

Baltic Republics' "De-Russification" Sees Increased Poverty and Depopulation

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Pensioners in the Baltic States of Latvia, Lithuania and Estonia are more exposed to the risk of poverty than pensioners in other European Union (EU) countries, according to [Eurostat](#) data for 2018 that was published only last week. The average EU figure was 15% but 54% of citizens over 65 in Estonia are at risk of poverty, with the figure at 50% in Latvia and 41% in Lithuania.

In addition, the difference between third and fourth place on the list is large, with the next country Bulgaria sitting at 30%. The lowest rates were recorded in Slovakia (6%), France (8%), surprisingly Greece (9%), and Denmark, Luxembourg and Hungary (10%). The Eurostat data also found that between 2010 and 2018, women retired were at 3-4% more risk of poverty than men. Two years ago, the largest gender gap was in Lithuania (18%), Estonia (17%), Bulgaria (15%), Czech Republic (13%), and Latvia and Romania (11%), while in Spain, Malta and Italy, men aged 65 and over were at the highest risk of poverty. The Baltic States are regularly featured at the top of EU lists looking at in living standards. In February last year, Eurostat ranked Lithuania in the top five countries with the highest risk of poverty - not that neighboring Latvia and Estonia performed much better.

In Latvia, retirement age has increased, the minimum pensions will be calculated on a certain basis, and residents will be able to inherit their second pillar pension capital - this is the kind of change that the Latvian population will face in 2020. The retirement age in Latvia has been increased once more by three months. Persons over the age of 63 and 9 months are now eligible to retire if their insurance record is at least 15 years.

People with a minimum insurance record of 30 years can retire early - by two years. Earlier this year, people aged 61 and 9 months will have early retirement rights. As a reminder, starting in 2014, the retirement age in Latvia began to be raised by three months each year until it reaches 65 in 2025. The minimum pension will now be calculated on the basis of a calculation approved by the government and is expected to be €80. However, this is unlikely to improve living standards as it is still a paltry sum.

From this year, Latvian residents will be able to inherit their second pillar pension capital. This choice can be made by people who have not yet received an old-age pension by determining how their pension capital will be used in the event of death before retirement. Nearly 1.3 million members of the second pillar have now the choice between three options. You can leave your savings in an inheritance, add them to another person's second pillar capital or transfer them to a special state pension budget.

Things have become so desperate that the Latvian Pensioners' Federation asked the

government to grant a new relief – allowing early retirement for people who have raised children five years earlier. Activists believe it will provide significant support for parents and can have a positive impact on demographics that is rapidly declining mostly due to emigration to richer Western EU states.

However, much of the economic struggles in the Baltic states are for two main reasons:

The Neoliberalization of the economy after the collapse of the Soviet Union to adhere to EU regulations.

Hostile relations with Russia that prevent fruitful economic growth in the Baltics.

As much as 19.8% of Lithuanian, 16.2% of Latvian and 11.4% of Estonian [exports were directed to Russia in 2013](#). Despite this huge economic relationship, Latvia, Lithuania and Estonia were some of the first states to call for tougher EU sanctions against Moscow when it reunited with Crimea in 2014. According to [United Nations estimates](#), by 2050 Latvia's population could shrink by 22%, Lithuania by 17% and Estonia by 13% because of high emigration and aging populations.

With the younger generation fleeing to the West for an increased wage because opportunities are not available at home and elderly poverty is increasing, the continued hostile relations that Baltic states have with Russia need to be reversed quickly. This will be a difficult task as the Baltic states have prioritized and in recent years accelerated efforts to break their dependence on Russia, especially in fields of energy and transportation.

However, despite these breaks, the EU has failed to be an adequate replacement in the Baltics quest of “de-Russification,” that has seen poverty increase and the younger and educated generation flee to the West. Despite these realities, the Baltic states have continued to willingly follow NATO demands to be part of a wider strategy to [pressurize Russia's Baltic Kaliningrad region](#). Russia can be a major market for Baltic made products and Russia in turn can offer cheap energy sources, but despite these advantages, the Baltic states are willing to depopulate their countries and see poverty increase to serve EU and NATO interests.

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