided with an identification card from CSB to display to the respondents before entering the household. Furthermore, both national and local newspapers published information about the Latvian survey, and there was also news coverage about the survey on national and local TV. Thus, respondents were generally aware of the survey when the interviewer arrived at the door, so there was less reason to be suspicious.

CONTROL AND INCENTIVES

High quality data were ensured by a number of control measures:

Supervisors participated in many interviews (as a rule they were at least present at one interview per interviewer) to check on the interviewing techniques of the interviewers.

Supervisors contacted respondents by phone or in person to check on interviews. Such controls and re-interviewing were documented in the supervisors' forms designed for this purpose.

Both interviewers and supervisors checked the quality of completed questionnaires before they were forwarded to data entry. During the first two weeks of the survey they normally did this together, so supervisors could give immediate feedback and interviewers could more easily become aware of their own mistakes.

A person from CSB was hired to phone randomly selected respondents to check that the interview had actually taken place, that the correct person had been interviewed, and that the answers had been coded correctly. Approximately 5 per cent of all respondents were contacted in this way. The CSB employee also asked questions about the conduct of the interviewers and the respondents' general impression of the survey.

Fafo was present at 7 randomly selected interviews in various parts of Latvia. Fafo used these site visits to check on administrative routines and questionnaire tracking procedures at the local offices, and examined the various forms used in the survey.

Very few irregularities were encountered during controls of the field work. Most of the irregularities were found during interviewers' and supervisors' reviews of

completed questionnaires, particularly during the first week of the field work period. Such errors were usually very easily corrected, often without even making additional contact with the respondents. Some errors were also discovered by the data entry operators, and the decentralised data entry organisation then made it easy to consult field work supervisors, who would then decide on any further actions to be taken.

People engaged in the survey on a full-time basis received a fairly generous, locally adjusted salary. Supervisors were paid a set rate which was based on their expected work load. Interviewers were paid for each questionnaire completed, according to a piecework system. CSB paid more for a questionnaire in the countryside than in the cities, where the distance between the respondents is shorter. Documented travel expenses were covered by CSB. In addition, interviewers received a small extra payment for a second or third attempt at contacting a respondent. This was received as a bonus towards the end of the survey period and was not announced to the interviewers beforehand. Data entry personnel were also paid according to a piecework system.

NON-RESPONSE

A total of 3,500 dwelling units were selected for interviews in connection with the NORBALT living conditions survey in Latvia. For various reasons, all the households corresponding to these dwelling units could not be interviewed, giving rise to response and coverage imperfections in the survey.

The presentation of non-response is given in table A1.1. The table also gives the main reasons for non-response. However, we will discuss the response rate using a framework provided by Hidioglou, Drew and Gray (1993), which is an attempt to provide a standard way of reporting response and coverage imperfections in surveys. The main idea behind the framework is to relate each category of imperfections to totals that are significant for that category. Thus, the refusal rate is calculated with the households actually having been contacted as basis, rather than with the total number of questionnaires as basis. To the extent that this design is compatible with the Latvian living conditions survey, the results are presented in the Table A1.2.

One may observe that the calculations give somewhat different results than the crude numbers in Table A1.1.

The following rates are used in the table:

The *resolved rate* is the percentage of all selected households where a clear status could be determined at the end of the field work, i.e. that could be designated as interviewed, refused, non-existing, ineligible, etc. As should be expected of a survey of this kind, the resolved rate was close to a hundred per cent.

The *in-scope rate* is the percentage of selected households found to be actually eligible for the survey (the in-scope units), both responding and non-responding. The scope rate is fairly high in Latvia. The houses that were demol-

ished or vacant were mainly located in Riga, particularly in the city centre, where some former flats were taken over by businesses and used as offices or shops.

The *response rate* is the percentage of actual interviews conducted, based on the sum of unresolved units and in-scope units. Compared with surveys in the Nordic countries, this is a very good result. Note that since the rate is calculated on the basis of households that existed at the time of the survey, rather than on the total selected for interviewing, it will automatically be lower than the commonly calculated non-response rate based on all households selected.

The *non-response rate* is the percentage of all non-respondent and unresolved units based on the sum of unresolved and in-scope units. The non-response rate is quite low.

The *refusal rate* is the percentage of households that refused to be interviewed (including when there was illness or bereavement in the household), again based on the sum of unresolved units and in-scope units. The refusal rate is very low in this survey.

The *no-contact rate* is the percentage of the sum of households known to exist and the unresolved ones based on the sum of in-scope and unresolved units. The no contact rate is the only rate which is not completely satisfactory in this sur-

Table A1.1: Non-response in the 1994 Latvian NORBALT survey

Coding used	n	%
1 Address not found	10	.3
2 Failed to find anyone home	156	4.5
3 House demolished/vacant	63	1.8
4 Illness/bereavement in household	17	.5
5 Household refused	75	2.1
6 Other reason for drop out	46	1.3
9 Respondents	3133	89.5

Table A1.2: Non-response computation for the 1994 Latvian NORBALT survey

	Results
Resolved rate	99.7
In-scope rate	98.2
Response rate	91.2
Non-response rate	4.0
Refusal rate	2.7
No-contact rate	4.8
Residual non-response rate	1.3
Out-of-scope rate	1.8

vey. The main reason for this is probably the fact that the survey was conducted in the month of September when a large number of people were still living in their summer houses in the countryside and were therefore unavailable for interviewing.

The *residual non-response rate* is the percentage of the sample which was unresolved for some reason other than those referred to above.

The *out-of-scope rate* is the percentage of vacant or demolished dwelling units (see in-scope rate above).

In general, the results indicate successful field work, where non-response is unlikely to compromise the result in any serious way. With the survey conducted at another time of the year, one might be able to reduce the non-contact rate, but there are other obvious advantages in not conducting the field work in the winter season.

THE SAMPLE DESIGN

Jon Pedersen

The sample for the NORBALT living conditions survey in Latvia was designed by the Central Statistical Bureau of Latvia (CSB) in cooperation with Fafo. On the Latvian side, Oskars Štrodahs from the Population Register of Latvia and Inta Vasaraudze from the CSB were involved in the design, while Steinar Tamsfoss prepared the sample on behalf of Fafo, with some help from Aadne Aasland and Jon Pedersen. Several constraints had to be taken into account when designing the survey.

The most important constraint was that even though the survey was designed as a household survey, the only available register of the population at the time of the survey was a list of registered individuals. Approximately five per cent of the resident population were not registered as of the summer of 1994, mainly persons who had some connection with the former Soviet Army. There are no indications that the register is particularly incomplete for specific groups, in terms of either age or gender.

A second constraint was that there was little information available on the population distribution in small areas, such as parts of towns or municipalities, even if the areas were relatively densely populated. Also, in some areas it was difficult to obtain figures regarding the size of the population aged 18 or more. As will be seen below, that figure is needed to calculate selection probabilities.

Third, population estimates from different sources were not entirely consistent.

Fourth, transport costs were fairly high, and the funds available for field work were quite limited.

Considering these constraints, the sample was stratified by type of community (urban and rural) and by size of community. This resulted in 82 different strata. Originally an even deeper stratification had been prepared, but it was found to entail excessive transportation costs because the interviews in rural areas would be too widely dispersed. Primary Sampling Units (PSUs) were identified within each stratum, and one or more were selected using a probability factor proportionate to size. In urban areas the sample is characterised by having very few, usually only one, PSU, with fairly large takes within each, resulting in a simple one-stage stratified sample in urban areas. In rural areas there were usually a number of PSUs, with one or two selected proportionate to their size. Since the allocations from all strata were

proportionate to their size, the sample allocations (takes) from each were often quite small, sometimes as small as 5 and 3. Again, since the municipalities (*pagasts*) often cover quite large areas, this led to quite a lot of travelling, even after the number of strata had been reduced.

Because people could have moved between the time they registered at an address and the survey was conducted, it was decided to regard the sample as a sample of addresses, rather than a sample of individuals. Had this not been done, all the migrants in the country would have fallen out of the sample because it would not have been possible to follow them to their new place of residence. Nevertheless, the method did introduce a slight bias to the effect that people living in new houses to which they had moved subsequent to registration, could not be selected in the sample.

The sample design defined three types of respondents. First, there was the randomly selected individual, second, the household, and third, the individual within the household. As noted above, the Randomly Selected Individual (RSI) in the list defined the address of the selected household. If that RSI was found to be living in the household, then that person was also interviewed for the RSI part of the questionnaire. If the person was not living there (for instance because the household had moved), a new RSI was selected by selecting the person in the household who would have his or her birthday first. This occurred in 17.5 per cent of the cases, indicating a fairly high mobility since registration.

The probabilities for selection are not the same for the three types of respondents because of the selection strategy chosen for the final stage of the sample. Also, since the allocation of households was related to the estimated population of each town or rural area, households received slightly different selection probabilities, because the proportion of people aged 18 or more varied slightly from place to place (the selection being based on the age group 18+). The sample is, therefore, not self-weighting.

Since the sample was selected as a sample of addresses, it is clear that household selection had a probability that depended on the number of people registered as residing at each address. This was no problem when the person who is the «bearer»

Table A2.1: Notation.

Symbol	Meaning
p	Probability of selection
Ns,c	Size of cluster s,c (PSU) in persons
Ns	Size of stratum s in persons
m	Number of clusters (PSUs) selected in a stratum
n18+s	Sample number of persons aged 18 or more in stratum s
N18+s	Population number of persons aged 18 or more in stratum s
N18+ss,c,h	Number of persons aged 18 or more in household s,c,h

of the address was still living at the address, but in the cases where the household had moved and a new household had taken its place, it was assumed that the new household had the same number of people aged 18 or more, and therefore the same selection probability. Of course, that assumption is artificial, but it was needed in order to calculate selection probabilities.

Equation 1 provides the selection probability for the first stage of the selection, i.e. PSUs within each stratum. The notation is as given in Table A2.1, see previous page.

$$p_1 = \frac{N_{s,c}}{N_s} \cdot m \text{ Equation 1}$$

Equation 2 gives the selection probability for a randomly selected individual within a PSU or within a stratum where there are no clusters (since equation 1 in that case becomes 1).

$$p_r = \frac{n_s^{18+}}{N_s^{18+}} \text{ Equation 2}$$

The selection probability for a household is then given by p_r multiplied by the number of persons aged 18 or more in the household, as stated in Equation 3. This is also the selection probability of an individual within the household (but *not* for the randomly selected individual).

$$p_r = \frac{n_s^{18+}}{N_s^{18+}} \cdot N_{s,h}^{18+} \text{ Equation 3}$$

In the case of the two-stage sample, the total selection probability is the product of the probabilities at each stage, as given in Equation 4 for the RSI and in equation 5 for the household.

$$p_r = \frac{n_s^{18+}}{N_s^{18+}} \frac{N_c}{N_s} \cdot m \text{ Equation 4}$$

$$p_{s,c,h} = \frac{n_{s,c}^{18+}}{N_{s,c}^{18+}} \cdot N_{s,c,h}^{18+} \frac{N_c}{N_s} \cdot m \text{ Equation 5}$$

The weights are then calculated as the inverse of the selection probabilities. These are the so-called *expansion* weights, because they expand the sample to represent the total population. *Relative* (or *estimation*) weights are used in the analysis. They are the expansion weights divided by the mean of the expansion weights, which gives a set of weights for which the weighted number of cases is the same as the unweighted number of cases. The weights were adjusted for unit non-response (refusals) by multiplying the weight with the inverse of the response rate, calculated for each PSU (or stratum for the strata without two stage sampling). The final

weights range from 0.06 to 2.9 for the RSI and 0.03 to 2.8 for the households (and individuals). Extremely low values were very rare. The 5 and 95 percentiles for the RSI are 0.9 and 1.2, and for the household they are 0.4 and 2.0. As can be seen from these figures, as well as from equation 3, the main variation in the weights concerns the household and the household members, and stems from the fact that the households were sampled with the randomly selected individual (or address) as an intermediate stage.

From a sampling error point of view, some of the imperfections in the frame are quite acceptable. The large takes in strata with only one PSU, and, probably, the small takes in the PSUs where there are many PSUs in a stratum help to reduce the sampling error, although, as noted, they posed considerable logistical problems.

As will be understood from the discussion so far, the sample design for the survey is of the so-called 'complex' type, i.e. it is not a simple random sample. It shares this characteristic with most surveys with national coverage. One consequence of this is that common statistical tests for significance or confidence intervals, which assume simple random sampling, are not appropriate. Therefore, as the reader may have noted, tests of significance or confidence intervals have not been presented in the text. To give an impression of the variance of the estimators, we have produced Table A2.2 and Table A2.3, using the 'linearisation' or 'ultimate cluster' method of variance estimation by means of the programme CENVAR (US Bureau of the Census 1993). Table A2.2 (see next page) provides estimates for selected household variables, while Table A2.3 (see end of this appendix) provides estimates for variables pertaining to the randomly selected individual.

Because of the large strata with no clusters, CENVAR will most likely somewhat overestimate true variance, as single cluster strata have to be merged in order to create artificial clusters. This will in effect partly make the variance benefit of stratification appear to be a cost of clustering. Nevertheless, the results at least indicate how the variance differs between the various variables, as well as the general level of variance.

In the two sets of tables prepared to illustrate the effect of the sampling design on the variance, the following terms appear:

Estimate is simply the proportion (i.e. the percentage divided by 100) that has the characteristic in question, or sometimes the mean of the variable.

Standard error is the standard deviation of the estimate, adjusted for the effects of the sampling design.

C.V. or *coefficient of variation* is the standard error divided by the estimate, which gives an indication of the relative precision of the estimate. It is given as a percentage, so that a C.V. of 100% means that the standard error is the same as the estimate.

95% confidence intervals (upper and lower bound) refer to the upper and lower limits within which one can expect with 95% confidence that the actual value of the characteristic is located for the total population.

Table A2.2: Variances and design effects for selected household variables.

Variable and values	95% confidence interval						
	Estimate	Standard error	C.V.	Lower	Upper	Design effect	Observation
Type of dwelling							
Detached	0.261	0.013	4.81	0.236	0.285	2.55	905
Apartment 1	0.296	0.015	4.91	0.267	0.324	3.18	888
Apartment 2	0.397	0.026	6.59	0.346	0.448	8.96	1,227
Room in com app	0.028	0.010	33.92	0.010	0.047	10.55	70
Hostel	0.008	0.002	29.76	0.003	0.012	2.13	17
Hotel, etc.	0.004	0.002	47.06	0.000	0.008	2.96	7
Other	0.006	0.002	30.63	0.002	0.010	1.76	18
Washing machine							
Have washing machine	0.732	0.008	1.13	0.716	0.748	1.09	2,465
No washing machine	0.268	0.008	3.09	0.252	0.284	1.09	667
TV in dwelling							
Have TV	0.896	0.010	1.08	0.877	0.915	3.15	2,889
No TV	0.104	0.010	9.29	0.085	0.123	3.15	243
Have stereo in dwelling							
Have stereo	0.124	0.006	5.04	0.112	0.136	1.12	441
No stereo	0.876	0.006	0.71	0.864	0.888	1.12	2,691
Rooms are humid or damp							
Rooms humid	0.385	0.011	2.95	0.363	0.407	1.71	1,196
Not humid	0.615	0.011	1.85	0.593	0.637	1.71	1,936
Mean number of rooms	2.3	0.022	0.97	2.209	2.295	1.48	3,132
Mean number of household members	2.5	0.025	1.00	2.461	2.559	1.00	3,132

Design effect is the variance actually obtained with the sample, divided by what it would have been in the case of simple random sampling. A value of 1 indicates that the variance is equal to the variance of a simple random sample, a value of less than 1 indicates that the sample is more efficient than a simple random sample would have been, and a value of more than 1 that it is less efficient than a simple random sample. A simple way to think about the design effect is to regard it as the factor one would have to divide the number of cases in a sample by in order to obtain the sample size that corresponds to a simple random sample for the variable. Note that each characteristic in the sample has different design effects, because effects then depend on how the characteristic is distributed in relation to the sampling plan.

The *observations* are simply the number of cases used to produce the estimates.

Since the variance estimation software requires complete data vectors, i.e. no missing values, missing values have been imputed by a simple hot-deck method before variances were calculated¹. The estimates may therefore differ from those produced elsewhere in the text. But there are very few cases of missing items in the files, so any differences are very slight.

Tables A2.2 and A2.3 (see next page) present the results of the variance analysis. In general, the design effects are quite small for this type of survey. The exceptions refer to some variables related to infrastructure, such as type of house, where the variance is much higher because type of house interacts heavily with the sampling plan: In an area selected in the sample, it is likely that the type of housing will be similar. There is also probably an effect from the variability in the weights, but the software does not allow us to break down the variance into factors stemming from different sources. In most cases the variables pertaining to the randomly selected individual have also modest design effects, indicating that the individual characteristics are not clustered geographically. All in all, the sample appears to perform very well in terms of sampling errors, so well perhaps, that a more clustered design might be considered in future in order to reduce field work costs.

¹ The files were sorted by stratum and PSU, and when a missing value occurred on a variable a substitute value was imputed by using the value of the immediately previous record. This effectively imputes new values with a random value with more or less the expectation of the mean of the values in the PSU to which the record belongs.

Table A2.3: Variances and design effects for variables pertaining to the Randomly Selected Individual.

	95% confidence interval						
Variable and values	Estimate	Standard error	C.V.	Lower	Upper	Design effect	Observations
Perception of own health as:							
Very good	0.026	0.005	18.67	0.017	0.036	2.95	82
Good	0.221	0.009	4.24	0.202	0.239	1.60	693
Fair	0.501	0.009	1.80	0.483	0.518	1.01	1,561
Bad	0.196	0.007	3.78	0.181	0.210	1.09	615
Very bad	0.057	0.005	7.95	0.048	0.066	1.19	181
Have contacted health services							
No contact	0.168	0.006	3.32	0.157	0.179	0.70	521
Contact	0.832	0.006	0.67	0.821	0.843	0.70	2,611
Have health insurance							
No insurance	0.989	0.003	0.27	0.984	0.994	2.01	3,098
Public	0.005	0.002	31.77	0.002	0.008	1.61	16
Company provides	0.004	0.001	17.79	0.002	0.005	0.36	11
Private health	0.002	0.002	72.49	-0.001	0.006	3.81	7
Smoking							
Never	0.668	0.008	1.25	0.652	0.685	0.98	2,088
Occasionally	0.063	0.005	7.30	0.054	0.072	1.13	194
Every day	0.268	0.008	2.82	0.253	0.283	0.91	850
Plan to leave the community							
Plans to leave	0.061	0.005	8.73	0.050	0.071	1.54	190
No plans to leave	0.939	0.005	0.56	0.929	0.950	1.54	2,942
Perception of income differences							
Should be much smaller	0.668	0.022	3.26	0.625	0.711	6.70	2,084
Should be slightly smaller	0.139	0.016	11.58	0.108	0.171	6.81	438
Are adequate	0.061	0.007	11.31	0.048	0.075	2.61	192
Should be slightly greater	0.014	0.002	17.88	0.009	0.018	1.39	44
Should be much greater	0.013	0.003	19.41	0.008	0.018	1.59	44
Do not know	0.104	0.010	9.29	0.085	0.124	3.15	330

Latvia: The Impact of the Transformation

Liberated from almost 50 years of Soviet rule, Latvia in the 1990s has experienced profound political, economic and social change. How should the impact of this transformation on the living conditions of the Latvian population be understood? The present study gives new information on and insights into the situation in the mid-90s for the various age-groups, ethnic segments, etc. Based on a major survey carried out by Fafo and the Central Statistical Bureau of Latvia in September 1994, it provides a comprehensive inquiry into areas such as health, employment, social contacts, housing conditions and political attitudes. The survey contains information on 9,400 individuals from 3,200 randomly selected households. The present survey, which covers a broad range of topics, represents the first nationwide living conditions study ever conducted in Latvia.

Fafo has extensive experience in conducting living conditions studies based on Scandinavian models. Fafo was the first institute to carry out a living conditions survey in the former Eastern Bloc. The study of living conditions in Lithuania, conducted in 1990–1991, was an internationally noted pioneering effort. The present study is a part of the NORBALT Living Conditions Project, comprising five parallel surveys in the Baltic states of Estonia, Latvia and Lithuania, as well as the Russian Kaliningrad enclave and the city of St. Petersburg.

«Latvia: The Impact of the Transformation» is the work of both Norwegian and Latvian authors, who have collaborated closely during all stages of work.

Fafo-report 188
ISBN 82-7422-145-1

