

# LATVIA



Key policies to promote longer  
working lives

Country note 2007 to 2017

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# KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN LATVIA<sup>1</sup>

(Situation 2007 to mid-2017)

*According to the Late Career Scoreboard at the end of this report (Table 1), the employment rate of older workers is high in Latvia: in 2016, 50% for those aged 50-74, compared with the corresponding EU average of 45%. Nevertheless, as synthesised in Table 2, Latvia could do more to facilitate phased retirement and combine of pensions and work income; to balance its approach to employment protection by age; to encourage the social partners to manage an age-diverse workforce; and to share knowledge and experience across different age groups. That said, Latvia has in fact taken decisive action to reward longer careers; to set up mechanisms for recognising and validating skills; to provide older workers with effective employment services; and to raise awareness when it comes to strengthening workplace safety and physical and mental health.*

## 1. Rewarding work and later retirement

### 1.1. Enhancing incentives to continue working at an older age

#### *Introduction*

The Latvian pension system includes first-tier benefits, earnings-related benefits from mandatory schemes, and benefits derived from both personal and occupational voluntary savings (OECD, 2018). First-tier pensions consist of the minimum and basic pensions on top of the means-tested safety net benefits available for all age groups guaranteed minimum income, GMI). The Latvian mandatory earnings-related pension component has two parts: the public pay-as-you-go (PAYG) scheme and the funded defined contribution (FDC) scheme. PAYG is a notional defined contribution (NDC) scheme that links pension benefits with the entire contribution history. The NDC and FDC schemes cover almost all workers; special regimes play only a minor role. Voluntary schemes are not very common and are only marginally important in providing income among the old-age population.

The earnings-related schemes were introduced sequentially. NDC was the first component to be introduced in 1996 and the FDC followed in 2001. Latvia was the first country to fully implement the NDC scheme upon its introduction rather than implement it gradually, as did Italy, Sweden and Poland in the 1990s and Norway in 2011. In Latvia, the NDC scheme replaced and unified an unsustainable PAYG defined benefit system. After its introduction, almost all new pensions were paid according to the new rules following the conversion of past entitlements.

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1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

### *Raising the statutory age of retirement*

The statutory retirement age had been 60 years for men and 55 years for women until 1995. In 1996, it increased by one year for women and continued to increase by half a year per year to reach 62 in 2008. For men, the retirement age increased gradually from 60 in 1999 to 62 in 2003, remaining constant until 2014. Since 2014, the retirement age has started to increase again by three months a year for both men and women. The statutory retirement age is 63 years and 3 months for both men and women in 2018 and it will reach 65 in 2025.

The minimum insurance period to qualify for an old-age pension was ten years until 2013. It was extended to 15 years in 2014 and will reach 20 years in 2025.

### *Facilitating phased retirement and better combining of pensions (or partial pensions) and work income*

In Latvia, phased retirement refers mainly to combining a pension benefit – full or partial – with pay from continuing work, often with reduced hours. This combination of work and pension is permitted only upon reaching the statutory age of retirement. The share of Latvian older workers who have reduced working time in a move towards retirement is among the lowest in the EU (Eurofound, 2016).

### *Rewarding longer careers*

Individuals have the possibility of deferring retirement with no age limit; doing so improves pension amounts (OECD, 2018). Many Latvian pensioners take advantage of these opportunities, so the average effective retirement age is higher than the statutory retirement age for both men and women (European Commission, 2015)

## **1.2. Towards restricted use of early retirement schemes**

### *Restricting access to publicly funded early retirement schemes*

A person can request an early pension two years before reaching the statutory age of retirement if the insurance period is not less than 30 years (OECD, 2017a). Latvia is among the countries where this results in major pension reductions. Until a person reaches the statutory retirement age, they receive only 50% of the calculated pension. From 2014, the early retirement age has been increasing by three months every year, and will reach 63 by 2025. Despite the significant penalties, early retirement is prevalent in Latvia. In 2016, about 5 800 people received early pensions from the main scheme; about 3 200 of these pensions were newly granted. This means that about one-fifth of the new retirees from the main pension scheme used the early retirement pathway (OECD, 2018).

### *Introducing specific provisions for arduous/hazardous work*

Currently there is no definition of arduous/hazardous work (AHW) in Latvian legislation. This was not always the case. The first Latvian Law on State Pensions (1990) included a reference to two lists: one of “hazardous and arduous working conditions” and one of “particularly hazardous and particularly arduous working conditions”. Since 1996 these lists have no longer been applicable, and are not applied to a person’s service record after 1995 (Rajevska, 2016).

The present regulations thus do not refer to any sort of favourable retirement for persons engaged in AHW. All special AHW entitlements are based on past work periods stipulated in previous legislation and are no longer accrued. They are essentially being phased out, although many people with past AHW work records continue to receive them today. For this group, early retirement is eased: there is no 50% reduction in the calculated pension and shorter vesting periods are applied (from 20 to 25 years for men and from 15 to

20 years women, depending on the profession), provided that at least a quarter of the working record was spent in AHW (Rajevska, 2016).

### ***1.3. Preventing welfare benefits from being used as alternative pathways to early retirement***

#### *Unemployment (insurance and assistance) benefits*

From 1 April 2017, the minimum insurance contribution period for eligibility for unemployment benefits is 12 months within the last 16 months prior to the day that the status of unemployment was obtained; previously it was 9 months within the last 12).

Unemployment benefits can be received up to nine months and there is no differentiation by age, although unemployed persons should be below the statutory retirement age to be eligible.<sup>2</sup> The unemployed person must first acquire the status of unemployed at the PES (Public Employment Service) before applying for the unemployment benefit.

#### *Social aid*

Older workers below the statutory retirement age in Latvia have access to guaranteed minimum income. The GMI benefit programme is means-tested, financed by local municipalities and paid by 119 municipal social services. The key principles are set by the government, including the GMI level, methodology of calculation and types of property and assets that are not taken into account when the means test is applied. Municipal social services sign a participation agreement with each recipient of the benefit stipulating measures for improving the social situation of the recipient and their family.

If the working-age GMI benefit claimant is jobless, job-search requirements are monitored by the PES as part of the same individual job-search plan as that for recipients of unemployment benefits. Nevertheless, certain persons<sup>3</sup> are exempt from the obligation to be registered with the PES.

Since 1 January 2018 the GMI level is increased by 6% and there are additional benefits, property and assets that are not taken into account when calculating average income.<sup>4</sup>

#### *Disability benefits*

On 1 January 2013, the service of personal assistants for persons with a disability was introduced. These assistants furnish support in the daily routine of the disabled – for example, by facilitating the move from their residence to the location of educational activities, a workplace or other locations or institutions where different services are available. However, a personal assistant is not meant to help a disabled person with their job or during an educational or training process. The groups eligible for the service of a personal assistant include adults with very severe and severe disability (Groups I and II according to gradations of disability in Latvia). The State Medical Commission for the Assessment of Health Condition and Working Ability determines eligibility. The assistance service can be assigned to a person with disabilities for a maximum to 40 hours per week.

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2. See more at [www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm](http://www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm) (accessed 2 March 2018).

3. These are 1) a recipient of a disability pension, an old-age pension or a state social security benefit; 2) a woman on maternity leave, or one of a child's parents or another entrusted person during a childcare period; 3) one of a disabled child's parents if the child does not receive appropriate care services; 4) a person 15 years of age who is acquiring full-time education in a general secondary or vocational secondary education institution, or is a full-time student in a higher education institution.

4. The GMI level is substantially lower than the basic pension level (OECD, 2018).

Changes were introduced to this service in 2016: new procedures support use of the service with integration and mobility measures and increase access to workplaces, educational institutions and day care centres. Personal assistant service is funded through the national government and administered by the social services of local municipalities. According to an evaluation of the service, in 2016 44% of all recipients were aged 61 and over, and 77% of all recipients used the service to get to and from health care services and different institutions.

State support for persons with disabilities is in fact rather broad. There are several state-funded benefits (for transport compensation and special care), state-funded reliefs (free public transport for disability Groups I and II, tax exemptions, exemptions from patient health care fees, lower payments for state judicial assistance, lower taxes for car insurance, etc.) and universal service with lower payment for the first 100 kWh of electricity.

## **2. Encouraging employers to retain and hire older workers**

### ***2.1. Preventing discrimination in employment on the basis of age***

#### *Implementing current or new legislation*

A general prohibition against discrimination included in the Constitution of Latvia provides that human rights shall be exercised without discrimination of any kind. The constitution also stipulates the right to freely choose employment and workplace according to a person's abilities and qualifications.

The Labour Law of 2002 provides that everyone has an equal right to work in fair, safe and healthy working conditions, as well as to fair work remuneration, irrespective of a person's race, skin colour, gender, age, disability, religious, political or other conviction, ethnic or social origin, marital status, sexual orientation or other circumstances. Differential treatment based on the age (or any other circumstances) of an employee is prohibited when establishing employment relationships as well as during employment relationships, in particular when promoting an employee; when determining working conditions, work remuneration, occupational training or the raising of qualifications; and when giving notice of termination of an employment contract.

Any person who believes that the prohibition of differential treatment has been violated may apply to the State Labour Inspectorate, which implements state supervision of and control over the legalities surrounding employment relationships and labour protection. Inspectorate officials have the right to issue warnings and orders to employers in order to ensure that they observe the requirements contained in regulatory enactments in these areas. They can also impose administrative penalties on employers and other persons for violations of the law. When violations are detected by the officials, they evaluate the severity of the violation and other factors, and a decision is taken on the type of measures to be imposed on the violator.

Any person also has the right to take the issue to civil court in order to protect their violated rights.

#### *Launching public awareness campaigns*

In 2012, many information activities took place within the framework of the European Year for Active Ageing and Solidarity between Generations. At that time Latvia set the following priorities: 1) intergenerational co-operation, 2) increasing the value of senior citizens in society, 3) reducing age-related discrimination in the labour market, and 4) promotion of an active and healthy lifestyle and corresponding activities for senior citizens, with a significant focus on raising public awareness.

Awareness-raising activities in fact generated great interest and encouraged discussion concerning active ageing.

In addition, the World Bank (2015) carried out a study to propose evidence-based recommendations for developing an active ageing strategy in Latvia and facilitating longer and better working lives. As a result the Ministry of Welfare of Latvia, with the support of the European Union, prepared the report “Active ageing strategy for longer and better working lives in Latvia”, and a set activities will be carried out in order to raise employers’ and older employees’ awareness of workforce ageing and possible ways to that longer and better working life (provisional implementation start date: Q2 2018).

Finally, awareness raising activities supplement the active ageing programme implemented by the PES. These activities include providing information on and assistance in the employment of older workers (handbooks for employers and PES workers), conferences, regional seminars, discussions, consultations and other health promotion and disease prevention measures. Conferences and seminars will be held in different regions of Latvia beginning in September 2018.

## ***2.2. Taking a balanced approach to employment protection by age***

### *Implementing age-neutral measures*

Latvian labour law implemented in 2002 regulates employment in the private sector. It provides that in case there is a reduction in the number of employees, preference regarding continued employment relations shall be accorded those employees who have higher performance results and higher qualifications. In case performance results and qualifications do not substantially differ, preference shall be accorded those employees with certain characteristics, such as people with disabilities or those with less than five years remaining before retirement.

According to employment protection regulations in force on 1 January 2013,<sup>5</sup> an employer who intends to carry out collective redundancy shall in good time commence consultations with employee representatives in order to agree on the number of employees subject to the collective redundancy, the process of the collective redundancy, and social guarantees for the employees to be made redundant. During these consultations the employer and the employee representatives shall examine all the possibilities of avoiding the collective redundancy or of reducing the number of employees to be made redundant, and ways of alleviating the effects of the redundancy through social measures that create the possibility to further employ or retrain the employees made redundant.

The evidence, however, shows that generally throughout the EU certain categories of workers are rarely hired with open-ended contracts, in particular older workers protected against dismissal during the five years prior to retirement age as is the case in Latvia. The OECD recommends abolishing the special protection rules for older workers in order to align employment protection across all age groups. This should, however, be combined with reinforced active labour market programmes (ALMPs) for older jobseekers, to facilitate their quick reintegration into employment.

## ***2.3. Discouraging mandatory retirement by employers***

### *By law in general and by sector/occupation, private/public sector, region*

There is no mandatory retirement age in Latvia. Labour Law does not provide an age above which employers can dismiss employees without the employer needing to objectively justify the dismissal in

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5. [www.oecd.org/employment/emp/Latvia.pdf](http://www.oecd.org/employment/emp/Latvia.pdf) (accessed 2 March 2018).

order to avoid a finding of unlawful age discrimination. Upon reaching the statutory retirement age (63 years and 3 months in 2018), retiring is entirely at the discretion of the employee; the employer may not terminate the employment relationship simply because the employee has reached the said retirement age.

Employment of state civil servants is regulated under separate law (the State Civil Service Law), and the regulations include an age limit for employment. State civil servants can be dismissed upon reaching the legally established general age of retirement without any need to objectively justify the dismissal.

#### ***2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers***

##### *For all older workers*

A pilot project called “Support to social enterprise” is being implemented to provide additional support to disadvantaged unemployed persons and persons with disabilities, including older workers. The main objective of the project is to identify and verify the optimal solutions for creation and development of social enterprises that will employ these persons, including support for later (i.e. more mainstream) work integration. Planned activities include awareness raising about what social enterprises mean and their possible contribution to economic growth and society, as well as development of a support system for them and the promotion of start-ups. In total, 200 enterprises employing disadvantaged persons are planned.

Furthermore, the Social Enterprise Law was adopted by the Parliament on 12 October 2017, and will come into force on 1 June 2018. The objective of this law is to support the betterment of the quality of life in society and to promote employment for groups at risk of social exclusion, through creation of an economic environment that supports social enterprises. Although this measure is not directly targeted at older workers, that group would benefit from it. While it is welcome that capacities in the third sector are being bolstered, it would be advisable to encourage the social partners to implement better retention and hiring mechanisms targeted at older workers in the regular labour market as well, in both the private and public sectors.

##### *Review of the use of seniority wages*

The government has no influence on seniority wage policies in the private sector, as collective bargaining is solely in the hands of the social partners. However, elements of seniority wages are present, mainly in public sector wage-setting arrangements. Public authorities could set an example by introducing performance pay and limiting automatic rises in salary with tenure in their own wage-setting arrangements.

#### ***2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce***

##### *For all older workers*

As part of the national action plan of the European Year for Active Ageing and Solidarity between Generations 2012, the Latvian Government has implemented measures aimed at increasing the employability of older workers through eliminating stereotypes and improving their skills and competences. Among other general measures in the national action plan, the government – together with the social partners – identified and disseminated good practices regarding active ageing and solidarity of generations, including (Eurofound, 2013):

- i. research on obstacles to the employment of older people

- ii. training in IT for seniors, both individually and in groups, and counselling on topics such as basic computer skills for using the Internet, the use of Internet banking, photo processing, etc.
- iii. identification of “Senior-friendly Enterprises” (in co-operation with the Latvian Employers’ Confederation)
- iv. discussions and information on preventing age discrimination: regional seminars, exchange of experiences and creation of new ideas.

### *Sharing knowledge and experience across different age groups*

Economic restructuring and privatisation since the beginning of Latvia’s transition to a market economy led to major employment shifts and increasing earnings stratification between generations. The younger and better educated, sometimes termed the “winner generation”, were better able to adapt to and drive the transition, while older generations were frequently left behind and suffered extremely high levels of unemployment. According to the OECD (2016), to facilitate the active participation of older workers, existing employment and income support schemes should be based more systematically on an expectation of longer working lives, and tailored more closely to the situation and needs of older workers.

In 2012, as part of the national action plan of the European Year for Active Ageing and Solidarity between Generations 2012, the Latvian Government – in co-operation with the social partners, local governments and NGOs – implemented 13 activities to promote communication and co-operation between generations. For example, the Europe Direct Information centre in Jelgava, the Youth Council in Jelgava district and other Europe Direct Information centres in Latvia organised inter-generation events in order to encourage the exchange of experience, exchange of information on historical events, and transfer of skills. This activity took place over the entire year of 2012. Another example is approval of the Good Will Memorandum on Voluntary Work to encourage inter-generation co-operation at the national level.

Efforts to share knowledge and experience across different age groups and generations should be undertaken more widely in firms in Latvia. For instance, mentoring programmes could be implemented in which the main criterion is the experience of the mentor, not their age.

## **3. Promoting the employability of workers throughout their working lives**

### ***3.1. Enhancing participation in training by workers in their mid- to late careers***

#### *Promoting lifelong learning and development of the adult vocational education and training system*

In Latvia, older workers who were educated in the Soviet era have faced rapid depreciation of their skills and struggle to keep up with new labour market demands (OECD, 2017b).

It is thus a welcome development that persons aged 45 and over working in occupations with relatively low wages will receive priority support in a new training programme. A programme for improving professional qualifications and competencies of adults from the age of 25 was implemented in 2017 with support from the European Social Fund (ESF). The programme includes career-counselling services, validation of skills acquired outside the formal education setting, and support mechanisms for engaging persons at risk of social exclusion in adult education. Participation fees are covered; for persons belonging to a social exclusion risk group, expenditures for the support staff or sign language interpreters are also covered and support for regional mobility is granted. Finally, the Adult Education Supervisory Board (ministries and social partners) will review and approve training areas (professions, skills etc.), taking into account labour force forecasts, demand and supply disparities, etc.

### *Setting up mechanisms for recognising and validating skills*

In 2011 Latvia created “Sectoral Expert Councils” (SECs) in twelve sectors of the economy. The SECs conduct research and forecasting, develop sectoral professional qualification structures and standards, and contribute to developing a system for quality assurance, accreditation, examination and assessment of prior learning (World Bank, 2015). They operate under a joint secretariat consisting of representatives from the National Centre for Education, the Employers’ Confederation, and the Free Trade Union Confederation of Latvia, with financing from the ESF. Amendments in 2015 to the Vocational Education Law provide a legal and regulative framework for SECs. The SECs’ role is to promote co-operation between government, firms and employers’ associations, the Chamber of Crafts and trade unions in the area of initial vocational education and training (VET).

In addition, in 2017 amendments to national ALMP regulation were introduced, giving support to recognition of informal skills that have been developed in working life for the registered unemployed. The main beneficiaries of this measure will be older workers who have gained experience and skills on the job that are not formally recognised by the state.

### **3.2. Providing effective employment assistance to older jobseekers**

#### *Promoting an all-age mainstreaming activation approach*

Older workers and other registered unemployed persons can participate in ALMPs provided by the PES. In order to identify the needs of the unemployed, an advanced profiling system has been developed at the PES in order to better target counselling and ALMPs to those who need it.

The PES provides career counselling and training measures to the unemployed and those at risk of becoming unemployed, including those aged 50 and above. The PES counsellor provides psychological support to educate a client in professional career issues. Services provided individually or in groups include counselling on career choices, vocational development, assistance in returning to the labour market and changing occupations, assessment of clients’ vocational aptitude and competencies for a given profession, and counselling on job-search strategies and adequate training opportunities. In 2016 37% of all participants were aged over 50, while in 2012 this group had represented 21% of all participants.<sup>6</sup>

On the basis of employers’ written order and instructions regarding necessary skills and competencies, the PES organises training through the vocational development or professional lifelong learning programmes conducted by any licensed and accredited education institution, and covers the costs of training. The training period should not exceed three months for updating professional skills and competencies, or six months for obtaining new employment on the basis of the employers’ order. Moreover, the employer should take on trained employees for at least three months.

#### *Targeting workers most at risk of long-term joblessness*

The unemployment rate of workers aged 55-64, at close to 10% in Latvia, is among the highest in EU countries. Latvians aged 65 and over – mostly pensioners, as well as the long-term unemployed and workers with low educational attainment – face the highest risk of poverty (OECD, 2017b).

In late 2016, long-term unemployed persons began to participate in an activation programme. On average, 28 000 long-term unemployed were enrolled in the programme in 2017. It is estimated that they represent 52% of all long-term unemployed registered through the PES in that year. In fact, 98% of them received

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6. <http://www.nva.gov.lv/> (accessed 25 February 2018).

vocational guidance support, supplemented with rehabilitation from addiction for 1% of them; 2.5% of them received health checks and recommendations on suitable job placements; 16% received psychological and psychiatric help; and 8% participated in motivation programmes and received mentoring support. There is no indication of the number of participants older than 55.

#### *Providing employment/hiring subsidies to firms*

The PES provides wage subsidies to special target groups of the unemployed, including those aged 50 and above. Support includes a monthly wage subsidy equal to 50% of the total wage costs, without exceeding the minimum monthly wage set by the government (EUR 430 in 2018). For the unemployed with disabilities the monthly wage subsidy may not exceed 150% of the minimum monthly wage (i.e. the wage can be fully covered by the subsidy). Support also includes coverage of expenses for work supervisors (50% of the minimum wage) and a subsidy for supervision is granted to the employer. Supervisors cannot coach more than two persons at the same time. Support can include working place adaptation for persons with disabilities (a single grant of EUR 711 maximum) and the involvement of different experts such as silent language experts. The employer provides a qualified work supervisor for each participating unemployed person that assists that person in acquiring the basic skills and abilities required for work. The involvement of the supervisor depends on the complexity of work to be done, the profile of the unemployed person (the involvement is longer in the case of persons with disabilities and young unemployed), and other characteristics. Financial aid for hiring unemployed persons is granted for a period of 12 months (if the person was unemployed at least 12 months and is 50+), 24 months (unemployed at least for 24 months and the adult has one or more dependants, is older than 50 and is jobless at least 12 months), or 36 months (for the disabled unemployed). In 2011, 32% of participants in this measure were in the age group 50+, increasing to 49% in 2016.<sup>7</sup>

#### *Providing other active labour market policies*

The PES provides support to facilitate the start-up of business activities and self-employment; counselling and financial support measures helping unemployed persons obtain the appropriate skills; and motivation to embark on these endeavours and to successfully work in the chosen field at least two years. The measure includes counselling on developing and implementing a business plan; a business grant depending on an approved budget estimate; and monthly subsidies at the level of the minimum wage for the first six months of business plan's implementation. In 2016, 17% of participants in this measure were aged over 50.<sup>8</sup>

### **3.3. Enhancing job quality for older workers**

#### *Strengthening workplace safety and physical and mental health*

In order to raise issues related to the health and safety at work, educational and informative events (seminars, informative materials, competitions, etc.) are organised by different stakeholders. The European Agency for Safety and Health at Work campaign “Safe and Healthy Work for All Ages” took place in 2016/2017 in Latvia. The campaign aimed at raising public awareness of the benefits of different generations working jointly, thus at encouraging employees, employers and managers to work together to support healthy and productive work for all ages.

To emphasise and more efficiently present events aimed at reducing stress in the working environment, the State Labour Inspectorate has been organising the “Golden Helmet” competition for the Good Practice Award. The competition was designed to seek out companies that take measures to maintain workers’

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7. [www.nva.gov.lv/](http://www.nva.gov.lv/) (accessed 25 February 2018).

8. [www.nva.gov.lv/](http://www.nva.gov.lv/) (accessed 25 February 2018).

ability to perform and provide them with a decent job suited to their abilities while reducing stress.<sup>9</sup> The enterprises share their best practice in managing occupational safety and health in the context of an ageing workforce. Along with the competition many informative activities (seminars, discussions) are organised regarding the campaign topic of stress reduction; these involve workers, employers and their organisations.

The policy of health and safety at work is based on the EU Occupational Safety and Health Strategic Framework, and consists of the Strategy for the Development of the Labour Protection Field 2016-2020 and the Strategic Action Plan 2016-2020. The basic objective of the labour protection policy is to improve the quality of workplaces and to promote safe and healthy work environments. As such, the policy would contribute to a longer working life. The strategy includes awareness-raising activities targeting employers and workers on health and safety at work issues, health promotion, adaptation of the workplace especially for older workers, and promotion of safe working methods and a preventive culture.

#### *Reducing the incidence of arduous/hazardous work*

During 2008-2013, 100 000 workplace risk assessments were carried out with co-financing from the European Structural and Social Funds. It is planned that 4 700 enterprises will receive consultative support by 2022. Support and counselling regarding hazards in SMEs employing less than 50 workers will be provided from the second half of 2018. Support includes several measures co-financed by the ESF such as workplace risk assessment, measurements of workplace risk factors (noise, chemicals, vibration, etc.), training of workers and employers, production of different electronic tools to counter hazards, etc.

In addition, different educational and informative measures (seminars, informative materials, tests of knowledge on health and safety issues, games, etc.) are being organised for employers, employees and labour protection specialists; these aim to raise awareness of and reduce accidents at work and occupational diseases.<sup>10</sup>

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9. Examples of the “Golden Helmet” competition of good business practices are available at <http://stradavesels.lv/kalendars/event-1595/presentation/> (accessed 27 February 2018).

10. More information is available at [www.stradavesels.lv](http://www.stradavesels.lv) (accessed 27 February 2018).

Table 1. Late Career Scoreboard, Latvia, 2006 and 2016

	Latvia		EU28 <sup>a</sup>		OECD <sup>a</sup>	
	2006	2016	2006	2016	2006	2016
<b>Demographic situation</b>						
-- Old-age dependency ratio <sup>b</sup>	0.28	0.33	0.28	0.32	0.23	0.28
-- Effective labour force exit age <sup>c</sup> (years) Men	62.0	63.7	62.0	63.4	63.6	65.1
Women	60.8	63.1	60.5	62.0	62.3	63.6
<b>Employment</b>						
-- Employment rate, 50-74 (% of the age group)	46.4	49.8	38.3	45.4	47.0	50.8
of which 50-54	79.2	75.1	73.1	77.9	73.8	75.7
55-64	53.4	61.4	43.3	55.3	52.7	59.2
65-69	23.0	19.6	9.1	12.1	20.3	25.5
70-74	10.4	11.3	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.17	0.00	0.34	0.21	0.32	0.25
<b>Job characteristics</b>						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	10.2	9.7	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	61.7	54.7	85.4	78.9	87.3	85.2
Average number of weekly hours worked	19.9	19.4	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	4.6	3.0	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	15.0	13.6	24.1	19.7	38.0	32.8
-- Full-time earnings, 55-64 relative to 25-54 (ratio)	-	-	-	-	1.09	1.10
<b>Dynamics</b>						
-- Retention rate <sup>d</sup> after 60 (% of employees t-5)	56.1	51.8	37.1	48.8	40.3	50.3
-- Hiring rate, <sup>e</sup> 55-64 (% of employees in the age group)	11.7	8.6	6.1	5.8	9.2	9.1
<b>Joblessness</b>						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	6.7	9.2	6.1	6.4	4.3	4.6
-- Incidence of long-term <sup>f</sup> unemployment, 55-64 (% of total unemployment in the age group)	46.2	52.3	49.8	63.7	26.3	44.3
-- Marginally attached workers, <sup>g</sup> 55-64 (% of population in the age group)	5.9	3.8	2.4	1.9	1.2	1.2
<b>Employability</b>						
-- Share of 55-64 with tertiary education (% of population in the age group)	17.8	27.0	17.2	22.9	20.0	26.2
-- Participation in training, <sup>h</sup> 55-74 (% of employed in the age group)	3.9	5.7	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.44	0.67	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

e) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

f) Unemployed for more than one year.

g) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.

h) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Latvia, 2007 – mid-2017

<b>1. Rewarding work and later retirement</b>	
<b>1.1. Enhancing incentives to continue working at an older age</b>	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement and better combining of pensions (or partial pensions) and work income</i>	/
<i>Rewarding longer careers</i>	+
<b>1.2. Towards restricted use of early retirement schemes</b>	
<i>Restricting access to publicly funded early retirement schemes</i>	+
<i>Introducing specific provisions for arduous/hazardous work</i>	/
<b>1.3. Preventing welfare benefits from being used as alternative pathways to early retirement</b>	
<i>Unemployment (insurance and assistance) benefits</i>	+
<i>Social aid</i>	+
<i>Disability benefits</i>	+
<b>2. Encouraging employers to retain and hire older workers</b>	
<b>2.1. Preventing discrimination in employment on the basis of age</b>	
<i>Implementing current or new legislation</i>	+
<i>Launching public awareness campaigns</i>	+
<b>2.2. Taking a balanced approach to employment protection by age</b>	
<i>Implementing age-neutral measures</i>	?
<b>2.3. Discouraging mandatory retirement by employers</b>	
<i>By law in general and by sector/occupation, private/public sector, region</i>	+
<b>2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers</b>	
<i>For all older workers</i>	+
<i>Review of the use of seniority wages</i>	+

<b>2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce</b>	
<i>For all older workers</i>	+
<i>Sharing knowledge and experience across different age groups</i>	/
<b>3. Promoting the employability of workers throughout their working lives</b>	
<b>3.1. Enhancing participation in training by workers in their mid- to late careers</b>	
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	+
<i>Setting up mechanisms for recognising and validating skills</i>	+
<b>3.2. Providing effective employment assistance to older jobseekers</b>	
<i>Promoting an all-age mainstreaming activation approach</i>	+
<i>Targeting workers most at risk of long-term joblessness</i>	+
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing other active labour market policies</i>	+
<b>3.3. Enhancing job quality for older workers</b>	
<i>Strengthening workplace safety and physical and mental health</i>	+
<i>Reducing the incidence of arduous/hazardous work</i>	+
<p>++ = Substantial action taken.  + = Some action taken, but more could be done.  +? = Some action taken, but requires further assessment.  ? = Some action taken with negative impact.  / = No relevant action taken.  ✓ = No action needed.</p> <p><i>Source:</i> Assessment based mainly on answers by Latvia to the 2016-2017 OECD questionnaire.</p>	

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