

RESEARCH

REPORTS

RECOMMENDATIONS

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THE CARE SECTOR IN LATVIA

CHALLENGES OF ORGANISING AND COLLECTIVE BARGAINING

INSTITUTE OF
PUBLIC AFFAIRS

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Social Policy Programme

This report is one in a series presenting the findings of research carried out in Bulgaria, Czechia, Croatia, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia as part of the project CEE CAW ‘Challenges for Organising and Collective Bargaining in Care, Administration and Waste collection sectors in Central and Eastern European Countries’, which was led by the Institute of Public Affairs (Warsaw). The other partners were the: Bulgarian Academy of Sciences (Sofia), Central European Labour Studies Institute (Bratislava), Lithuanian Centre of Social Sciences (Vilnius), and Centre for Democracy Foundation (Belgrade).



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1. Methodological preface

A document review was conducted for this study, which included the database of the Central Statistical Bureau of the Republic of Latvia, the database of the Register of Enterprises, state laws and regulations, informative materials of the Ministry of Welfare, including the Plan for Improvement and Development of Social Services for 2022–2024, and the websites of companies representing the sector.

Furthermore, five in-depth interviews were conducted. Three took place via phone, one as a face-to-face conversation, and one online via Teams. The interview duration ranged from 40 minutes to 1 hour. One interview was conducted with an official from the Ministry of Welfare, one with the head of the largest care provider in the country, a nonprofit organisation, and three with trade union leaders whose members are in the care industry.

2. General characteristics of the sector

The employment legal framework in Latvia is determined by the Labour Law (Saeima 2001), which applies to all sectors. Since care services are primarily provided by public sector employees, their employment relationships are governed by the Law on Remuneration of Officials and Employees of State and Local Government Authorities (Saeima 2009), which also defines pay categories. The remuneration of employees in educational institutions is further regulated by Cabinet Regulation No. 445, “Regulations Regarding Remuneration of Teachers” (Cabinet of Ministers).

The care sector in Latvia falls under the supervision of the Ministry of Education and the Ministry of Welfare, each with different regulatory frameworks and diverse circumstances in the sector. Preschool educational institutions are supervised by the Ministry of Education. Their employers are local governments or private businesses. Financing for children up to the age of 5 is covered by local governments and is divided between local governments and the private sector for private kindergartens. From the age of 5, preschool education is compulsory and funded by the state. Traditionally, the demand for preschool services is high in Latvia. To secure a place in kindergarten for a child aged 3 and over, parents often register their child right after birth. As the birth rate has decreased, queues have eased. In the 2023/24 school year, there were 622 preschool education institutions

attended by 94,700 children, which accounted for 95% of Latvian children aged 3 to 6. Between the ages of 1 and 3, 35,000 children attend nurseries, representing 63% of all children in this age group, with the sector employing 11,423 preschool teachers (Central Statistical Bureau of Latvia, 2024). No data is available on the total number of early childcare workers in the country, but a rough estimate can be made. In preschool education institutions, the work is organised by providing one carer and one educator for each group of children during a shift. Additionally, overnight carers and special-purpose educators are possible, with their numbers assumed to be roughly equal. Therefore, it can be estimated that the number of childcarers in the country is approximately equal to the number of educators, with around 22,850 individuals employed in the care sector within preschool education institutions.

Long-term care (LTC) and social assistance centres are overseen by the Ministry of Welfare. These services are provided by public care institutions funded by the state budget, local government subordination institutions financed by local governments from their budgets, and the private sector, including non-profit organisations, using both paid labour and volunteers. State care institutions provide long-term care services for adults with severe, permanent, mental health disorders, blind individuals, children with mental health disorders, and care for unaccompanied minors in orphanages. Local governments are responsible for caring for individuals who are unable to care for themselves due to age or health issues. This includes services such as retirement homes, social homes, and day centres. Private sector services are used either by individuals who finance them themselves or through outsourcing arrangements purchased by local authorities funded from their own budgets. There is a lack of aggregated information on the total number of clients in the sector, especially for the private sector and home care. According to data provided by the Ministry of Welfare, in 2023, 39,047 clients received social care services, representing 2% of the country's population (Ministry of Welfare, 2024). Overall, the society is ageing. Currently, the pension-age population accounts for 22% of the state's population, leading to a projected increase in demand for social care services. There is also a growing trend of working-age individuals entering long-term care facilities. It is difficult to estimate the availability of LTC services, calculated, for example, in terms of the ratio of staff to a given number of inhabitants. This is due to the lack of detailed employment data for the care sector: figures in public statistics are generally reported together for social assistance and healthcare.

3. Major problems and challenges in the sector

People working in the care sector in Latvia are predominantly women of pre-retirement or retirement age. Caring for elderly or less mobile patients is physically demanding work. While care homes are equipped with technical aids, staff lack training to use these tools effectively, which can make their work more difficult. To address this, the Ministry of Welfare organises training sessions for care workers, although such aids are often unavailable in-home care settings. Additionally, care workers face psychoemotional challenges due to the problematic and confrontational attitudes of clients:

” Clients do not accept their position, perceive everything as an abuse, psychologically do not accept help that they cannot do without.

In working with children in preschool care, staff experience stress due to children’s behavioural problems and sometimes unfounded complaints by parents.

Additional challenges arose during the Covid-19 pandemic, beyond the hygiene requirements. Hazardous working conditions and public perceptions of care for COVID patients are described by an industry representative as follows:

” If a person in care suffers from Covid-19, it is difficult to overcome the stigma and risk one’s own life to help another. It’s an act of heroism.

At the same time, it is acknowledged that targeted grants for pay bonuses were available during the Covid-19 pandemic, but these ended after the pandemic.

Working in the care sector has relatively low prestige, largely due to low wages (Ozola-Balode, Kuške, 2018). There is a shortage of staff, particularly in big cities, where there is a bigger supply of higher-paying jobs. Higher-skilled, younger employees prefer better-paying positions in medicine or private companies. To address this, local municipalities offer to fund the education of new specialists on the condition that they return to work in their local municipality. Additionally, there is an outflow of care staff to Western European countries, where salaries for similar work are 3 to 4 times higher.

The amount of remuneration in the sector is determined by regulatory enactments, which set salary ranges based on the position. However, there are significant salary differences between state and municipal budget institutions. Local governments often face budgetary constraints, which have been particularly exacerbated in recent years. For example, tax revenue has been redirected from local governments in favour of the state budget, yet at the same time local governments have been assigned additional responsibilities without corresponding funding. Additionally, credit interest rates raised by the European Central Bank are also worsening the situation, increasing local government expenses. As a result, local governments struggle to prepare balanced budgets, which impacts the remuneration of employees in social care and preschool education. As recognised by those involved in the sector,

” The state redistributes public funds to itself as a provider, paying higher wages to staff in its care centres. As the labour flows towards state care institutions, municipalities also raise wages, but outsourced service providers cannot increase their rates due to procurement procedures.

This leads to pay disparities between different providers. The issue is being addressed by the National Plan for Improvement and Development of Social Services, which aims to set remuneration within a 0.57 to 1.05 range of the average salary (where the average is 1) and provide a supplement of up to 25%, along with targeted state grants (Ministry of Welfare, 2022). However, the local government’s ability to offer competitive wages remains limited.

The salaries of preschool education employees also affect the budgetary capabilities of local governments. Thanks to the efforts of the Union of Education Workers, the Constitutional Court ruling (Constitutional Court of the Republic of Latvia, 2023) has led to Cabinet regulations mandating higher salaries for preschool teachers and aligning them with those in general education to address pay disparities (Cabinet of Ministers, 2023). However, realistically, not all municipalities have the budget to fully comply with the ruling, leading them to seek cost-saving measures. In more than half of the municipalities, to avoid raising wages, the workload of preschool teachers has been reduced to 4 working days a week. As a union representative acknowledges:

” There is no honour — municipalities saved a lot at the expense of inequality. And by the time the decision was made, it’s already unethical to continue seeking to further reduce wages.

4. Characteristics of social dialogue organisations in the sector

4.1. Challenges of organising employees

The care sector lacks a unified structure and consists of various sub-sectors. Social dialogue participants are diverse, and their level of engagement varies. The sector does not have a single, unified trade union. Employees of preschool education institutions are generally well-organised and are members of one of the most prominent trade unions in Latvia, which represents the interests of the employees of the education sector. The decision to raise the salaries of preschool teachers is a direct result of this union's efforts. Most local government preschool education institutions have trade union branches that receive support from the central organisation. However, the union is not represented in private kindergartens, where employees are most likely not members of any trade union.

The involvement of care homes and home care providers in unions is more uneven. Some employees are members of the Health and Social Care Workers Union, which is very active in the health sector, but has limited activity in representing the care sector. The care sector is also represented by at least three other trade unions that focus on municipal and public administration employees in different sectors. Consequently, care is only one area, and these trade unions primarily cover state and municipal care institutions. If a care home has a sufficient number of union members, its opportunities for social dialogue are substantial. However, if there are only a few union members, the union's influence is minimal. In most private entities, including the interviewed non-profit entity, which is the largest care provider in the country by the number of care workers, no trade union is represented. Under the Unions Law, forming and joining unions is voluntary and cannot be mandated (Saeima, 2014). As several interviewed union leaders have noted, people are generally not interested in joining unions until they encounter personal issues with their employers. They are reluctant to pay monthly membership fees without seeing a direct benefit.

Employers' attitudes toward trade union members vary from company to company. This variation is determined not only by the employer's stance but also by the personal attitudes of the managers and their relationships

with the local head of the union's pre-organisation. The Education Workers' Union has faced resistance from employers in some municipalities, though representatives of other unions have not reported similar issues. It should be noted that trade union members in the care sector predominantly work in the public sector. At a local government level, the institutions are funded by the local government budget, so the influence of the head of an individual institution is limited, and often social dialogue includes the management of the local government. Overall, care sector employers are willing to cooperate in social dialogue.

4.2. Good practices for organising employees

Interest in joining a union increases if the union is well-represented and active within the company. The success of the strong and well-represented Education Workers' Union in social dialogue is a contributing factor to its high level of participation. Unions in the care sector are attempting to attract members with additional benefits, such as union-organised tours and health insurance, which employers cannot afford to provide. However, no campaigns have been observed to actively promote trade unions. Attracting new members tends to happen through good examples set by existing members or when issues arise with the employer.

4.3. Characteristics of employer representation

In Latvia, municipalities have joined the Latvian Association of Local and Regional Governments (LALRG), which collectively addresses local government issues and participates in negotiations with the national government. LALRG has two sub-organisations within the social and care sector: the Association of Social Care Institutions of Local Governments of Latvia (LPSAIA) and the Association of Social Service Managers of Local Governments of Latvia. These organisations represent the interests of local social service providers. No information has been obtained regarding the participation of the LALRG and its affiliated associations in social dialogue with trade unions.

5. Collective bargaining and other forms of social dialogue in the sector – characteristics

There is no centralised recording of collective agreements in Latvia. The Free Trade Union Confederation of Latvia collects data on the number of collective agreements by sector, but it only includes collective agreements entered into by its affiliated trade unions. Consequently, the records reflect only a fraction of the collective agreements concluded in the country. Additionally, the care sector is not listed separately because it does not have a separate trade union. According to the summary, 614 collective agreements were active in the education sector in 2023, accounting for two-thirds of all collective agreements on the list. When calculating the proportion of agreements relative to the number of schools in the country and noting that preschools account for about half of them, it can be concluded that, on average, every second preschool has a collective agreement concluded with a trade union.

Collecting data on collective agreements among other care providers is more challenging because those are collective agreements concluded by several trade unions, which are listed without sector differentiation. The number of such agreements is significantly lower. For example, the Health and Care Union has 40 active collective agreements across both health and care settings. Trade unions representing employees of state and local government institutions have a total of around 160 collective agreements, but only a fraction of them are attributable to the care sector. Collective bargaining is known to exist in all state-affiliated care facilities. Several general agreements are in place within the industry. One such agreement exists between the Ministry of Welfare and the trade union for public care facilities. Individual local municipalities have general agreements with trade unions on educational institutions or social care institutions.

Collective bargaining agreements with heads of institutions are concluded by the leader of the union's primary organisation. In some municipalities, the collective agreement must be aligned with the management of the municipality. If employees of the company are members of several trade unions, all the trade unions involved participate in the collective bargaining agreement. According to the trade union representatives, employers in the private sector are more likely to initiate collective agreements, as these can include mutually beneficial conditions, which are not permitted by public sector legislation. However, since the care sector is predominantly public, employers

in this sector do not receive additional bonuses and have little interest in collective bargaining. Private sector employers' initiatives are more evident in other industries and are uncommon in the care sector.

5.1. Content analysis of collective agreements

Collective bargaining agreements are not publicly available. Several respondents emphasised that these are internal documents not accessible to third parties. The representatives of the trade unions contacted also did not provide access to collective agreements but acknowledged that in state and municipal care institutions representing the sector, the possibilities under the terms of collective agreements are limited, as remuneration, allowances, benefits, additional holidays and other bonuses are determined by the Remuneration Law (Saeima, 2009). Moreover, municipal management often interprets the law conservatively, fearing reprimands from state oversight for misuse of public funds. As a result, collective bargaining often mirrors national laws and regulations. The representative of the Union of Education Workers noted that this duplication gives employees an additional sense of security, as laws and regulations are not always complied with on the spot but are more rigorously applied through collective agreements. Other union leaders attempt to incorporate statutory bonuses, such as health insurance, into collective agreements. While some municipalities are willing to cooperate, they are constrained by budget limitations and the lack of resolution of care sector issues at a national level. In order not to lose relevance, collective agreements are most often reviewed every two to five years.

5.2. Other forms of social dialogue

The Latvian Trade Union of Education Employees is well-structured for dialogue at all levels — company, regional, and government. This leads to more effective advocacy for the interests of preschool educators compared to other areas of the care sector.

Social dialogue takes place with the responsible ministries and the Latvian Association of Local and Regional Governments related to the care sector, such as the Association of Social Care Institutions and the Association of Social Service Managers. While social dialogue partners recognise the challenges facing the sector, reaching a necessary general agreement remains elusive, mainly due to unresolved financial issues.

5.3. Impact of European sectoral social dialogue

Trade unions representing preschool education workers and care workers are members of several influential global and European trade union organisations. Other trade unions in the care sector such as the Latvian Union of Public Utilities and Transport Workers (LAKRS) and the Trade Union of State Institutions, Local Governments, Enterprises and Financial Employees of Latvia (LVIPUFDA) are also members of international organisations such as ETUC, EPSU, PSI. According to local trade union leaders, while European organisations focus on global matters, Latvia faces other, more grounded problems. Trade unions are well-informed about European social dialogue, which helps negotiations at the government level. However, there are instances where European employment directives are applied selectively in Latvia: those beneficial to politicians are mandatory, while those favouring employees are merely recommended.

6. Conclusions and recommendations

The care sector in Latvia is fragmented. Public care facilities receive better funding than those run by municipal and private entities. Some of the strongest trade unions are successfully addressing their issues and are well-represented at all levels, including through dialogue with the government. Meanwhile, the sector as a whole lacks sufficient representation at a national level. Many social care institutions do not have union primary organisations, and collective bargaining agreements are not concluded. Employees of large municipalities and state-run institutions are in a better position, where trade unions have successfully negotiated general agreements.

In order to improve social dialogue at a company level, it is necessary to promote the establishment of trade union company-level pre-organisations throughout the country in both local government and private sector institutions. At a national level, better outcomes in negotiations with the government could be achieved if trade unions representing the sector united into a federation of care unions to address common industry challenges.

To improve the situation in the care sector, Latvia should review the funding model at the local government level, which is the weakest link in the overall care system.

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