SOCIAL SUSTAINABILITY AND SOCIAL SECURITY OF TERRITORIES: METHODOLOGY OF ANALYSIS AND RELEVANCE FOR DEVELOPMENT

Baiba Bela¹, Dr.sc.soc; Liga Rasnača¹, Dr.sc.soc
¹ University of Latvia

Abstract. The aim of this article is to examine the importance of the social sustainability in the development of territories, to examine interconnectedness of social sustainability and social security and to initiate a discussion about the methodology for analysing the social sustainability of territories. The authors of this article want to find the appropriate methodology for the measurement of social sustainability which would include complex indicators and would be useful for analysis of different types of territories. The innovative aspect is to include in the measurement of social sustainability the indicators of social security as this is the most direct tool a government has in order to enforce social sustainability. To include both – social sustainability and social security, Index should cover megatrends, tendencies and emerging signals in all spheres important to demography; health and availability of healthcare; employment and income levels; education and access to education; inequality and availability of welfare; housing and availability of housing; safety; integration and participation.

Key words: social sustainability, social security, territories, development

JEL code: I39

Introduction

The aim of this article is to examine the importance of the social sustainability in the development of territories and to initiate a discussion about the methodology for analysing the social sustainability of territories which would be easy to use for the evaluation and planning of development in Latvia and would also take into account the newest theories in development research. The development of the territories in Latvia can be described as uneven. The 2009 administrative reform created new administrative divisions of territories, which did not copy the small fracturing of the between war period and changed the division into large territories inherited from the Soviet Union. This, however, did not let to create an environment for a more successful and equal development of the territories. In theory, the territory development index is being used in the planning and evaluation of the country’s development but from a

¹ Corresponding author. Tel.: + 371 29447405
E-mail address: baiba.bela-krumina@lu.lv
recent development theory perspective it can be viewed as too robust and too focussed on the
economic aspects of development without paying enough attention to the long term
sustainability of development and social and environmental factors. Research shows that, while
political planning documents contain many noble and declarative aims, they lack the indicators
to be used to measure the results and speed of attainment of these aims (Supule, 2014).
The authors of this article are carrying out the analysis of the social sustainability of territories
as a part of the project “Elaboration of Innovative Diagnostic Instruments for Regional
Development”, co-funded by the European Social Fund (No 2013/0057/1DP/1.1.1.2.0/13/APIA/VIAA/065). So far in Latvia there have not been created
differentiated diagnostic instruments that would be specific for the analysis of certain aspects
of social life and the attainment of certain goals, such as analysis of social sustainability and
social security. There is also a lack of diagnostic tools that would allow the analysis of the
situation not only at a national but also a regional and municipal level. The lack of specialized
indicators is disrupting a more effective use of regional support both the national and the
regional level. The authors of this article want to find the appropriate methodology for the
measurement of social sustainability, with particular focus on social security as the most direct
tool a government has in order to enforce social sustainability, which would also include
complex indicators and would be useful tool of analysis in different types of territories (regions,
municipalities, in rural and urban areas).

At first the authors will be looking at the theoretical background of social sustainability,
paying attention to the recent tendencies in the research in development and the evaluation of
the social sustainability of territories. Then the authors will look at the most problematic
questions in the context of social sustainability in Latvia from a regional perspective. At the
end authors will discuss the methodological problems which need to be solved in order to
create an evidence based evaluation of social sustainability and social security.

**Social sustainability of territories**

The concept of territorial social sustainability is a relatively recent addition to the social
sciences literature and discussions. At the core of it is the simple idea that social concerns are
particularly important because the development and growth of territories are done by the
people who live there (Zobena, Mezs, 2013). The concept of sustainability has appeared in
discussions since the year 1987, when the UN released the Bruntland declaration (WCED, 1987); when it emphasized that it is vital to enforce economic growth that would be in balance
with the environment and would not reach a level where the ecosystems and the biosphere
could not cope with the results of human activity. In Johannesburg (2002), in the UN summit
on long term growth a wider view on sustainability was adopted, including all three dimensions
– the economic, social and environmental as equally important cornerstones (ANO, 2002). It
took another ten years for greater attention to be shown to social sustainability and for it to be
shown that long term growth cannot be attained without equality, better quality of life, extension of human freedoms, which include long, healthy, creatively fulfilled life and attainment of personally important goals (UNDP, 2010; UNDP, 2011). Still there is no a consensus on the concept of sustainability and different people attach different meaning to the idea (Clémençon, 2012). Social scientists underline that a more equal and fair society is also more socially responsible and stable in the long term. A less fair and less equal society, however, shows slower economic growth, lower GDP, less stability and a lack of trust (Stiglitz, 2012; Vilksinsons & Pikita, 2009). The elimination of inequality and poverty has always been an important aspect of the analysis of social sustainability because inequality and poverty cause a lack of trust in the fairness of societal structures or in the belief that one’s own actions can make a difference (Rasnaca, Niklass, 2013).

The idea of a fairer society only somewhat explains the core of social sustainability. The Oxford Institute for Sustainable Development researcher’s definition of social sustainability echoes the explanation included in the UN’s development programme, which states that social sustainability includes the relations between the individuals, communities and the society and the ability to attain personally important developmental aims taking into account the limitations caused by the particular location and the environment of the planet. In defining social sustainability in specific operational terms and paying attention to the social sustainability of particular territories, research draw attention to abilities, qualifications, spatial and environmental inequalities, equity and health cooperation, needs, social capital, happiness, wellbeing and the quality of life (Colantonio, Dixon, Ganser, Carpenter and Ngombe, 2009). The most important difference between social sustainability and territorial social sustainability is the scope in which particular factors are measured – it is not national but local, based in particular territories.

**The importance of social sustainability in Latvia**

In the context of territorial development the dimension of social sustainability is only one of the important dimensions alongside the economic and environmental dimensions. However, it is only the social sustainability dimension that looks at the lives of the individual, the community and the society as a whole, at their ability to recover from crises and respond to further challenges. Social sustainability is particularly important in Latvia in relation to the decrease of population; in the last 20 years 107 out of 119 districts have experienced a decrease in population of 10-40% (Zobena, Mezs, 2013). Almost all districts (the first level local government in Latvia) contain areas where were small villages of 50-100 inhabitants, that are now abandoned. The theme of social sustainability is also closely connected to social security. Researchers have shown that social crises are more difficult to overcome and tend to last longer than economic ones. Latvia is among the EU countries with the greatest income
inequality and number of people at risk of poverty and social exclusion. In 2013 only 23.4% of Latvians felt secure about their future prospects, while 64.3% felt unsecure (it is also notable that in 2010, at the time of the economic crisis, fewer people (56.7%) felt unsecure about their future prospects) (Brigsa et al., 2014).

Situation in the labour market (if people have access to employment, which pays enough to cover all of the basic needs a person has), demonstrates income equality as well as is the first step for social security. The budget of the social security system, which provides the welfare payments, is also created in the labour market. Eurobarometer - Public Opinion Surveys conducted on a regular basis in the EU Member States two times a year, show unemployment as the most significant problem in Latvia (Eurobarometer, 2014 (Autumn)). This is why the authors will briefly explain the changes and the regional differences within the Latvian labour market in the last five years. The impact of the crisis was uneven in different regions and sectors (raising serious consequences for employees and employers in finance, real estate sectors, construction and public services and affecting small entrepreneurs clients and owners as well as the society overall). The analysis of the labour market shows differences in employment and unemployment flows in urban and rural areas.

During crisis, the insufficient number of workplaces resulted in unemployment. The possibility for regional centres to become employment providers for surrounding area is limited by the level of salaries and poorly provided public transport in the regions.

Table 1

<table>
<thead>
<tr>
<th>Economic Activity of Population by Latvian Regions: Unemployment rate (job-seekers) (15-64, %)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riga region</td>
<td>14.9</td>
<td>17.3</td>
<td>13.1</td>
<td>11.1</td>
<td>8.4</td>
</tr>
<tr>
<td>Pieriga region</td>
<td>11.2</td>
<td>13.1</td>
<td>10.7</td>
<td>9.3</td>
<td>6.4</td>
</tr>
<tr>
<td>Kurzeme region</td>
<td>11.0</td>
<td>11.6</td>
<td>10.7</td>
<td>9.6</td>
<td>7.5</td>
</tr>
<tr>
<td>Latgale region</td>
<td>12.4</td>
<td>13.4</td>
<td>13.0</td>
<td>14.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Vidzeme region</td>
<td>13.7</td>
<td>10.8</td>
<td>8.9</td>
<td>11.3</td>
<td>9.5</td>
</tr>
<tr>
<td>Zemgale region</td>
<td>14.7</td>
<td>16.4</td>
<td>13.8</td>
<td>13.2</td>
<td>11.6</td>
</tr>
<tr>
<td>Urban</td>
<td>14.1</td>
<td>15.4</td>
<td>12.5</td>
<td>11.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Rural</td>
<td>11.3</td>
<td>12.5</td>
<td>10.9</td>
<td>11.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Latvia</td>
<td>13.2</td>
<td>14.5</td>
<td>12.0</td>
<td>11.4</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Source: author’s calculations based on CSB data about economically active population (CSB, 2014b)

The Statistics Bureau of the European Union defines unemployment level according to the methodology focusing attention on the number of jobseekers rather than the registered unemployed persons as an indicator of the unemployment situation in different European countries; this allows to find out the current situation in labour market (including people who are actively seeking employment and are able to start work within the next two weeks). This is why the authors of this publication have chosen this indicator. The proportion of jobseekers during the 2008-2010 socio-economic crisis was the highest in Riga and Zemgale, it was also higher in urban rather than rural areas. In the after crisis period (2012-2013), however, the
proportion of jobseekers in urban areas was lower than in the country overall but it was slightly higher in rural areas. Towns and cities, in particular the capital, Riga, show the highest variations in the proportions of jobseekers (15.4/8.7; 17.3/8.4). If the highest impact of crisis on employment in Latvia was in the year 2010, then in the region of Latgale, which is characterised by the highest levels of registered and long term unemployment in the country, the number of jobseekers increased in the year 2012. This can be explained by either a delayed effect of the crisis or other regionally specific factors. This shows the importance of including in depth analysis of regional differences in the methodological approach alongside the wider monitoring.

The other indicator which shows both the direction of social development and the sustainability and ability to improve social security provision, is the amount of the average pay. The authors chose to illustrate the situation using the average monthly salary of employees.

Methodological importance is not only in the overall comparison between the levels of pay in urban and rural areas but also the principle of selection of the regions compared. The authors chose to include the most contrasting cases: three cities with the highest and the lowest levels of income and five districts with the highest and the lowest salary indicators.

Workers average monthly salary in cities differs 1.6 times between the highest and the lowest payment in the area in rural areas this difference is even higher at 2.2.

The differences are more dramatic as when comparing income differences between genders and show the lack of resources in lower income groups, inadvertently affect the attainment of social services and social security by this group. The capital city Riga is the only place with more than half a million inhabitants in the country. It is not surprising that the level of pay in Riga is higher, taking in mind its status as a capital city, a cultural and economic centre as well as the potential provided by its status as a harbour city. The place with the second highest incomes is Ventspils, which, again, is not surprising as it is also a harbour city, has direct access to the Baltic Sea, an infrastructure inherited from the Soviet period and a successful local government. The success of Valmiera, which has the third highest levels of income in the country, is less easy to explain. It is not placed near the sea or international trade routes and has only 30 000 inhabitants. The success of Valmiera may be useful for other similar places in Latvia as an example of social development success. The lowest rates of pay can be found in the second largest town in Latvia, Daugavpils, which is followed by Rezekne. Both towns are placed inland, have no harbours but are crossed by international railway lines and contain food and metal factories inherited from the Soviet period. The place with the third lowest rates of pay is Jelgava, which is located an hour’s drive away from Riga, and thus, its income levels are affected by the many people travelling to work in Riga every day. The town has successfully managed to restructure the now bankrupt factories built in the Soviet period by attracting
foreign and local investment but the pay received by its factory and service workers puts it at only the sixth place out of the nine major towns and cities in Latvia.

Table 2

**Average Monthly Wages and Salaries in Cities under State Jurisdiction and districts of LATVIA 2009-2013 (euro).**

<table>
<thead>
<tr>
<th>City</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Highest</th>
<th>Lowest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riga</td>
<td>586</td>
<td>555</td>
<td>576</td>
<td>597</td>
<td>629</td>
<td>Highest</td>
<td></td>
</tr>
<tr>
<td>Ventspils</td>
<td>543</td>
<td>526</td>
<td>533</td>
<td>570</td>
<td>602</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valmiera</td>
<td>449</td>
<td>415</td>
<td>443</td>
<td>478</td>
<td>503</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jelgava</td>
<td>395</td>
<td>394</td>
<td>417</td>
<td>426</td>
<td>444</td>
<td>Lowest</td>
<td></td>
</tr>
<tr>
<td>Rezekne</td>
<td>377</td>
<td>368</td>
<td>379</td>
<td>372</td>
<td>396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daugavpils</td>
<td>354</td>
<td>349</td>
<td>366</td>
<td>376</td>
<td>388</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Five districts with highest average monthly salary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaspils district</td>
<td>522</td>
<td>497</td>
<td>531</td>
<td>557</td>
<td>673</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>Marupe district</td>
<td>581</td>
<td>575</td>
<td>602</td>
<td>634</td>
<td>650</td>
<td>II</td>
<td></td>
</tr>
<tr>
<td>Jaunjelgava district</td>
<td>460</td>
<td>510</td>
<td>527</td>
<td>553</td>
<td>637</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>Stopinu district</td>
<td>625</td>
<td>620</td>
<td>608</td>
<td>600</td>
<td>618</td>
<td>IV</td>
<td></td>
</tr>
<tr>
<td>Garkalme district</td>
<td>642</td>
<td>597</td>
<td>592</td>
<td>557</td>
<td>589</td>
<td>V</td>
<td></td>
</tr>
<tr>
<td>Five districts with lowest average monthly salary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltinava district</td>
<td>370</td>
<td>353</td>
<td>332</td>
<td>359</td>
<td>335</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>Roja district</td>
<td>294</td>
<td>289</td>
<td>282</td>
<td>298</td>
<td>325</td>
<td>II</td>
<td></td>
</tr>
<tr>
<td>Varaklani district</td>
<td>286</td>
<td>291</td>
<td>293</td>
<td>304</td>
<td>314</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td>Dundaga district</td>
<td>287</td>
<td>308</td>
<td>298</td>
<td>287</td>
<td>297</td>
<td>IV</td>
<td></td>
</tr>
<tr>
<td>Rucava district</td>
<td>291</td>
<td>359</td>
<td>382</td>
<td>317</td>
<td>295</td>
<td>V</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>509</td>
<td>488</td>
<td>506</td>
<td>525</td>
<td>554</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: author’s calculations based on data about salary in cities, towns and districts (CSP, 2014a).

Four out of the five highest salary districts are placed next to Riga, thus, most of their inhabitants’ income comes from working in Riga. The second highest earning district is Jaunjelgava, which is not located next to Riga, and thus, provides an interesting example that should be studied further. The lowest average wages are in districts located far away from Riga. The distance from capital city Riga impact not only salary level but also possibility to receive social security, availability and accessibility of social services, the overall development of territory.

The authors’ analysis of the current situation points out that the location of a territory has a definitive importance for equal possibilities of inhabitants in territories.

**How to measure social sustainability and social security – a discussion on the methodology**

As a part of the project “Elaboration of Innovative Diagnostic Instruments for Regional Development” authors are going to produce a territorial social security index, the aim of which will be to indicate the social security cover in different territorial units. Social security is the most direct tool a government has to enforce social sustainability, although social security includes a smaller number of factors than social sustainability. In analysing social security
authors can see the results of the existing social policies and the need for anywhere they are not in place. Authors propose that regular monitoring of factors connected to social security would lead to identify the effects of different changes, such as the economic crisis and changes in policies as well as plan a social security system which not only reacts to the effects of crises but also tries to outrun them (pre-emptive arrangements) (Hiltunen, 2013).

A serious issue is the lack of a tool for precisely measuring the level of social sustainability and social security. There have been various indexes used for measurement of social issues, some of which authors will look at here, trying to find the best fit for Latvia. Authors will look deeper at indicators which are used in Social Progress Index (Porter, Stern and Green 2014), which was created by a group of specialists from different disciplines; the Socially Sustainable Urban Regeneration index created by the Oxford Institute of Sustainable Development (Colantonio, Dixon, Ganser, Carpenter and Ngombe, 2009) as well as the social indicators from the Small Town Sustainability Index, which was made by a group of researchers from the ESPON network KITCASP project (Valtenbergs, González, Piziks, 2013).

The methodology of all these indexes includes certain core principles – groups of indicators are made around certain social stability and social security indicators – such as: demography, education, health, home, income, participation et cetera. The aim of makers of Social Progress Index is to make these parameters to be as important as signs of the country’s development as GDP (Porter, Stern and Green, 2014). In their opinion, GDP is only a portrayal of the country’s economic achievements, while social index show the level of human wellbeing. The Social Progress Index is made up of 54 indicators, which are grouped in three large blocks – basic needs, wellbeing and opportunities. They include the life expectancy at birth, the mortality of new-borns and mothers, suicide rates, the availability of food and water, availability of housing and sanitation, different educational criteria, alongside the access to information, freedoms of press, speech and political beliefs as well as other indicators. The basic idea behind the index, however, is aimed at indicators of social progress, many indicators important for social sustainability are not included at all (for example, the demographic indicators block: indicators of population growth and the proportions of different age groups are not included).

The Socially Sustainable Urban Regeneration index made by researchers from the Oxford Institute for Sustainable Development was made with the aim to evaluate the effectiveness and long term social impacts of projects for urban regeneration (Colantonio, Dixon, Ganser, Carpenter and Ngombe, 2009). While certain criteria used in this index can only be used for research into urban areas (such as if the distance from the nearest school, shop, medical centre, work place et cetera can be crossed via foot in 15 minutes), it is worthwhile looking into the logic behind the choices of indicators and how they are grouped, which is slightly different from the previously mentioned Social Progress Index. The indicators are more related to criteria which are important for the theoretical discussion of social sustainability and are
spatially connected to certain territories. This index is also very large in size, the indicators are divided into ten thematic groups – demography, education and skills, employability, participation and access, health and safety, home and environmental health, identity and heritage, social inclusion and cohesion, social capital, well-being. Each group contains about 10-15 criteria and includes both objective and subjective evaluations (for example, the proportion of income spent on rent for housing and subjective evaluation of housing).

The example of ESPON network KITCASP is instructive from methodological viewpoint. Researchers eventually selected 15 (5 on the social sphere) out of 108 indicators (Valtenbergs, González, Piziks, 2013). Indicators need to be connected to aims of policy planning and development priorities, only then they will be useable for evaluation of the developmental progress and the carrying out of policies; indicators need to show the dynamics of social processes in territories during a certain period of time; indicators need to be measured regularly and to be available from trustworthy and regularly updated databases (otherwise these databases and trustworthy measurements would need to be made, which would be very expensive); it is also important that the indicator is understood by planners and public administration as only then it will be easily communicated and useable. Here social indicators include criteria on demography, education, poverty, inequality, unemployment, cooperation, and life satisfaction.

Developing index appropriate for measurement of territorial social security in Latvia it is most likely that authors would follow a similar principle when creating an index suitable for social sustainability and social security evaluation in rural and urban areas in Latvia – to choose a list of all wanted criteria and then select the ones that are most vital.

In creating a territorial social security index authors will take in mind also the theory of John Naisbitt, which states that in every sphere authors can observe three types of tendencies: 1) megatrends, which are influencing many societies over long periods of time (for example, changes in rural employment structures, urbanisation); 2) tendencies which are characterised by particular situations at a particular point in time (e.g. average wage, the proportion of women and men in employment et cetera); and 3) emerging signals which are not reflected in megatrends and tendencies but which can be observed in observations, publications, conversations with experts et cetera (Naisbitt, Aburdene,1990).

As social security is a narrower field than social sustainability, authors will be focussing on criteria, which are important, in particular, for social security in Latvia. In theory social security includes four core principles: 1) guaranteed health care; 2) guaranteed replacement of income in case of job loss; 3) guaranteed basic income; 4) guaranteed employability and a chance to change professions. These can be ensured using various core systems, from which of particular importance are social services – health care, employment, social care and rehabilitation, education, housing. Territorial social security index need to be able to capture megatrends, tendencies and emerging signals in all spheres important to social security. Taking in mind international examples in creating similar indexes and the core principles of social security,
indicators need to reflect criteria in the following spheres: demography; health and availability of healthcare; employment and income levels; education and access to education; inequality and availability of welfare; housing and availability of housing; safety; integration and participation. Each sphere should not include more than 3 to 5 criteria, which would still make the index quite large (it would include 24-40 criteria). It would be necessary to include the subjective evaluation by individuals as one of the criteria in each sphere. While this is expensive and difficult to do, particularly in smaller territories these data would show how people themselves evaluate the resources available to them and their own wellbeing.

**Conclusions**

With the current levels of aging and decrease of population, large regional differences in employment and income, researchers need to provide help in identification of particular problems, developmental tendencies and solutions in Latvia. The task to create an innovative territorial social security index, which would be easy to use in evidence based planning and evaluating of social policies is a great challenge. The lack of a single global example shows that this is a challenge shared by researchers and planners in many countries. Even more – authors argue that the broader and more elusive field of social sustainability can be captured through the measurement of more narrow and precise indicators of social security. Territorial social security index need to be able to capture megatrends, tendencies and emerging signals in all spheres important to social security—demography; health and availability of healthcare; employment and income levels; education and access to education; inequality and availability of welfare; housing and availability of housing; safety; integration and participation, taking into account also sustainability issues.

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