

How's Life in Latvia?

Relative to other OECD countries, Latvia's average performance across the different well-being dimensions is mixed. Material conditions are generally an area of comparative weakness: at just over 15 000 USD, the average **household net adjusted disposable income** was around half the OECD average level in 2015, and the **long-term unemployment** rate was almost twice the OECD average in 2016. However, the **employment rate** (69%) is above the OECD average (67%), and only 2% of employees regularly **work very long hours**, among the lowest in the OECD. **Life expectancy** at birth, at 75 years, is however the lowest in the OECD area, 5 years below the OECD average. 89% of the adult working-age population have attained at least an upper secondary education, placing Latvia among the top tier of OECD countries, and 15-year-olds' **cognitive skills** are close to the OECD average. In terms of personal security, the **homicide** rate in Latvia is the second-highest in the OECD, and only 61% of people feel **safe walking alone at night**, compared to 69% on average in the OECD.

Latvia's average level of current well-being: Comparative strengths and weaknesses














Note: This chart shows Latvia's relative strengths and weaknesses in well-being when compared with other OECD countries. For both positive and negative indicators (such as homicides, marked with an "**"), longer bars always indicate better outcomes (i.e. higher well-being), whereas shorter bars always indicate worse outcomes (i.e. lower well-being). If data are missing for any given indicator, the relevant segment of the circle is shaded in white.

Additional information, including the data used in this country note, can be found at:


www.oecd.org/statistics/Better-Life-Initiative-2017-country-notes-data.xlsx


Change in Latvia's average well-being over the past 10 years

Dimension	Description	Change
 Income and wealth	Household net adjusted disposable income in Latvia is currently 27% higher, in real terms, than in 2005 – over three times the OECD average cumulative gain over the last 10 years. However, household income dropped during the crisis and, despite recent growth, has not yet recovered its previous high in 2008.	↗
 Jobs and earnings	Although the crisis had a heavy impact on Latvian jobs, its effects have since started to wane. After falling from 2008 to 2010, the employment rate recovered strongly and is now (at 69%) 7 points higher than in 2005. Average earnings are 56% higher than a decade ago, and the long-term unemployment rate stands at 3.7% – down from 8.8% at the height of the crisis. The proportion of employees experiencing job strain has also decreased over the past decade, from 43% in 2005 to 39% in 2015.	↗ ↗ ↗ ↗
 Housing conditions	The average number of rooms per person has improved over the past decade, but is still below the OECD average. Spending on housing costs (as a proportion of household disposable income) has gone up from 18.1% in 2005 to 23.2% in 2015 – which is among the largest increases in the OECD. Meanwhile, the share of people living in dwellings without basic sanitary facilities has decreased sharply in the past 10 years.	↗ ↘ ↗
 Work-life balance	The past 10 years have witnessed a large fall in the percentage of employees working 50 hours or more per week, from 11.5% in 2005 to just 2.1% in 2016.	↗
 Health status	Life expectancy at birth has increased steadily, improving by 4 years since 2005. The proportion of Latvians reporting that their health is “good” or “very good” has also gone up, from 35% to 46%, but remains well below the OECD average.	↗ ↗
 Education and skills	The share of adults with at least an upper secondary level of education increased by 3.4 percentage points over the decade.	↗
 Social connections	The share of the population reporting that they have relatives or friends whom they can count on to help in case of need increased over the past 10 years, up from 82.5% to 85.8%.	↗
 Civic engagement	At 58.8%, voter turnout in the 2014 parliamentary elections was considerably lower than in 2006 and 2010. This is in line with the OECD average trend, which saw voter turnout fall by 2.4 percentage points over the last decade.	↘
 Environmental quality	The percentage of Latvians satisfied with their local water quality is currently 13 points higher than 10 years ago. Annual exposure to PM _{2.5} air pollution has also improved since 2005, and was 11% lower in 2013.	↗ ↗
 Personal security	There have been clear signs of progress in personal security since 2005: the homicide rate has dropped from 10.2 to 6.6 deaths per 100 000 people, and the proportion of people declaring that they feel safe when walking alone at night has increased by 14 percentage points.	↗ ↗
 Subjective well-being	Average levels of life satisfaction have increased from 4.7 (on a 0 to 10 scale) to 5.9 over the past decade, more than in any other OECD country.	↗


Note: For each indicator in every dimension: ↗ refers to an improvement; ⇔ indicates little or no change; and ↘ signals deterioration. This is based on a comparison of the start year (2005 in most cases) and the latest available year (usually 2015 or 2016). The order of the arrows shown in column three corresponds to that of the indicators mentioned in column two.


Latvia's resources and risks for future well-being: Illustrative indicators

 Natural capital		
Indicator	Tier	Change
Greenhouse gas emissions from domestic production	1	↘ 2005-2015
CO ₂ emissions from domestic consumption	1	↘ 2001-2011
Exposure to PM _{2.5} air pollution	2	↗ 2005-2013
Forest area	1	↗ 2005-2014
Renewable freshwater resources	1	.. Long-term annual avg
Freshwater abstractions	1	.. 2015
Threatened birds	2	.. Latest available
Threatened mammals	1	.. Latest available
Threatened plants	2	.. Latest available

 Economic capital		
Indicator	Tier	Change
Produced fixed assets	2	↗ 2005-2014
Gross fixed capital formation	3	↘ 2005-2016
Financial net worth of total economy	3	↘ 2005-2016
Intellectual property assets	3	↗ 2005-2014
Investment in R&D	3	↔ 2005-2014
Household debt	1	↔ 2005-2015
Household net wealth	3	↘ 2014
Financial net worth of government	2	↘ 2005-2015
Banking sector leverage	2	↗ 2005-2015

1	Top-performing OECD tier, latest available year
2	Middle-performing OECD tier, latest available year
3	Bottom-performing OECD tier, latest available year

 Human capital		
Indicator	Tier	Change
Young adult educational attainment	2	↗ 2005-2016
Educational expectancy	2	.. 2015
Cognitive skills at age 15	3	.. 2015
Long-term unemployment	3	↗ 2005-2016
Life expectancy at birth	3	↗ 2005-2015
Smoking prevalence	3	↗ 2008-2014
Obesity prevalence	3	↘ 2014-2016
No data on adult skills.		

 Social capital		
Indicator	Tier	Change
Trust in others	1	.. 2013
Trust in the police	3	.. 2013
Trust in the national government	3	↔ 2005-2016
Voter turnout	3	↘ 2006-2014
Government stakeholder engagement	2	.. 2014
No data on volunteering through organisations.		

↗	Improving over time
↘	Worsening over time
↔	No change
..	No data available

HOW LARGE ARE WELL-BEING INEQUALITIES IN LATVIA?

What is inequality and how is it measured? Measuring inequality means trying to describe **how unevenly distributed** outcomes are in society. *How's Life? 2017* adopts several different approaches:

- Measures of “**vertical**” inequalities address how unevenly outcomes are spread across all people in society – for example, by looking at the size of the gap between people at the bottom of the distribution and people at the top
- Measures of “**horizontal**” inequalities focus on the gap between population groups defined by specific characteristics (such as men and women, young and old, people with higher and lower levels of education).
- Measures of “**deprivation**” report the share of people who live below a certain level of well-being (such as those who face income poverty or live in an overcrowded household).

Several **vertical inequalities** in Latvia are high compared to other OECD countries, specifically on income, net wealth, earnings, life expectancy and life satisfaction. However, working hours and cognitive skills are distributed more evenly in Latvia than they are in the OECD on average.

Across OECD countries, **women** typically fare worse than **men** on jobs and earnings outcomes, but in Latvia these gaps are comparatively small. However, gender gaps (in favour of men) are larger than in the OECD on average in perceived health status, time devoted to personal care and leisure (i.e. time off), cognitive skills, satisfaction with water quality and feelings of safety. Although Latvian women are less likely to work long hours than men, this advantage is smaller than in the OECD on average.

In all OECD countries, **young people** are at disadvantage on the job market, compared to **middle-aged adults**. However, in Latvia age-related gaps in unemployment are smaller than compared with the OECD on average. Young Latvians experience comparatively large gaps in income, while they perform better than their peers in most OECD countries in terms of wealth.

In most OECD countries, people with a **tertiary education** tend to fare better than those with only a **secondary education** across a range of well-being outcomes. In Latvia, this gap is often comparatively large – with the exception of cognitive skills by parental background, and feelings of safety, where it is one of the smallest in the OECD.

Regarding **deprivations**, the Latvia falls in the bottom third (i.e. most deprived) OECD countries in 10 out of 18 indicators. The poorer outcomes in Latvia include the comparatively high asset poverty rate (83%) and the high share of people working in low-paid jobs (26%) – both of which are among the highest recorded in the OECD area.

Well-being inequalities in Latvia

	Vertical inequality	Horizontal inequality by			Deprivation
		Gender	Age	Education	
		Women relative to men	Young relative to middle-aged	Secondary relative to tertiary	
Household income	●		●		●
Household net wealth	●		●	●	●
Earnings	●	○	○	○	
Low pay		●			●
Employment		●	●	●	
Unemployment		●	●	●	●
Housing affordability					●
Rooms per person					●
Life expectancy	●				
Perceived health		●	●	●	●
Working hours	●	●	●	●	●
Time off		●	●		
Educational attainment		●	●		●
Cognitive skills at 15	●	●		●	●
Adult skills	○	○	○	○	○
Time spent socialising		●	●		
Social support		●	●	●	●
Voter turnout		○	○	○	●
Having a say in government	○	○	○	○	○
Air quality					●
Water quality		●	●	●	●
Homicides		●			●
Feeling safe at night		●	●	●	●
Life satisfaction	●	●	●	●	●
Negative affect balance					●

Legend:

- top third of OECD countries
- middle third of OECD countries
- bottom third of OECD countries
- data gaps
- no measures

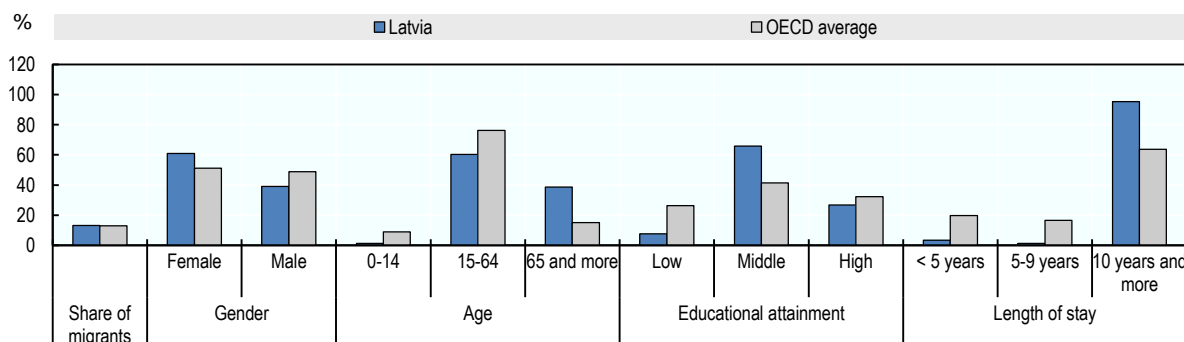
HOW'S LIFE FOR MIGRANTS IN LATVIA?

Migrants (defined as people living in a different country from the one in which they were born) represent an important share of the population in most OECD countries. Capturing information about their well-being is critical for gaining a fuller picture of how life is going, and whether it is going equally well for all members of society.

Who are the migrants in Latvia and OECD?

More than one in ten people living in Latvia (13%) were born elsewhere, the same as the OECD average, and 61% of them are women (51% for the OECD average). Migrants in Latvia are less likely to be of working age than in the OECD on average (60% of them are aged 15 to 64, as compared to 76% across the OECD), and are more likely to have a middle educational attainment than a low or a high level. More than 90% of migrants arrived in Latvia ten years ago or more.

Share of migrants in the total population and selected characteristics

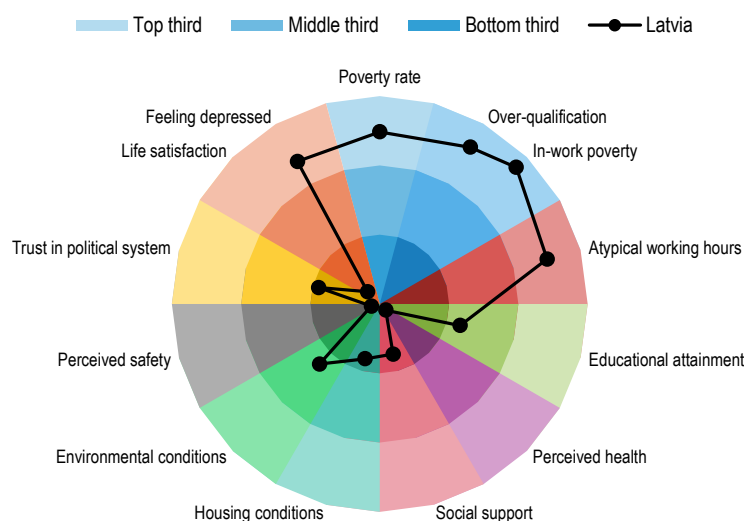


How is migrants' well-being in Latvia?

Compared with the migrant populations of other OECD countries, migrants living in Latvia have a relatively good situation regarding poverty, over-qualification, in-work poverty, atypical working hours and feeling depressed. Moreover, migrants settled in Latvia rank in the middle third of OECD-country migrants for educational attainment and environmental conditions. They are in the bottom third for 6 out of 13 selected well-being indicators.

As in many other OECD countries, migrants in Latvia tend to experience lower well-being outcomes than the native-born population: in Latvia, this is the case for 13 out of 15 selected well-being indicators. However, migrants in Latvia are just as likely as the native-born to feel they have a say in government, while they report a higher level of trust in the political system.

Comparing well-being outcomes for migrants in Latvia with the migrant populations of other OECD countries



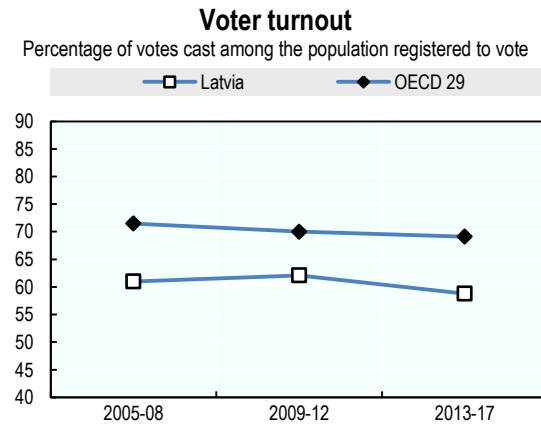
Comparison of migrants' and native-born well-being in Latvia

	Migrants have a worse situation	Same situation	Migrants have a better situation
Household income	▲		
Wealth	▲		
Physical health risks at work	▲		
Atypical working hours	▲		
Literacy scores	▲		
PISA score	▲		
Perceived health	▲		
Social support	▲		
Housing conditions	▲		
Environmental conditions	▲		
Perceived safety	▲		
Trust in political system			▲
Having a say in government		▲	
Life satisfaction	▲		
Feeling depressed	▲		

GOVERNANCE AND WELL-BEING IN LATVIA

Public institutions play an important role in well-being, both by guaranteeing that people’s fundamental rights are protected, and by ensuring the provision of goods and services necessary for people to thrive and prosper. How people experience and engage with public institutions also matters: people’s political voice, agency and representation are outcomes of value in their own right.

In recent years, voter turnout in Latvia has slightly decreased, with almost 59% of registered voters casting a ballot in 2014, compared to 61% in 2006. On average, 33% of the population in OECD member countries feel that they have a say in what their government does. When asked about whether or not corruption is widespread across government, on average 56% of people in OECD member countries answered “yes”. Since around 2006, the share of people in the OECD who report that they have confidence in their national government has fallen from 42% to 38%.



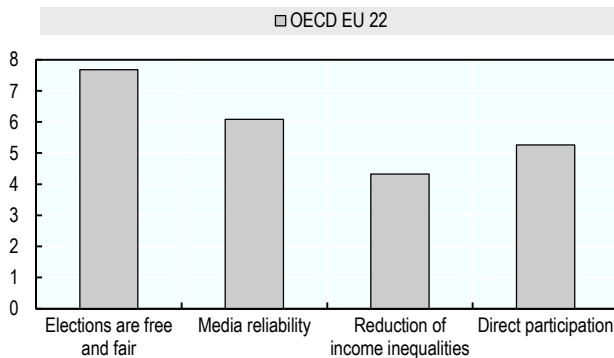
Note: Data refers to parliamentary elections. If more than one election took place over the time period indicated, the simple average voter turnout from all elections is shown. The OECD average sums elections that occurred over the time periods shown in 29 OECD countries.

Source: IDEA dataset

In the 22 European OECD countries where it can be assessed, satisfaction with democracy varies, depending on which aspect is considered. While Europeans tend to be reasonably satisfied with the way elections are held (7.7 on a 0-10 scale), they are relatively less satisfied with policies to reduce income inequalities (4.3) or the existence of direct participation mechanisms at the local level (5.3). Europeans’ satisfaction with public services varies according to whether people have used those services in the last year. For example, satisfaction with education is higher among those with direct recent experience (6.6 vs 6.2 on average), and this is also true of the health system (6.4 vs 6.2 on average). These data relate to 19 European countries only, and unfortunately no comparable data are available for Latvia.

OECD EU average satisfaction with different elements of democracy

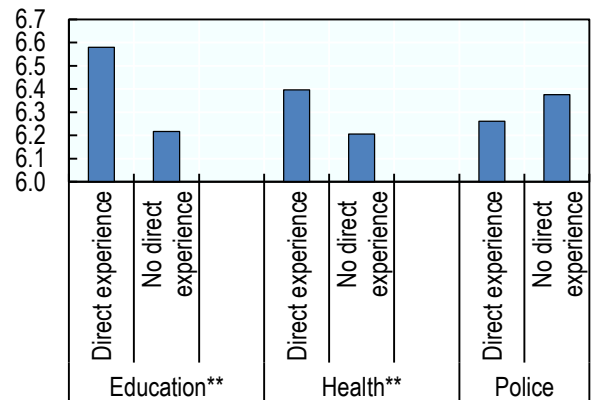
Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2012



Source: OECD calculations based on wave 6 of the European Social Survey (ESS), special rotating module on citizens’ valuations of different elements of democracy

OECD EU average satisfaction with public services

Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2013



Note: ** Difference is statistically significant at 95%

Source: OECD calculations based on the EU Quality of Government (QoG) for 19 European OECD countries.

BETTER LIFE INDEX

The **Better Life Index** is an interactive web application that allows users to compare well-being across OECD countries and beyond on the basis of the set of well-being indicators used in *How's Life?*. Users chose what weight to give to each of the eleven dimensions shown below and then see how countries perform, based on their own personal priorities in life.

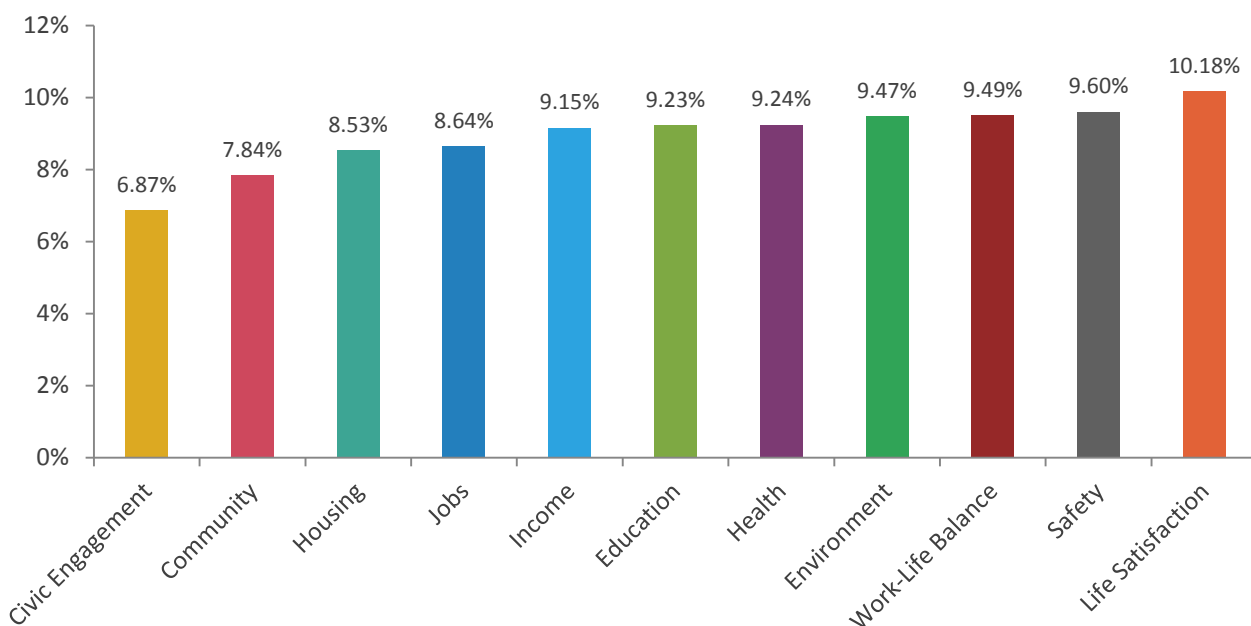


Users can also share their index with other people in their networks, as well as with the OECD. This allows the OECD to gather valuable information on the importance that users attach to various life dimensions, and how these preferences differ across countries and population groups.

WHAT MATTERS MOST TO PEOPLE IN LATVIA?

Since its launch in May 2011, the Better Life Index has attracted **over ten million visits from just about every country on the planet** and has received over **22 million page views**. To date, over 11,000 people in Latvia have visited the website making Latvia the 75th country overall in traffic to the website. The top cities are Riga (85% of visits), Madona, Daugavpils and Liepaja.

The following country findings reflect the ratings voluntarily shared with the OECD by 114 website visitors in Latvia. Findings are indicative and are not representative of the population at large. **For Latvian users of the Better Life Index, life satisfaction, safety and work-life balance are the three most important aspects of their life** (shown below).¹ Up-to-date information, including a breakdown of participants in each country by gender and age can be found here: <http://www.oecdbetterlifeindex.org/responses/#LVA>.



¹ User information for Latvia is based on shared indexes submitted between May 2011 and September 2017.

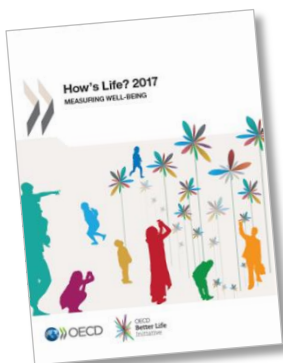
The **OECD Better Life Initiative**, launched in 2011, focuses on the aspects of life that matter the most to people and that shape the quality of their lives. The Initiative comprises a set of regularly updated well-being indicators and an in-depth analysis of specific topics, published in the *How's Life?* report. It also includes an interactive web application, the *Better Life Index*, and a number of *methodological and research projects* to improve the information base available to understand well-being levels, trends and their drivers.

The OECD Better Life Initiative:

- Helps to inform policy making to improve quality of life.
- Connects policies to people's lives.
- Generates support for needed policy measures.
- Improves civic engagement by encouraging the public to create their own *Better Life Index* and share their preferences about what matters most for well-being
- Empowers the public by improving their understanding of policy-making.

This note presents **selected findings for Latvia from the *How's Life? 2017* report** (pages 1-6) and shows what **Latvian users of the Better Life Index** are telling us about their **well-being priorities** (page 7).

HOW'S LIFE?



How's Life?, published every two years, provides a comprehensive picture of well-being in OECD and selected partner countries by bringing together an internationally comparable set of well-being indicators. It considers eleven dimensions of current well-being including: income and wealth; jobs and earnings; housing; health status; work-life balance; education and skills; social connections; civic engagement and governance; environmental quality; personal security; and subjective well-being. It also looks at four types of resources that help to sustain well-being over time: natural, human, economic and social capital.

The *How's Life? 2017* report presents the latest data on well-being in OECD and partner countries, including how lives have changed since 2005. It includes a special focus on inequalities, the well-being of migrants in OECD countries, and the issue of governance – particularly how people experience and engage with public institutions. To read more, visit: www.oecd.org/howslife.

For media requests contact:
news.contact@oecd.org or +33 1 45 24 97 00

For more information contact:
wellbeing@oecd.org