

National Labour Law Profile: Latvia

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Historical background

Latvia has ratified 45 ILO Conventions, as well as both International Covenants and the European Convention on Human Rights.

Institutional framework

The [Constitution of the Republic of Latvia \(the Satversme\)](#) was adopted on 15 February 1922.

The Constitution was amended in 1933, 1994, 1996, 1997, 1998, 2002 and 2003. The most substantial amendment, including a new chapter VIII on Fundamental Human Rights, was made in 1998.

Latvia is a democratic, parliamentary republic.

Legislative power

Legislative power is vested in a single chamber parliament – the [Saeima](#), consisting of 100 deputies. Parliamentary elections take place every 4 years, through universal direct secret ballot, on a proportional basis.

Legislative power is also delegated to the Cabinet of Ministers (government) in accordance with Section 81 of the Constitution: It allows the Cabinet, between two sessions of the Saeima, and in case of urgency, to adopt regulations with the force of law and to amend laws adopted by the parliaments of previous convocations. Such regulations shall not refer to matters, which are the exclusive competence of the Saeima. They are valid until three days after the start of the next session of the Saeima.

In accordance with the Constitution and other legislative acts, Latvia has the following hierarchy of legal rules:

- the Satversme;
- international treaties approved by the Saeima;
- laws and regulations of the Cabinet of Ministers having the force of law;
- regulations of the Cabinet of Ministers;
- local government regulations.

Section 68 of the Constitution stipulates that all international agreements, which settle matters that may be decided by the legislative process, require ratification by the Saeima. In accordance with Section 89 of the Satversme, the State has a duty to recognise and protect fundamental human rights laid down in the Constitution, the

laws and international agreements, which are binding upon Latvia. Section 13 of the Law on International Treaties of the Republic of Latvia stipulates that where International agreements approved by the Saeima contain different provisions from those contained in national legislation, the former shall apply. Almost identical wording is enshrined in the Labour Law. Thus, it is derived from the Constitution and other legislative acts that international law principles prevail over national rules (except the Satversme). However, the enforcement procedures of international law may be different depending on the relevant situation. In practice, the awareness of the courts as to the application of international rules is steadily growing. As a confirmation of this, two comparatively recent cases came before the court where international agreements were applied directly by the court in the area of gender discrimination and equal pay.

Draft laws may be submitted to the Saeima by the President, the Cabinet, the committees of the Saeima, at least five members of the Saeima or by one-tenth of the electorate (Section 65).

In specific occasions provided for in the Satversme, a law suspended by the President shall be put to a national referendum. Such laws shall not refer to matters, which are of the exclusive competence of the Saeima.

Executive power

The head of the state is [the President](#), who is elected by the Saeima for a period of 4 years, by simple majority (51 members of the Saeima, Section 36 of the Constitution). The President is the Commander-in-Chief of the armed forces of Latvia. He or she signs and promulgates laws, nominates the Prime Minister (who is the head of the government) and performs representative functions. The President represents Latvia on the international scene and nominates the diplomatic representatives. The same person may not hold more than two consecutive mandates for the presidency.

The president may decide to dissolve the Saeima, after consultation of the people by referendum. In case of approval of the dissolution, new parliamentary elections are held. But if the people vote against dissolution of the Saeima, the President is removed from his functions.

Executive power is vested in the [Cabinet of Ministers](#), composed of the prime Minister and the Ministers nominated by him. The duration of the Prime Minister's mandate is 4 years. However, if the Saeima expresses no confidence in the Prime Minister, the entire Cabinet of Ministers shall resign (Section 59).

The Cabinet may submit draft laws to the Saeima. In particular, it submits draft laws on the State Budget. They must be approved by the Saeima.

The Judiciary

Judicial power is vested in the courts. There is a three level court system in Latvia. Court cases are heard by district (city) courts, regional courts and the Supreme Court, and, in the event of war or a state of emergency, also by military courts. Judges shall be independent and subject only to law.

District (city) courts are the first instance courts.

A regional court is the first instance court for the criminal and civil matters, which are within the jurisdiction of regional courts in accordance with the procedure law.

Regional courts also operate as appellate courts for cases, which have been adjudicated by district (city) courts as the court of first instance.

The Supreme Court (third level) is composed of the Senate and two Court Chambers: the Civil Chamber and the Criminal Chamber. The judgements of the Supreme Court are final.

All judges are appointed by the Saeima at the recommendation of the [Minister of Justice](#) (judges of the Supreme Court – at the recommendation of the Chairman of the Supreme Court).

For further information, please see [Latvia Courts Portal](#)

The [Constitutional Court](#) is not a part of the general court system. It is a special court, which reviews cases concerning the compliance of laws with the Constitution, as well as other matters as defined by law. The Constitutional Court has the right to declare laws or other enactments or parts thereof invalid. There are seven judges in the Constitutional Court. Judgements of the Constitutional Court are final and unappealable.

Labour rights in the Satversme

Chapter VIII of the Constitution, which lays down the fundamental rights and freedoms of Latvian citizens, contains certain provisions on labour rights, such as the prohibition of discrimination (Section 91), the freedom of association (Section 102), the right to remuneration (and minimum wage) and the right to weekly holidays and annual paid leave (Section 107), and finally the right to conclude collective agreements, the right to strike and the freedom of trade unions (Section 108).

Accession to the European Union

Latvia joined the European Union on 1st May 2004. Membership in the EU requires that the country complies with the "acquis communautaire" (already existing Community law), that it implements ("transposes") any Directives and Regulations not already incorporated into national law, that it transposes any future Directives into national law within the specified time period, and that it abides by future Regulations. European Community Law (EC Law) is binding not only on the State but it also has direct effects on individuals, who can invoke it before the national courts. In addition, national courts can and must submit cases before the European Court of Justice (ECJ) for a preliminary ruling under article 234 EC when they consider that national law or regulations deviate from EC law. In case the ECJ takes the view that a national law or regulation (including a collective agreement or even a practice) is in breach of EC Law, then it shall instruct the national court to set aside the national rule so that it can give a judgment in light of EC Law only.

[EC Law](#) is composed of primary law (the [EC Treaty](#) and the [EU Treaty](#)), and secondary law (Directives, Regulations, Decisions etc). While regulations are binding and applicable in all Member States without further national legislation directives are binding *as to the result to be achieved, upon each Member State to which they are addressed, but shall leave to the national authorities the choice of form and methods.* (Art. 249 EC). In practice Member States adopt legislation with a view to transposing a directive into the national law though in some cases a directive may be implemented by other means, and more especially by collective agreement, which is expressly envisaged under article 137.4 EC.

Labour regulation

The Republic of Latvia acquired its independence in 1918. During the period of independence until 1940, labour legal relations were partly covered by Tsarist Russia legal acts (in the area of Civil law and industrial work). Labour law was also covered by legal acts adopted by the Saeima and Cabinet of Ministers of the independent Republic of Latvia. These acts regulated working time organization, social insurance, right to organize and collective bargaining issues, etc. In order to ensure proper implementation of the above-mentioned legal acts, the Law on State Labour Inspectorate was also adopted in 1939.

During the period of occupation of Latvia by the Soviet Union (1940-1990) as well as by Germany (during the WWII), the legal labour relations system of the Soviet Union and Germany was applicable in Latvia respectively. The former also included the Labour Code adopted in 1972 (which was replaced by the new Labour Law in force since 1 June 2002).

In the 1990's, after Latvia regained its independence, a labour law reform was launched in order to replace the Soviet system. The major part of this reform included the implementation of the rules stemming from international law, in particular European Union law.

As a result of the reform, legislation in the area of labour law encompasses both individual and collective labour relations. As a part of the reform, the following legal acts were adopted:

the [Labour Law](#) (effective since 1 June 2002, amended on 12 December 2002);
the [Labour Protection Law](#) (effective since 1 January 2002);
the [Labour Disputes Law](#) (effective since 1 January 2003);
the [Law On Strikes](#) (effective since 26 May 1998, amended on 16 October 2002);
the [State Labour Inspection Law](#) (effective since 1 January 2002);
the [Law On the Protection of Employees in the Event of Insolvency of Employer](#) (effective since 1 January 2003);
the [Law On Trade Unions](#) (effective since 13 December 1990, amended on 5 June 2003. Only the non amended version is available in English);
the [Law On Employers' Organisations and their Associations](#) (effective since 2 June 1999);
the [Support for Unemployed Persons and Persons Seeking Employment Law](#) (effective since 1 July 2002); and

[the Law On Informing Employees of European Community-scale Commercial Companies and European Community-scale Groups of Commercial Companies and Consulting Such Employees](#) (effective since 1 January 2002).

A large proportion of the reform also lays in the establishment of a national consultation mechanism between social partners – the National Tripartite Co-operation Council (hereafter referred to as the NTCC). The main task of the NTCC is to ensure and promote co-operation of the Government, employers' organizations and employees' organizations at the national level with the objective to ensure solutions of social and economic development problems, which are acceptable to all social partners. Thus, social partners have an increased responsibility in the adopted decisions. All legislative acts as regards national policy in the social sphere are prepared in close collaboration with the social partners (for example, the Labour Law, the Labour Protection Law, the Labour Disputes Law, etc.).

Apart from legislative acts as sources of Labour Law, the role of other forms of labour regulation has always been of major importance. However, Latvia belongs to the Roman-German legal system that is characterised by strict laws and rules as sources of law. Therefore laws and regulations in Latvia are primary sources of law (including the Labour Law) and soft law in general is used only as an auxiliary for the correct interpretation and application of the primary source.

The government of Latvia does not use in practice such administrative regulations that could serve as a source of Labour Law. The role of collective agreements is constantly growing as a local source of law in establishing the content of labour legal relations. This may be particularly observed in the new Labour Law providing that such issues, as organization of work remuneration, labour protection and social security shall be included in collective agreements. Therefore collective agreements may be considered as sources of labour regulation to the extent to which these agreements express a common accord of both parties and as far as the issues covered by them are delegated by law. However, provisions of collective agreements may not be contrary to those contained in the law.

Arbitration awards, like collective agreements, may be local sources of law in respect of persons involved in a dispute. The Labour Disputes Law provides that collective labour rights dispute parties may agree to settle the dispute in arbitrage. The law also stipulates that if the accord is not reached in a conciliation committee in respect of collective interest dispute, it shall be settled in accordance with the procedure set out in the collective agreement. If there is no such procedure in the collective agreement, the dispute shall be settled by reconciliation method or in arbitrage. The performance of the decision taken in arbitrage shall be voluntary. If such decision is not performed each party shall have the right to collective action. However, if parties reach a written concurrence on the fulfilment of such decision, it shall have a power of collective agreement.

Judicial decisions may not be considered as sources of labour regulation in general. Section 82 of the Satversme provides *inter alia* that judges shall be independent and subject only to law. The judgement is binding solely in the particular case, i.e. other judges are not obliged to follow the judgement in similar case. Nevertheless, judges may use motivation explored in the relevant judgement in order to adjudicate other

cases. In practice, case law (particularly that of the Supreme Court) and legal doctrine have been used as a secondary source of law rather frequently.

Contract of Employment

An employer and an employee establish an employment legal relationship by a contract of employment. By means of a contract of employment an employee undertakes to perform specific work, subject to specified working procedures and orders of an employer, while the employer undertakes to pay the agreed work remuneration and to ensure fair and safe working conditions that are not harmful to health. A contract of employment shall be entered into in writing. If written form has not been complied with, an employee has the right to request that the contract of employment be expressed in writing. In order to afford additional protection to an employee, the Labour Law also provides that where an employee and an employer, or at least one of the parties, has begun to perform the duties contracted for, a contract of employment that does not conform to the written form shall have the same legal effect as a contract of employment expressed in writing (Section 41 of the Labour Law).

Permanent and fixed-term contracts of employment

As a general rule, contracts of employment are concluded for an unspecified period of time (Section 43 of the Labour Law). Fixed-term contracts are only admitted in a restricted number of cases, defined in Section 44. This was one of the major changes included in the new Labour Law, harmonizing Latvian Law with Directive [1999/70/EC](#) on fixed-term work. Fixed-term employment contracts are permitted in the cases of seasonal work, work in activity areas where a contract of employment is normally not entered into for an unspecified period, replacement of an employee who is absent, casual work which is normally not performed in the company, emergency work in order to prevent the consequences caused by an unexpected event, etc. Fixed-term contracts may also be concluded in special areas such as sports, etc.

Where a contract of employment does not indicate the period for which it has been entered into, or if according to the circumstances the entering into a contract of employment for a specified period is not permissible, the contract of employment shall be deemed as entered into for an unspecified period (Section 44 (5), Labour Law).

With a view to eradicating differential treatment, the Labour Law provides that the same provisions which apply to an employee with whom a contract of employment has been entered into for an unspecified period shall apply to an employee who has concluded a fixed-term contract of employment.

The term of a contract of employment entered into for a specified period may not exceed two years (including extensions of the term), whereas the term for which a contract of employment has been entered into for performing seasonal work (including all extensions of the term) may not exceed 10 months within a period of one year. If, upon expiry of the term for which a contract of employment has been entered into, no party has requested termination of the contract of employment and employment legal relationships are effectively continuing, the contract of employment shall be regarded as entered into for an unspecified period.

Probation

Parties to a contract of employment, concluded either for a fixed period or an indefinite period, can agree upon a probationary period (Section 46 and following of the Labour Law). The maximum length of a probationary period is three months. A probation period shall not be determined for persons under 18 years of age. Where the contracted term of a probation period has expired and the employee continues to perform the work, it is considered that he or she has passed the probation period (Section 47 (2) of the Labour Law).

Non-competition clause

Section 84 of the Labour Law provides for a possibility to conclude a non-competition clause. In accordance with these provisions an employee may accept the obligation that, for a certain period after the termination of his or her employment, which however must not exceed two years, he or she will not be engaged in a business activity of competitive nature in respect of his or her former employer. Such activity must then be performed neither for another employer nor as self-employment. A non-competition clause can be agreed upon under circumstances where there is justification for such arrangement. The employer must pay the employee adequate compensation during the period covered by the agreement.

Suspension of the contract of employment

Suspension from work is a temporary prohibition, imposed by a written order of an employer, for an employee to be present at the workplace and to perform work, without paying work remuneration to the employee during the period of suspension.

An employee can be suspended from work in situations defined in Section 58 of the Labour Law, for example if the employee is under the influence of alcohol or narcotic substances.

In order to protect employee's earnings during suspension the Labour Law provides that an employer has a duty to pay an employee the average earnings for the whole period of forced absence from work, as well as to compensate for losses caused as a result of the suspension, if the suspension of an employee from work has been unfounded due to the fault of the employer.

Termination of the contract of employment

A contract of employment can be terminated either at the initiative of an employer or an employee. A contract of employment may also be terminated by expiry of a fixed-term contract, by mutual consent of employer and employee, or pursuant to the request of a third party.

Parents (guardians) or the State Labour Inspection have the right to request in writing the termination of an employment relationship with a person who is under 18 years of age if such person performs work, which jeopardises his or her safety, health or morals or negatively affects his or her development or education.

Grounds for termination

Termination at the initiative of the employer

Pursuant to Section 101 of the Labour Law, an employer has the right to give a written notice of termination of a contract of employment only on the basis of circumstances related to the conduct of the employee, his or her abilities, or of economic, organizational, technological measures or measures of a similar nature in the undertaking only in the following cases:

an employee has without justified cause significantly violated the contract of employment or the specified working procedures;

an employee, when performing work, has acted illegally and therefore has lost the trust of the employer;

an employee, when performing work, has acted contrary to moral principles and such action is incompatible with the continuation of employment legal relationships;

an employee, when performing work, is under the influence of alcohol, narcotic or toxic substances;

an employee has grossly violated labour protection regulations and has jeopardised the safety and health of other persons;

an employee lacks adequate occupational competence for performance of the contracted work;

an employee is unable to perform the contracted work due to his or her state of health and such state is certified with a doctor's opinion;

an employee who previously performed the relevant work has been reinstated at work;

a number of employees is being reduced;

an employer – legal person or partnership – is being liquidated.

On an exceptional basis, an employer has the right to bring an action for termination of employment legal relationships in court in cases not referred to above if he or she has good cause. Any condition that does not allow the continuation of employment legal relationships on the basis of considerations of morality and fairness shall be regarded as such good cause. The issue whether there is good cause shall be settled by court at its discretion.

Termination at the initiative of the employee

An employee can also terminate a contract of employment. He or she has a duty to give a notice in writing one month in advance, unless a shorter time limit for the giving of a notice of termination is provided by the contract of employment or the collective agreement. By agreement of an employee and his or her employer, a contract of employment may be terminated also before expiry of the time period for a notice of termination.

These provisions do not apply if the employee has good cause, based on considerations of morality or fairness. If an employee terminates the contract of employment based on such good cause he or she is entitled to severance pay.

Notice and prior procedural safeguards

Prior notice is required to terminate a contract of employment concluded for an indefinite period as well as a fixed-term contract where an employer intends to terminate such contract before the expiry of the term. An employer, when giving a notice of termination of a contract of employment, shall comply with different time periods, depending on the grounds of dismissal. The notice of dismissal will take effect either immediately, or 10 days after the notice, or one month after the notice, accordingly to Sections 103 and 101 of the Labour Law.

However, the period of time for prior notice can be longer if it is provided so in the collective agreement or the contract of employment. In the event of temporary incapacity of an employee the period of such incapacity shall not be included in the time limit of a notice of termination, if the employee requests so.

An employer has to observe special requirements if he or she intends to terminate the contract of employment with workers' representatives. Prior to giving a notice of termination, an employer has a duty to ascertain whether an employee is a member of an employee trade union (Section 101(6) of the Labour Law). An employer is prohibited from giving a notice of termination of a contract of employment to an employee who is a member of a trade union without prior consent of the relevant trade union. Exceptions to this prohibition are the notice during probationary time as well as situations when an employer terminates contract on one of the following grounds: an employee, when performing work, is under the influence of alcohol, narcotic or toxic substances, an employee who previously performed the relevant work has been reinstated at work or the employer – legal person or partnership – is being liquidated (Section 110 of the Labour Law). According to Section 20(4) of the Labour Protection Law for trustees (i.e. workers' representatives in the field of labour protection) an employer, before issuing a notice of termination, must first receive prior consent of the State Labour Inspectorate. Moreover, an employer does not have the right to give a notice of termination of a contract of employment during a period of temporary incapacity of an employee, during a period when an employee is on leave or is not performing the work due to other justifiable reasons (Section 109, Labour Law).

In all cases when giving a notice of termination, an employer has a duty to notify an employee in writing those circumstances that serve a basis for the notice of termination of the contract of employment.

Severance payment

The Labour Law stipulates that where a collective agreement or the contract of employment does not specify a larger redundancy benefit, when terminating a contract of employment on the basis of circumstances related to the employees abilities or of economic, organizational, technological measures or measures of a similar nature in the undertaking an employer has a duty to pay a redundancy benefit to an employee in the following amounts: (1) one month average earnings if the employee has been employed by the relevant employer for less than five years, (2) two months average earnings if the employee has been employed by the relevant employer for five to 10 years, (3) three months average earnings if the employee has

been employed by the relevant employer for 10 to 20 years and (4) four months average earnings if the employee has been employed by the relevant employer for more than 20 years.

Cancellation of the employment relationship during probation

During a probationary period both parties can terminate the employment relationship giving prior notice in written three days before termination. An employer as well as an employee, when giving the notice of termination of a contract of employment during a probation period, does not have to indicate the cause for such notice (Section 47(1) of the Labour Law). An employee has no protection against unfair dismissal during probationary period. However, an employee has the right to request appropriate compensation, if an employer has violated the prohibition of differential treatment when terminating the contract of employment during probationary period (Section 48 of the Labour Law).

Large-scale dismissals

Section 105 and the following of the labour Law include provisions regulating collective dismissals. A collective dismissal is defined as the following number of terminations of employment relationships during a period of 30 days:

- at least 5 dismissed employees in companies employing 20 to 49 employees;
- 10 dismissed employees in companies employing 50 to 99 employees;
- at least 10% of the employees in companies employing 100 to 299 employees;
- at least 30 employees in companies employing 300 employees and more.

Where an employer contemplates collective redundancies, he or she is required to begin consultations with employee representatives in good time before serving notices of dismissal. These consultations are designed to arriving at an agreement on measures to avoid or to reduce adverse consequences of collective dismissals and to mitigate their social impact. Above all, ways and means should be sought for transferring the employees concerned to other employers' workplaces and/or finding them new suitable employment.

The employer must submit a notification to the State Employment Service at least sixty days before issuing the notices of dismissal.

Remedies in case of unjustified dismissal

According to Section 122 of the Labour Law, an employee may bring an action for the invalidation of a notice of dismissal, or for reinstatement, in a period of one month following the notice.

Where a notice of termination made by an employer has no legal basis or the procedures prescribed for termination of a contract of employment have been violated, such notice in accordance with a court judgment shall be declared invalid.

In such a case an employee can, in accordance with a court judgment, be reinstated in his or her previous work (Section 124 of the Labour Law).

Pursuant to Section 126 of the Labour Law, an employee who has been dismissed illegally and reinstated in his or her previous work is entitled to average earnings for the whole period of forced absence from work. Compensation for the whole period of forced absence from work shall also be paid in cases where a court, although there exists a basis for the reinstatement of an employee in his or her previous work, at the request of the employee terminates employment legal relationships by a court judgment.

The employer has the burden of proof in cases of dismissal, e.g. the employer has a duty to prove that a notice of termination of a contract of employment has a legal basis and complies with the specified procedure for termination of a contract of employment. In other cases when an employee has brought an action in court for the reinstatement in work, the employer has a duty to prove that, when dismissing the employee, he or she has not violated the right of the employee to continue employment legal relationships (Section 125 of the Labour Law).

Working time and rest time

Hours of work

The Labour Law contains a separate part (Chapters 31-35) regulating working time, rest time and their organization. Sources of law containing provisions concerning working time are both statutory enactments (legislative acts and regulations of the Cabinet of Ministers) and local acts (collective agreements, working procedure regulations and contracts of employment). Although the Labour Law renders detailed elaboration of working time issues, an emphasis is put on the awareness of the parties to collective agreements or a contract of employment of particular situations. It is presumed that parties are in a better position to lay down working time regulations for themselves, provided the protection of workers set out in the law is ensured.

The definition of working time laid down in Section 130 (1) of the Labour Law, stipulates that working time is a period from the beginning until the end of work within the scope of which an employee performs work or is at the disposal of an employer, with the exception of breaks in work. This perception of working time is identical to that of actual work performance, excluding any interruptions of work, such as breaks and periods of absence, for which remuneration is not paid. Exceptions to this principle are (1) additional breaks granted to employees who are exposed to a special risk, which shall be included as working time (Section 145 (6) of the Labour Law) and (2) additional breaks for feeding a child granted to an employee who has a child under one and a half years of age. In these cases, the worker is entitled to his or her average earnings (Section 146 (4) of the Labour Law). For employees who, on the basis of the order of an employer, concurrently are acquiring an occupation (profession, trade), the time spent on studies and work shall be summed and shall be regarded as working time (Section 137 (2) of the Labour Law).

There are three types of working time provided for in the Labour Law: (1) regular working time, (2) part-time work and (3) normal shortened working time. In Latvia regular working time is the general rule and part-time or normal shortened working time are exceptions.

Regular working time

In accordance with Section 131 of the Labour Law, regular daily working time of an employee - the working time within a 24-hour period - may not exceed eight hours. Regular weekly working time may not exceed 40 hours. Where, however, daily working time on any weekday is less than the regular daily working time, the regular working time of some other weekday may be extended, but not more than by one hour. In such case provisions of the length of weekly working time shall be complied with.

A regular working week consists of five days. If due to the nature of work it is not possible to determine a working week of five days, an employer, after consultation with employee representatives, has the right to specify a working week of six days (Section 133 (1) of the Labour Law). In such occasions the length of daily working time shall not exceed seven hours and work on Saturdays shall be ended earlier than on other days. The length of the working day on Saturdays is specified by a collective agreement, working procedure regulations, or by a contract of employment.

However, the right to weekly rest in exceptional circumstances may be restricted. Individual employees with a written order by an employer may be engaged to work during the week's day of rest in the following cases:

if such is required by the most urgent public needs;

in order to prevent the consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which adversely affect or may affect the usual course of activities in the undertaking; and

for the completion of urgent, unforeseen work within a specified period of time. In such occasions an employer has the duty to grant (at the choice of the employee) rest on another day of the week or to pay compensation. However, persons under 18 years of age, pregnant women, women for a period following childbirth up to one year and women who are breastfeeding - during the whole period of breastfeeding - are the categories of persons prohibited to be employed during the week's rest day.

Pursuant to Section 135 of the Labour Law, the length of the working day before holidays shall be reduced at least by one hour. Like on Saturdays, it is preferable that the length of working time of such days is specified by a collective work agreement, working procedure regulations, or a contract of employment. The regular working time of a night employee shall also be reduced by at least one hour unless particular characteristics of an undertaking do not allow for it.

Normal shortened working time

There are three categories of employees provided for in Latvian legislation eligible to regular shortened working time: employees exposed to special risk, persons under 18 years of age, and other categories of employees entitled to normal shortened working time determined by regulations of the Cabinet of Ministers.

Regular working time of employees exposed to special risk may not exceed seven hours a day and 35 hours a week provided they are engaged in such work for not less

than 50 per cent of the regular daily or weekly working time (Section 131 (3) of the Labour Law).

Section 132 (1) of the Labour Law provides that all persons under 18 years of age enjoy a working week of five days. If they, in addition to work, continue to acquire primary, secondary or an occupational education, the time spent on studies and work is summed and may not exceed seven hours a day and 35 hours a week. Moreover, where persons under 18 years of age are employed by several employers, the working time shall be summed and shall not exceed the time limit specified above.

From the point of view of the amount of working time allowed, persons under 18 years of age are divided into two categories: children (i.e. persons between 13 and 15 years of age or those who until reaching the age of 18 continue to acquire basic education) and adolescents (i.e. persons 15-18 years of age except those who until reaching the age of 18 continue to acquire basic education). Pursuant to Section 132 (2) and (3) of the Labour Law, children who have reached the age of 13 may not be employed either for more than two hours a day and more than 10 hours a week if the work is performed during the school year or for more than 4 hours a day and more than 20 hours a week if the work is performed during a period when there are holidays at educational institutions. Adolescents, on the other hand, may not be employed for more than seven hours a day and more than 35 hours a week.

Part-time work

An important principle focusing on equal treatment of full-time employees and part-time employees is enshrined in Section 134 (2) of the Labour Law stating that the rules, which apply to full-time employees, shall apply equally to part-time employees.

Section 134 (1) of the Labour Law provides for the freedom of the parties to agree on part-time work in the contract of employment. Part-time work is understood as any working time, which is shorter than the regular daily or weekly working time.

Part-time work may on several occasions also be initiated by a single party. An employee has the legitimate right to ask for his or her transfer from regular working time to part-time or *vice versa* and an employer has the duty to satisfy the request, if such possibility exists in the undertaking. In order to facilitate effective exercise of this right, an employer, pursuant to the request, has to provide for information to the employee representatives regarding any possibilities of employing employees part-time in an undertaking.

At the same time it has to be noted that employers themselves possess the right to request the transfer of an employee from regular working time to part-time or *vice versa* (Section 134 (4) of the Labour Law). But a refusal by an employee to change over from regular working time to part-time or *vice versa* may not of itself serve as a basis for a notice of termination of a contract of employment or restriction of the rights of an employee in any other way.

Overtime

Overtime is an exception to the maximum duration of regular working time. Work exceeding the daily working time of 8 hours is considered to be overtime. It is interpreted restrictively and, for instance, where the duration of working time is reduced by agreement, overtime is still computed only after 8 hours of work. The limit of allowed overtime hours is laid down in Section 136 (5) of the Labour Law stipulating that overtime work may not exceed 48 hours within a four-week period and 200 hours within a calendar year. Moreover, overtime work is considered as both (1) the work in case of aggregated working time, performed by an employee beyond 56 hours a week and 160 hours within a four-week period as well as (2) the time worked by an employee after the end of a shift.

Overtime work is permitted if the employee and the employer have agreed upon that in writing. However, in certain exceptional circumstances an employer has the right to employ an employee on overtime without his or her written consent. The exhaustive enumeration of the exceptional circumstances include (1) the most urgent public need, (2) prevention of consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which has adversely affected or may affect the normal course of work activities in the undertaking, and (3) the completion of urgent, unexpected work within a specified period of time. If the overtime work in the above-mentioned exceptional cases continues for more than six consecutive days, save when repetition of similar work is not expected, the employer has to obtain a permit from the State Labour Inspection for further overtime work.

In accordance with Section 69 of the Labour Law, an employee who performs overtime work is entitled to a supplement of not less than 100 per cent of the hourly or daily wage rate specified for him or her, but if piece-work pay has been agreed upon, a supplement of not less than 100 per cent of the piece-work rate for the amount of work done. A collective agreement or a contract of employment may specify a higher supplement for overtime work.

Night work

Following the conception enshrined in the Labour Law, night work is considered to be any work performed in the period of time from 10pm to 6am for more than two hours. In respect of children, night work means any work performed for more than two hours in the period of time from 8pm to 6am (Section 138 (1) of the Labour Law). A night-employee is an employee who normally performs night work either in accordance with a shift schedule, or for at least 50 days in a calendar year.

There are several restrictions to the right to work at night. It is prohibited to employ at night worker less than 18 years of age, pregnant women, women for a period following childbirth up to one year and women who are breastfeeding. Employees who have a child less than three years of age may be employed at night only with his or her consent.

There is a specific regulation of night work provided for by the Labour Law. Firstly, working time for night employees, apart from those who have been prescribed regular shortened working time, has to be reduced by one hour. However, if there is an urgent

need and it is required by the particular characteristics of the undertaking, regular daily working time for a night employee can be 8 hours. Secondly, a night employee has the right to undergo a health examination before he or she is employed at night, as well as the right to undergo regular health examinations not less frequently than once every two years, while an employee who has reached the age of 50 years, not less frequently than once a year. Employers are under the obligation to cover expenditures associated with such health examinations. Thirdly, an employer must transfer a night employee to an appropriate job to be performed during the day if there is a doctor's opinion that the night work negatively affects the employee's health. Fourthly, an employee who performs night work receives a supplement of not less than 50 per cent of the specified hourly or daily wage rate specified for him or her, but if a lump-sum payment has been agreed upon, a supplement of not less than 50 per cent of the piece-work rate for the amount of work done, if a collective work agreement or a contract of employment do not specify a higher supplement for night work. Finally, a collective agreement or a contract of employment may provide for annual paid supplementary leave granted to a night employee.

Breaks

An employee has the legitimate right to a break in work if his or her daily working time exceeds six hours. In such occasions breaks of at least half an hour shall be granted not later than four hours after the start of work. However, by virtue of the fact that an employer can determine the length of break after consultation with employee representatives, it may also exceed the limit of 30 minutes prescribed by law. Where a break cannot be granted all at once, it is permitted for an employer to divide the break into parts not less than 15 minutes each. Employees who are exposed to special risk are entitled to an additional break. The length of such breaks has to be determined by the employer after consultation with employee representatives and, as an exception, they are included in working time.

Paid Leave

Section 149 of the Labour Law stipulates that every employee has the right to annual paid leave. Such leave may not be less than four calendar weeks, without holidays. Persons under 18 years of age are entitled to annual paid leave of one full month. In exceptional cases, however, when granting in the current year of the full annual paid leave to an employee may adversely affect the normal course of activities in the undertaking, it is permitted with the written consent of the employee to transfer part of the leave to the subsequent year. In such case, the part of the leave in the current year shall not be less than two consecutive calendar weeks. Part of the leave may be transferred only to the subsequent year. A special protection with regard to paid leave is afforded by Section 149 (4) of the Labour Law to persons under 18 years of age, pregnant women, women for a period following childbirth up to one year as well as breastfeeding women during the whole period of breastfeeding, stating that the above-mentioned categories of persons have to take the annual leave in the current year. It is prohibited to compensate annual paid leave with money, except in cases when employment legal relationships are terminated and the employee has not utilised his or her annual paid leave. By agreement of an employee and the employer, annual paid leave in the current year may be granted in parts, nevertheless one part of the leave in the current year shall not be less than two uninterrupted calendar weeks.

Annual paid leave is granted each year at a specified time in accordance with an agreement or a leave schedule, which is drawn up by an employer after consultation with employee representatives. When granting annual paid leave, an employer has a duty as far as possible to take into consideration wishes of employees. An employee has the right to request the granting of annual paid leave for the first year if he or she has worked for the employer for at least six months without interruption. A woman at her request shall be granted annual paid leave before prenatal and maternity leave or immediately after, irrespective of the time the woman has been employed by the relevant employer. Employees under the age of 18 and employees who have a child under three years of age are in more favourable position and shall be granted annual paid leave in summer or at a time at his or her choice. If an employee under the age of 18 years continues to acquire education, annual paid leave shall be granted as far as possible to match the holidays at the educational institution. Annual paid leave shall be transferred or extended in case of temporary incapacity of an employee.

Public holidays

The state holidays in Latvia are January 1st, Good Friday, Easter Sunday and Easter Monday, May 1st, 2nd Sunday of May, Pentecost Sunday, June 23rd and 24th, November 18th, December 25th, 26th and 31st. Employees shall not be required to work on holidays prescribed by law. If it is necessary to ensure continuity of the work process, it is permitted to require an employee to work on a holiday by granting him or her rest on another day of the week or by paying appropriate compensation (Section 144 of the Labour Law).

Impediments to work

A general clause of Section 147 (2) of the Labour Law stipulates that an employee has the right to temporary absence if his or her immediate presence at work is not possible due to *force majeure*, an unexpected event or other exceptional circumstances. The duty of an employee is to inform the employer without delay of such temporary absence. Temporary absence may not serve as a basis for the right of an employer to give notice of termination of a contract of employment. An additional right granted to pregnant women is an obligation of employers to ensure an opportunity for pregnant women to leave the workplace in order to undergo health examination in the prenatal period with the reservation that it is not possible to undergo such examinations outside of working time.

Maternity leave and maternity protection

Prenatal and Maternity Leave

Latvian legislation provides for a special protection afforded to women employees during pregnancy and after childbirth. A woman has the right to prenatal leave for 56 days prior to the birth of a child and to maternity leave 56 days following the birth of a child. The prenatal leave together with maternity leave make 112 calendar days that are granted irrespective of the number of days prenatal leave has been utilised prior to childbirth. However, this does not apply if a woman agrees to be employed. This agreement can be repealed at any time without conditions being forwarded. The leave granted in connection with pregnancy and childbirth is not included in annual paid leave.

The Labour Law gives a woman the right to supplementary leave of 14 days added to the prenatal leave in three cases: in case of complications in the pregnancy, childbirth or postnatal period, if two or more children are born, and if the woman has initiated pregnancy-related medical care at a preventive medical institution by the 12th week of pregnancy and has continued for the whole period of pregnancy.

Moreover, a pregnant woman prior or following the birth of a child is entitled to several other benefits. Section 37 (7) of the Labour Law stipulates that an employer, after receipt of a doctor's opinion, is prohibited from employing pregnant women and women for a period following childbirth not exceeding one year, but if the woman is breastfeeding – during the whole period of breastfeeding if it is considered that performance of the relevant work poses a threat to the safety and health of the woman or her child. Otherwise, in order to prevent any negative effect on the safety and health of a pregnant woman, an employer, after receipt of a doctor's opinion, has a duty to ensure appropriate working conditions and working time for her. If it is not possible to ensure such working conditions or working time, the pregnant woman should be temporarily transferred to a different, more appropriate job. The amount of work remuneration after making amendments to the contract of employment may not be less than the previous average earnings of the woman.

There is also a possibility for a pregnant woman, a woman within a period up to one year after childbirth, a breastfeeding woman and an employee who has either a child less than 14 years of age or a disabled child less than 16 years of age to demand determination of a part-time work (Section 134).

Section 136 (6) and 138 (6) of the Labour Law prohibits the employment of pregnant women, women for a period up to one year after giving birth and a breastfeeding woman in overtime work or at night. These women cannot be sent on a work trip (Section 53 (2) of the Labour Law), unless they agree.

Persons on maternity leave are granted state social insurance benefit - maternity benefit if these persons are socially insured according to the [Law on State Social Insurance](#). Section 5 of the Law “On Maternity and Sickness Insurance” stipulates that a maternity benefit is a benefit granted and paid to a woman for the period before and after confinement if a woman does not come to work and in this way loses her earnings.

Section 146 of the Labour Law ensures the right of every employee who has a child under one and a half years of age to additional breaks of not less than 30 minutes, which are granted not less than every three hours. Breaks for feeding a child are included as working time, paying the average earnings for such time.

Leave to Father of a Child, Adopters and Other Persons

There are special provisions introduced in the Labour Law concerning the leave of other persons caring a child. In accordance with Section 155 of the Labour Law, the father of a child is entitled to leave of 10 calendar days that is granted within a two-month period from the birth of a child. If a mother has died in childbirth or within a period up to the 42nd day of the postnatal period or up to the 42nd day of the postnatal period has refused to take care and bring up the child, the father of the child

or any other person actually taking care of the child is granted leave for the period up to the 70th day of the child's life. If a mother cannot take care of the child up to the 42nd day of the postnatal period due to illness, injury or other health-related reasons, the father or another person who actually takes care of the child are entitled to leave for those days on which the mother herself is not able to take care of the child. In a family that has adopted a child under two months of age, one of the adopters enjoy a leave of 56 calendar days starting from the day of adoption of the child (Section 7 of Law “On Maternity and Sickness Insurance”). In a family, which has adopted a child between two months and three years of age, one of the adopters shall be granted leave of 14 calendar days.

Parental Leave

In accordance with Section 136 of the Labour Law, parental leave is granted to each of the parents. Every employee has an individual right to parental leave in connection with the birth or adoption of a child for a period up to one and a half years until the child reaches the age of eight years. It can be granted as a single period or in parts. Additional security guarantees are the inclusion of the time spent by an employee on parental leave in the total length of service and retention of the previous job. Where this is impossible, the employer has a duty to ensure equivalent or similar work.

Other leave entitlements

In addition, the Labour Law provides for a few more grounds for leave.

Supplementary leave

An annual paid supplementary leave of three working days is granted to employees having three or more children under the age of 16 years or a disabled child and to employees exposed to special risk. A collective agreement or a contract of employment may determine other cases (for instance, night work, shift work, long-term work, etc.) where an employee also receives an annual paid supplementary leave.

Leave without retention of work remuneration

An employer, at the request of an employee, may grant him or her leave without retention of work remuneration. There are no restrictions on the amount of such leave as long as there exists a mutual agreement.

Study Leave

Pursuant to Section 157 of the Labour Law, employees are entitled to study leave provided that the work has not been discontinued, that the studies are undertaken at an educational institution of any type and that such right is provided for in a collective work agreement or a contract of employment. The study leave can be granted either with or without retention of work remuneration. However, if parties to the contract of employment have not agreed the right to study leave, employers are free to deny attending of studies.

An exception concerns the taking of state examinations. An employee has an obligation to grant study leave for the taking of a state examination or the preparation and defence of a diploma work, which is not less than 20 days a year, paying for such period the average earnings.

Leave for trade union purposes

Section 30 of the [Law “On Informing Employees of European Community-scale Commercial Companies and European Community-scale Groups of Commercial Companies and Consulting Such Employees”](#) stipulates that members of a special negotiating body, members of the European Works Council and representatives of employees who provide information and consultations, when performing such duties, shall have the same protection and guarantees as representatives of employees at the national level in the state in which they act. The representatives of employees shall be granted leave so that they may attend meetings organised by the central management, as well as meetings organised to enter into the agreement regarding the establishment of a European Works Council or regarding measures which are to be performed in order to establish procedures by which employees are informed and consulted, providing the average remuneration for this period is retained. The parties are entitled to agree on even more favourable conditions for the protection of representatives of employees.

Minimum age and protection of young workers

Pursuant to Section 37 of the Labour Law, it is prohibited to employ in permanent work a person under 15 years of age or who until reaching the age of 18 continues to acquire basic education. These persons are children within the meaning of the Labour Law. However, there are several exceptions from this general rule. In exceptional cases children from the age of 13, if one of the parents (guardian) has given written consent, may be employed outside of school hours doing light work not harmful to the safety, health, morals and development of the child. The Cabinet of Ministers determines jobs in which it is permitted to employ children. Another exception relates to the employment of children in cultural, artistic, sporting and advertising activities. The Labour Law stipulates that in case one of the parents (a guardian) has given written consent and a permit from the State Labour Inspection has been received, a child as a performer may be employed in cultural, artistic, sporting and advertising activities if such employment is not harmful to the safety, health, morals and development of the child. In both cases such employment shall not interfere with the education of the child.

Another group of young workers – adolescents (persons between the age of 15 and 18 who are not to be considered as children) – is also subjected to a special regulation. According to the Labour Law, it is prohibited to employ adolescents in jobs in special conditions, which are connected with increased risk to their safety, health, morals and development. The Cabinet of Ministers determines those jobs in which the employment of adolescents is prohibited and exceptions when employment in such jobs is permitted in connection with occupational training of the adolescent.

In order to protect young workers, the Labour Law provides that an employer has a duty, prior to conclusion of a contract of employment, to inform one of the parents

(guardian) of the child or adolescent regarding the assessed risk of the working environment and the labour protection measures at the relevant workplace. Moreover, persons under 18 years of age shall be hired only after a prior medical examination and they shall, until reaching the age of 18, undergo a mandatory medical examination once a year. Special measures of protection of young workers also include a special working time organization, prohibition to employ in overtime work and night work. Pursuant to Section 115 of the Labour Law, parents (guardians) or the State Labour Inspection may request in writing the termination of employment legal relationships with a person who is under 18 years of age if such person performs work that jeopardises his or her safety, health or morals or negatively affects his or her development or education. An employer, upon receiving the request, has a duty within a five-day period to terminate employment legal relationships with the employee and pay him or her compensation – not less than in the amount of one-month average earnings.

Equal treatment

The concept of equality and the principle of equal rights is one of the most substantial parts of the legal system of Latvia. Section 91 of the Satversme stipulates that all human beings in Latvia are equal before the law and the courts. Human rights are exercised without discrimination of any kind.

The area of law having the most thorough implementation of the principle of equal rights is labour law. Section 7 of the Labour Law provides that everyone shall have an equal right to work, to fair, safe and healthy working conditions as well as to fair work remuneration. Another facet of equal treatment includes occasions when a foreign employee has been sent to perform work in Latvia and renders applicable the principle of equality to such persons as well.

The principle of equality is implemented without any kind of discrimination – either direct or indirect. However, by scrutinising the lately adopted European Community legislation implementing the principle of equal treatment and comparing it to the legislation currently in force in Latvia, it is apparent that the latter lacks one of the facets of the concept of discrimination – harassment. Nevertheless, law enforcement institutions in Latvia would have to combat such kind of discrimination in any event.

The Satversme ensures universal prohibition of discrimination of any kind without naming possible grounds of such discrimination. Section 7 of the Labour Law list the grounds for discrimination leaving an open end of the enumeration. It provides that equality has to be ensured irrespective of a person's race, skin colour, gender, age, disability, religion, political or other conviction, ethnic or social origin, property, marital status or other circumstances. The list also contains “other circumstances” such as sexual orientation in order to avoid any possible omissions, etc.

Another aspect of equal treatment regulation in labour law is its very broad scope. Differential treatment, which is based on any of the above-mentioned grounds is prohibited both during employment legal relationships as well as when establishing or terminating them (Section 29 (1) of the Labour Law).

Section 29 (2) of the Labour Law states that differential treatment is permitted only in cases where a particular ground is an objective and substantiated precondition for performance of the relevant work or for the relevant employment. In respect of job advertisements it is prohibited to indicate age limitations except in cases where, in accordance with the law, persons of a certain age may not perform the relevant work.

Section 29 (3) provides that in case of a dispute, where an employee indicates conditions that may serve as a basis for his or her direct or indirect discrimination, the burden of proving that the differential treatment is based on objective circumstances lays with the employer.

If the principle has been violated, the employee has a right to appropriate compensation or the right to request termination of a differential treatment (Section 34 of the Labour Law for a violation of equal treatment during the establishment of an employment relationship, Section 60 for a violation of the right to equal work remuneration, Section 95 for the violation during the determination of working conditions). If the principle of equal treatment has been violated with regard to notice of termination, such notice shall be declared invalid and an employee shall be reinstated in his or her previous work (Section 124 of the Labour Law). An employee who has been dismissed illegally and reinstated in previous work is entitled to payment of average earnings for the whole period of forced absence from work. Such compensation is also paid in cases where a court, although there exists a basis for the reinstatement of an employee, at the request of the employee terminates employment legal relationships by a court judgment (Section 126 of the Labour Law).

Pay issues

Section 59 of the Labour Law stipulates that work remuneration is the regular pay for work payable to an employee, and which includes a salary and supplements specified by regulatory enactments, the collective agreement or the contract of employment, as well as bonuses and other kinds of payments related to work. The Labour Law regulates the issue of equal pay for the same work or the work of equal value, minimum wage, organization of work remuneration, supplements as well as other issues related to pay. At the same time there are a number of regulations of the Cabinet of Ministers that determine pay issues, e.g., minimum monthly salary within the scope of normal working time, minimum hourly wage rates, work remuneration for specific group of workers, etc.

A general principle of equal pay is enshrined in Section 60 of the Labour Law stating that an employer has a duty to specify equal work remuneration for men and women for the same kind of work and work of equal value. Violation of this principle entitles an employee to remuneration in amount equivalent to that paid by the employer for the same kind of work a work of equal value.

A special protection within the framework of the Labour Law is afforded to persons less than 18 years of age. Section 63 of the Labour Law envisages that the monthly salary for adolescents employed for a shortened working time shall not be less than the minimum monthly salary within the scope of normal working time as specified by the Cabinet of Ministers. Nevertheless, where an adolescent works in addition to pursuing secondary or occupational education, an hourly wage rate specified for the

adolescent may not be less than the minimum hourly wage rate specified by the Cabinet for work within the scope of normal working time (see below). Children, however, shall be paid for work in conformity with the work performed (Section 63 (3) of the Labour Law).

Minimum wage

Section 107 of the Satversme stipulates that every employed person has the right to receive, for work done, commensurate remuneration which shall not be less than the minimum wage established by the state. The minimum wage shall not be less than the minimum level determined by the state (Section 61 of the Labour Law). At the same time the Labour Law delegates the right to determine minimum monthly salary within the scope of normal working time, as well as minimum hourly wage rates, to the Cabinet of Ministers. The respective regulations stipulate that the minimum monthly salary within the normal working time in 2004 is 80 LVL (121 EUR), which is an increase of 14.3% since 2003. The minimum hourly wage rate is 0.474 LVL (0.72 EUR). Adolescents and employees performing work in special circumstances associated with an increased risk to their safety and health, however, shall not receive less than 0.542 LVL (0.82 EUR) per hour. In May 2003, the government announced that it planned to increase the minimum wage by 100% over a period of seven years. This increase in the rate of the minimum wage is possible thanks to the economic growth and the efforts to combat the undeclared payment of wages.

Determination of pay

Despite several restrictions provided for in the legislation, the most widespread way of fixing wages is individual contracts of employment and collective agreements. The determination of wages at a local level predominates over their fixing by statutory regulations or company agreements. There is a special work remuneration system for employees of institutions financed from the State budget with several exceptions within it (e.g. employees of the Bureau of Prevention and Combating of Corruption, State Human Rights Bureau, the State Revenue Service etc.).

There are two main systems of organization of work remuneration provided for by the Labour Law: a time salary system and a piecework salary system. The time salary is calculated in conformity with the actual time worked irrespective of the amount of work done. The piecework salary is calculated in conformity with the amount of work done irrespective of the time within which it was done (Section 62 (2) of the Labour Law).

Protection of wages

There is a special guarantee fund established in accordance with the law on [Protection of Employees in case of Insolvency of the Employer](#). The main goal of organization of the guarantee fund is the satisfaction of claims of those persons who are recognised as employees and whose employer is declared insolvent. An employee has the right to satisfaction of his or her claim from the resources of the employee claims guarantee fund regardless of whether the employer has made all the payments prescribed by law.

Section 69 (5) of the Labour Law provides that work remuneration and related mandatory payments of state social insurance shall be first level payments made by the employer. Protection of wages is closely connected to the issue of deduction. In order to provide protection to the workers the deductions from the work remuneration are allowed only in cases specified by law. According to the Labour Law, deductions may be made from the work remuneration payable to an employee in certain circumstances defined in Sections 78 to 80.

Workers' representation in the enterprise

In accordance with Section 10 of the Labour Law, employees shall exercise the defence of their social, economic and occupational rights and interests directly, or indirectly through the mediation of employee representatives. Employee representatives shall mean: (1) an employee trade union on behalf of which a trade union institution or an official authorized by the articles of association of the trade union acts or (2) authorized employee representatives who have been elected in accordance with the law. The most common way of representation is a trade union representation.

Currently there are no workers' councils or committees in Latvia at national level within the conventional meaning of these establishments. At the same time, the [Labour Protection Law](#) provides for a trusted representative institution, which shall be established in order to represent the interests of employees regarding labour protection. Thus, if in the undertaking at least 10 trusted representatives are elected, they shall establish a trusted representative committee, which shall co-ordinate the work of the trusted representatives.

However, works councils' regulation within their conventional meaning exists at the European level. Law On Informing Employees of European Community-scale Commercial Companies and European Community-scale Groups of Commercial Companies and Consulting Such Employees transposes Directive EEC 94/45 laying down the obligation to establish European Works Council or another information and consultation mechanism in European scale companies and groups of undertakings.

Authorized employee representatives may be elected if an undertaking employs five or more employees. They shall express a united view with respect to the employer.

If there are several employee trade unions, they shall authorize their representatives for joint negotiations with an employer in proportion to the number of members of each trade union but not less than one representative each.

It is prohibited to apply sanctions to an employee or to otherwise directly or indirectly cause adverse consequences for him or her because the employee, within the scope of employment legal relationships, exercises his or her rights in a permissible manner.

Generally, employee representatives shall be elected for a specified term of office, which is set out in the collective agreement. As regards the Labour Protection Law, trusted representatives of workers or their professional organizations that are elected in order to represent the interests of workers within the undertaking with respect to labour protection, shall be elected for a term of three years if not specified otherwise

in the collective agreement. The Law On Strikes authorizes employee and trade union representatives to establish a conciliation committee in case of a labour interest dispute (pre-strike negotiations). In such event the term of office for the representatives shall be the one of the fulfilment of a specific task.

Employee representatives, when performing their duties, have the following rights (Section 11 of the Labour Law): (1) right to request and receive from the employer information regarding the economic and social situation of the undertaking, (2) right to receive information in good time and consult with the employer before the employer takes such decisions as may affect the interests of employees, in particular a decision which may substantially affect work remuneration, working conditions and employment in the undertaking, (3) right to take part in the determination and improvement of work remuneration provisions, working environment, working conditions and organization of working time, as well as in protecting the safety and health of employees, (4) right to enter the territory of the undertaking, as well as to have access to workplaces, (5) right to hold meetings of employees in the territory and premises of the undertaking and (6) right to monitor how regulatory enactments, the collective work agreement and working procedure regulations are being observed in employment legal relationships. The rights of employee representatives have to be exercised so that the efficiency of the operations of the undertaking is not reduced. Employee representatives have the duty not to disclose information brought to their attention that is a commercial secret of the employer. However, such information has to be indicated in writing. Performance of the duties of an employee representative may not serve as a basis for refusal to enter into a contract of employment, for termination of a contract of employment, or for otherwise restricting the rights of an employee

Currently co-determination rights are not well developed in Latvia and exist only to the extent that is determined by collective agreements. Work councils do not exist at national level either. Nevertheless, there is a law regarding European Works Councils (On Informing Employees of European Community-scale Commercial Companies and European Community-scale Groups of Commercial Companies and Consulting Such Employees), which is meant to be one of co-determination mechanisms at the European level.

Trade union regulation

Trade union structure

Section 102 of the Satversme provides that everyone has the right to form and join associations, political parties and other public organizations. Section 108 stipulates *inter alia* that the State shall protect the freedom of trade unions. The Law on Trade Unions, as amended in 2003, stipulates that the residents of the Republic of Latvia shall have the right to freely form trade unions. Labour Law also provides that employees, as well as employers shall have the right to freely unite in organizations and to join them in order to defend their social, economic and occupational rights and interests. Moreover, affiliation of an employee with the above organizations or the desire of an employee to join such organizations may not serve as a basis for refusal to enter into a contract of employment, for termination of a contract of employment or for otherwise restricting the rights of an employee. Latvian policemen and soldiers of

armed forces on active service are prohibited by law from forming and joining trade unions.

The law provides that trade unions in Latvia may be formed on the basis of professional, branch, territorial or other principles. Employers shall also be entitled to form trade unions. The most widespread patterns in practice are the branch, undertaking and professional trade unions. The right to join union includes also that of not joining or withdrawing from a union (so-called negative right). Currently there are no security clauses authorized under national law and it has not been observed also in practice.

Section 12 of the Law On Trade Unions provides that property and financial relations between trade unions and the employer shall be governed by law, collective agreements and other agreements. In most cases collection of union dues is regulated by collective agreements. Thus, collection of union dues by check-off is common to Latvia and is a usual practice.

Registration and recognition of unions

Section 3 of the [Law On Trade Unions](#) stipulates that a trade union is registered by the Ministry of Justice of the Republic of Latvia if the number of members is not under 50 or not less than one quarter of the persons working in an enterprise, institution, organization, profession or branch. This law was amended in May 2003, changing the registration requirements of trade unions, but there is still no English translation available. Section 2 of the [Law On Employers' Organisations and their Associations](#) stipulates that an employers' organization is a public organization founded by at least five employers and which represents and protects economic, social and professional interests of its members.

The Ministry of Justice reviews the relevant application for the registration of the trade union in a month following the date of receipt of the application and statute of the trade union. Registration of the trade union shall be rejected where requirements of the law “On Trade Unions” are violated or where activities provided for in the statute are in contradiction with the Latvian legislation in force. Such rejection shall be subject to appeal in court.

Following the date of registration of the trade union by the Ministry of Justice, the trade union acquires legal personality. The independence and equality of the rights of trade unions are guaranteed by Section 4 of the Law “On Trade Unions” according to which trade unions are independent from state authority, state administration institutions and other organizations and are equal in their rights. The above Section also lays down the right of trade unions to join international trade union organizations, to conclude agreements and contracts with them as well as with trade unions of other countries. Section 7 (3) of the Law “On Employers' Organisations and their Associations” stipulates that employers' organizations and their associations must not directly or indirectly restrict the right of workers to unite in trade unions or interfere in their work.

Section 15 of the Law On Trade Unions provides that the employer cannot terminate an individual labour agreement with a member of a trade union on his own initiative

without prior consent of the trade union, excluding occasions where work discipline or the labour agreement has been violated. The same in substance is fixed in the new Labour Law (Section 110 of the Labour Law). Where there is no such consent of the relevant trade union, the employer may, within a one-month period from the date of receipt of the reply, bring an action in court for termination of the contract of employment. Special provisions in respect of the relationships between trade unions and employers' organizations are provided for by the Law On Employers' Organisations and their Associations. Hence, Section 7 provides *inter alia* that employers' organizations and their associations are not allowed to influence directly or indirectly the right of employees to join trade unions or to influence their functioning. There is no special procedure for the reimbursement of remedies in case of unfair labour practice.

Collective Bargaining and Agreements

Collective bargaining regulation

The collective bargaining authority in Latvia mostly lays “in the hands” of employees and employer's organizations themselves. The role of the state is to provide them with the necessary framework decisions in order to make their activities as effective as possible. The general right to collective bargaining stems from the Constitution (Section 108) whereby employed persons have the right to a collective labour agreement, and the right to strike. Issues as to collective agreements are enshrined in the [Labour Law](#), while the right to collective action is contained in the Law On Strikes. Some issues of collective bargaining may also be found in the [Labour Disputes Law](#). The necessary legal background for trade unions and employers' organizations is contained in [Law On Trade Unions](#) and the [Law On Employers' Organisations and their Associations](#) respectively. For instance, Section 11 of the Law “On Employers' Organisations and their Associations” promotes and makes it a responsibility of the employers' organizations or their associations to recognize trade unions, involve in negotiations with them, conclude collective labour agreements and general agreements.

In Latvia collective bargaining takes place mainly at two levels: the company level and the branch level. 2287 collective agreements were concluded in 2001 covering 203374 employees. 2167 of total collective agreements were concluded at the company level and 17 at the branch level.

Procedure of the Collective Bargaining

Parties to collective bargaining at the company level are the employer, the employee trade union or authorized employee representatives if the employees have not formed a trade union. A collective work agreement in a sector or territory (general agreement) shall be entered into by an employer, a group of employers, an organization of employers or an association of organizations of employers, and an employee trade union or an association (union) of employee trade unions if the parties to the general agreement have relevant authorization or if the right to enter into a general agreement is provided for by the Arts of association of such associations (unions).

The entering into a collective agreement shall be proposed by employee representatives, the employer or their associations (unions). An employer is not

entitled to refuse to enter into negotiations regarding the conclusion of a collective work agreement. A reply in writing to a proposal of collective bargaining shall be provided within a 10-day period from the date of receipt of the proposal.

Parties entering into a collective work agreement shall organise negotiations and agree on the procedures for the formulation and discussion of the collective work agreement.

If during the course of negotiations, an agreement on the procedures for formulation and discussion of a collective work agreement, or the content of the collective work agreement is not reached due to the objections of one party, such party has a duty, not later than within a 10-day period, to give a reply in writing to the proposals expressed by the other party. If a draft of the whole collective work agreement is received, a reply in writing shall be provided not later than within a one-month period and the party shall include in it its objections and proposals regarding the draft. Any employee has the right to submit in writing to the parties to a collective work agreement his or her proposals with respect to a draft collective work agreement.

A collective work agreement is binding on the parties and its provisions apply to all employees who are employed by the relevant employer, unless provided for otherwise in the collective work agreement. It is of no consequence whether employment legal relationships with the employee were established prior to or after the coming into effect of the collective work agreement. An employee and an employer may derogate from the provisions of a collective work agreement only if the relevant provisions of the contract of employment are more favourable to the employee.

A general agreement entered into by an organization of employers or an association of organizations of employers shall be binding on the members of the organization or the association of organizations.

Extending the binding effects of collective agreements

If members of an organization of employers or an association of employers' organizations employ more than 60 per cent of the employees in a sector, a general agreement entered into between them and an employee trade union or an association (union) of employee trade unions is binding on all employers of the relevant sector and applies to all employees employed by the employers. With respect to such employers and employees, the general agreement comes into effect on the day of its publication in the newspaper *Latvijas Vēstnesis* (official newspaper of the Republic of Latvia), after a joint application of the parties.

Time of effect of collective agreements

A collective work agreement shall be entered into for a specified period of time or for a period of time required for the performance of specific work. A collective work agreement shall come into effect on the date it was entered into, unless the collective work agreement specifies another time for coming into effect. If a collective work agreement does not specify a time of effect, the collective work agreement shall be deemed to have been entered into for one year.

A collective work agreement may be terminated before the expiry of its term on the basis of:

agreement by the parties; or

notice of termination by one party if such right has been agreed upon in the collective work agreement.

Upon termination of a collective work agreement its provisions shall apply up to the time of coming into effect of a new collective work agreement, unless agreed otherwise by the parties.

Collective labour disputes

According to Section 13 of the Labour Disputes Law, a collective labour interest dispute is defined as a dispute between the parties that emerges during the process of collective bargaining with regard to setting up working conditions or employment regulations.

In accordance with the regulations laid down both in the Strike Law and the [Labour Disputes Law](#), a definite procedure should be followed in order to ultimately reach a positive solution of demands brought forward. The first step taken in case of a collective labour interest dispute is the shaping and submission of demands to the other party. Section 14 of the Labour Disputes Law provides that the demands should be brought to the attention of an employer, a group of employers, an employers' organization or an administrative institution of an industry in written. An employer has the duty to review the submitted demands and to provide an answer within three days. If the answer is not given or is negative, the collective labour interest dispute is forwarded to the conciliation commission.

Conciliation commission

Hearing of a collective labour interest dispute in the conciliation commission as laid down in Section 15 of the Labour Dispute Law is the second intrinsic prerequisite of the strike action. Both parties to the collective interest dispute within three days from the receipt of the negative answer to their demands establish a conciliation commission composed of an equal number of representatives. Parties prepare their statement of disagreement and submit it to the conciliation commission. The latter reviews it and takes a decision within one week. The decision taken by the conciliation commission is binding upon the parties and has the status of a collective agreement.

If the parties fail to reach an agreement in the conciliation commission and there are no ways found for strike-prevention, the collective labour interest dispute has to be settled in accordance with the procedure prescribed by the collective agreement. In the absence of such a procedure, the dispute is either settled by method of reconciliation or arbitration or it is followed by a collective action to defend parties' rights, e.g. a strike or a lock out.

Reconciliation

Pursuant to Section 16 of the Labour Dispute Law, reconciliation is a settlement of a collective interest dispute by means of a third person acting as an independent and impartial conciliator. Reconciliation can be approached only by the mutual agreement of the parties. During the process of reconciliation, parties are cannot exercise the right to collective action.

There can be one conciliator or a board of conciliators consisting of at least three persons. Only persons having capacity to act can undertake duties of a conciliator. Conciliators can be either private (persons who have been selected by parties to the dispute themselves and which are not included in the list approved by National Tripartite Co-operation Board) or public (persons included in the above-mentioned list). Public reconciliation is without charge. The conciliator is entrusted with the duty to undertake all the necessary action in order to settle the collective labour dispute and reach an agreement. Such an agreement has the effect of a collective agreement. Intrinsic features of the conciliator are fairness, impartiality and independence.

Arbitration

Arbitration, on the other hand, is another method of settling collective labour disputes by which a third, neutral party is authorized to take a decision by seeking to reach a fair solution and balancing economical and other interests of the parties. Arbitration can be employed with the consent of both parties either straight after the conciliation commission has failed or following crack-up during reconciliation. Compared to the reconciliation procedure, arbitration involves a more active approach from the people entrusted with the resolution of a dispute. The setting up and the proceedings of arbitration are regulated by the [Civil Procedure Law](#) (Nr. E0044). An agreement reached as a result of arbitration, like the one reached as a result of conciliation or reconciliation, has the effect of a collective agreement.

Strikes and lock-outs

Strike regulation

The employees' right to strike is one of the fundamental rights in Latvia and is enshrined in Section 108 of the Satversme. The main legislative acts dealing with strike issues are the Strike Law, as amended, determining rights and duties of all parties involved, restrictions to striking rights, procedure of strike monitoring, responsibility for violation of the right to strike, etc., as well as the Labour Disputes Law. There are several other legislative acts laying down restrictions to the right to strike on certain categories of employees.

According to Section 1 (3) of the Strike Law, a strike is a last resort means of settling a collective labour interest dispute when employees on a voluntary basis completely or partly terminate their work in order to reach the implementation of their demands. Pursuant to Section 4 of the Strike Law, an employee can neither be forced to participate nor restrained from participating in a strike.

According to the Satversme and Section 3 of the Strike Law, employees are entitled the right to strike in order to protect their economic or professional interests. This

general right, however, is not absolute and can be restricted in public interest in respect of certain categories of persons (see below). Furthermore, pursuant to Section 13.1.4. of the Law On State of Emergency, the Cabinet of Ministers has a right, while declaring the state of emergency, to prohibit any strikes for a certain period of time.

The announcement or participation in a strike is not considered as a violation of the Labour Law or a contract of employment and therefore cannot serve as the ground for dismissal of an employee (Section 26 (1) of the Strike Law). Employees participating in a strike in conformity with the procedure laid down in the Strike Law and the Labour Disputes Law retain their office and are not subject to disciplinary punishment.

Employees participating in a strike do not receive a regular pay for work and social insurance payments for this period of time unless otherwise agreed in a collective agreement. Nevertheless, those employees working in essential services during the strike receive regular pay for work in accordance with the work actually done. Other employees not participating in the strike and continuing their work receive regular pay for work in accordance with their contract of employment and collective agreement and remain bound by them. The latter cannot be forced to undertake the work of employees participating in a strike.

Preparation and declaration of strikes

Trade unions, employee's authorized representatives or employees themselves have the right to announce a strike on four occasions. Firstly, the right can be exercised if the collective labour interest dispute has not been settled in a conciliation commission and the parties have not agreed on settling the dispute by method of reconciliation or by arbitration. Secondly, such right applies when the parties fail to settle the dispute by reconciliation and the parties do not resort to arbitration. Thirdly, a party has the right to strike when, within a period of 10 days, procedural requirements such as the establishment of a conciliation commission or the commencement of the resolution of a dispute before a commission, reconciliation or arbitration are not observed. Finally, the strike can be launched if the employer (or employer's organization) violates an agreement reached during any stage of negotiations. In the latter occasion the scrupulous procedure of initiation of a strike can be ignored.

Pursuant to Section 13 of the Strike Law, a trade union, upon decision of the strike announcement, shall establish a strike committee that would lead the strike and would represent interests of relevant trade unions or employees of an enterprise during strike negotiations with an employer. No later than 10 days before the strike, the strike committee submits to the employer, the State Labour Inspection and the Secretary of Tripartite Consultative Council of Employers, the State and Trade Unions the starting time of the strike, its venue, reasons, demands, the names of the leaders of the strike committee and the resolution of the meeting on the strike announcement. Demands that were not included in the initial strike announcement are illegal.

Unlawful strikes

The right to strike is not absolute. Section 116 of the Satversme stipulates that the right to strike may be subject to restrictions in circumstances provided for by law in

order to protect the rights of other people, the democratic structure of the state, as well as public safety, welfare and morals. Section 16 of the Strike Law lists the categories of persons who have no right to strike. Judges, public prosecutors, police officers, firemen, border-guards, employees of state security institutions, warders of imprisonment and persons serving in National Armed Forces are not allowed to strike. The Law On Bureau of Prevention and Combating of Corruption adds the officials of this bureau as a category of this list.

In addition, the employees in “essential services” have a limited right to strike, which has to be balanced with public interests. Essential services are defined as services provided by such enterprises, where the termination of work can endanger the state security or security, health or life of society, a group of people or separate individuals (Section 17 (1) of the Strike Law). It is the duty of an employer and a strike committee to ensure that minimum work is carried out in essential services during a strike. They must appoint a certain number of employees that will perform the above-mentioned work during the strike as well as determine the amount of work to be done. The refusal to perform such work or to follow instructions is considered to be a violation of the Labour Law. If necessary an employer and a strike committee also have to agree on such activities as the maintenance of an enterprise, its equipment, machinery, etc.

Essential services are defined in Section 17 (2), as the medical assistance services, public transport services, drinking water supply services, electricity and gas producing and supply services, communication services, air transport monitoring services and services providing meteorological information, services concerning security of transport movement, waste and sewage collection and purification services, radioactive substance and waste keeping, utilization and monitoring services as well as public security services.

Termination of a strike

The termination of a strike is either voluntary or mandatory. The parties to a collective labour dispute are free to cancel their demands and to end a strike at any stage.

Only a court may find illegal a strike or a strike announcement. The court does so if it establishes a violation of the Strike Law, if the strike has been announced during the operation of the collective agreement in order to amend provisions of this collective agreement, if it is a solidarity strike and does not concern the conclusion or the implementation of a general agreement, if the strike is proposed to express political demands, political support or political protest, or if the strike is related to issues, which have already been agreed upon during strike negotiations. The legal consequences emerging from finding a strike or its announcement illegal are the termination of an ongoing strike or the prohibition to strike if it is not yet commenced. Moreover, if the court has received an application on recognition of the illegality of a strike prior to the date of its commencement, within 5 days of its announcement, the right to strike is suspended until the final ruling enters into force.

Lockouts

Unlike the right to strike, the right to lock out is not enshrined in the Satversme. The right to lock out was introduced by the Law on Labour Disputes in 2003. A lockout is the employers' counteraction against employees' right to strike with an aim to protect their own economic interests. It is considered as the employers' right to collective action, provided for by the Law on Strikes. Similarly to strikes, the only limitations to the right to lockout concern institutions of state and local municipalities as well as essential services determined by Section 17 of the Strike Law (see above).

Section 21 (2) of the Labour Disputes Law defines a lockout as a refusal to employ employees as well as to pay any work remuneration if the strike significantly affects economic activities of an enterprise, providing the number of employees suffering in result of the lockout does not exceed the number of striking employees. The decision to lock out is adopted by an employer himself or by a qualified majority of members of the employers' organization. The indispensable prerequisite of a lockout action is the submission of the lockout announcement to respective employees or their representatives as well as to the National Tripartite Co-operation Board and the State Labour Inspection. The latter is in charge of monitoring lockouts and possesses the right to postpone it for a period of up to three months in case of necessity to take action to prevent natural disasters, large accidents or epidemics or their effects.

Another similarity with strikes undertaken by employees is made by the prerogative of the court to hear cases on finding a lockout or its announcement illegal following an application submitted within five days from the lockout announcement. The lockout or its announcement is found illegal on two occasions: if it stands in contradiction with the provisions of the Labour Disputes Law or if it is directed against the exercise of the right to association, thereby violating the fundamental right enshrined in Section 102 and 108 of the Satversme. An illegal lockout has to be immediately terminated. An additional guarantee of employees' rights is the employers' duty to recover losses of employees made in result of an illegal lockout.

Settlement of individual labour disputes

The main source of law governing the settlement of individual labour disputes is the [Labour Disputes Law](#). Section 4 of this law defines an individual labour dispute as a disagreement between an employee or a group of employees and an employer concerning the conclusion, amendment, termination or implementation of the contract of employment or the application or interpretation of statutory enactments, collective agreements or working procedure regulations.

There are three stages in the settlement of individual labour disputes. The first stage is the negotiations within an enterprise between an employee and an employer. However, this is not a compulsory stage and its omission does not affect the parties' right to apply to a labour disputes commission or to the court.

The labour disputes commission

Where the individual labour dispute is not settled during the negotiations within the enterprise, the parties to the dispute have the right, upon mutual agreement, to

advance the dispute to the labour disputes commission established within the enterprise or chosen by any other means for settling the dispute. Parties are free to stipulate the establishment of a labour disputes commission in collective agreements. Exceptions to this principle are contained in Section 7 of the Labour Disputes Law, pursuant to which the following cases are reviewed exclusively in court: (1) the invalidation of a notice of termination by an employer and the reinstatement of an employee, (2) the application of an employer, in case of refusal by the employee trade union to accept the notice of termination of a contract of employment to the member of an employee trade union, (3) the exacting of undue payments, (4) the violation of the principle of equal treatment, (5) the application of an employer or an employee, where the termination of a contract of employment is claimed by a third party.

When the parties favour the labour disputes commission, they shall conclude a written agreement providing for the composition of the commission, its competence, terms and other issues concerning the operation of the commission. The commission consists of equal number of representatives from both parties. Members of the commission shall be impartial and may not have any direct or indirect interest in the outcome of a particular case. Moreover, independence of the members of the commission during the exercise of their duties shall be guaranteed by the prohibition of any interference or influence on their work.

The labour disputes commission shall review the case within 10 days running from the submission of the application. The commission is not deterred to review a case and shall deliver its decision without the presence of any of the parties. The commission takes the decision by majority voting. The decision taken by the labour disputes commission shall be compulsory and has to be executed within 10 days. Where the decision has not been executed voluntarily, the other party has the right to appeal to the court. The decision enters into force after 10 days provided the decision has not been appealed to the court.

Review by a court

The review of an individual labour dispute by a court, in accordance with the civil procedure is the third and final stage. Each party has the right to plead to court if: (1) the parties have not settled the dispute during the negotiation stage, (2) a party is not satisfied with the decision taken by the labour disputes commission, (3) the decision taken by the labour disputes commission is not enforced, (4) the dispute involves one of the exceptional occasions when the case is heard directly by the court (listed above). The fact that the court is the first instance does not serve a ground for refusal to admit an application. Individual labour disputes may not be reviewed in arbitration.

It has to be noted that during settlement of individual labour disputes, trade unions have a special right to represent the trade union members without special authorization as well as they have the right to bring the case to court on behalf of its members.

ILO Conventions ratified by Latvia

See [APPLIS \(ILO data base of ratifications, CEACR comments, reporting schedule\)](#)

Useful and relevant web links

[Latvia and EU Law](#)

[European Labour Law](#)

[Latvia Legal Instruments Database \(mostly in Latvian\)](#)

[Riga Graduate School of Law](#)

[Latvian Legislation in English](#) provided by the Translation and Terminology Center