



Administrative territorial reforms in Latvia

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Multi-level governance in Latvia



After and during the re-establishing of independence (1989-1994), Latvia (as a national state) delegated part of its sovereignty to different other levels

- Global level (international treaties)
- EU level (membership)
- Local level (European Charter of Local Self Government)
- Civil society (international treaties)

ATR – part of Self-government reforms



All elements of reform were performed by consultations with the Latvian Association of Local and Regional Governments (1993!)

- Political decentralization
- Fiscal decentralization
- Property decentralization
- Administrative decentralization
- Finance-equalization system
- Education and training system
- ATR (elected self-government in each administrative division)



Influential factors:

- Interests
- Transformation of economics
- De-population
- Beliefs
- Ideologies
- Impact of the Council of Europe
- Impact of EU



Stages of ATR:

During 33 years relative expenditure of self-governments was reduced ~ 2 times (from 54% to 25%)

During 33 years the number of elected representatives was reduced ~ 20 times (from 13000 – to 560)

- 1989-1993 Wide decentralization and democratization
- 1994 Centralization of Riga city
- 1997 Abolishing of regional(district) governments' elections
- 2009 Reduction number of self-governments 5 times
Abolishing of regional (district) governments
- 2021 Reduction number of local governments 3 times

Dialogue between LG and National Authorities



In 1994 important legal norm was included in the Law on Self-governments: association, representing more than 50% of all kinds of self-governments represent common opinion to the Cabinet of Ministers (there were moments when the law recognize 5 types)

- Formal Consultations system:

- Annual protocol of Agreements and Disagreements with the Cabinet of Ministers
- Annual negotiations and protocols with sectoral ministries.
- Participation in weekly consultations, with advisory capacity in the Cabinet meetings; representation in around 40 consultative councils

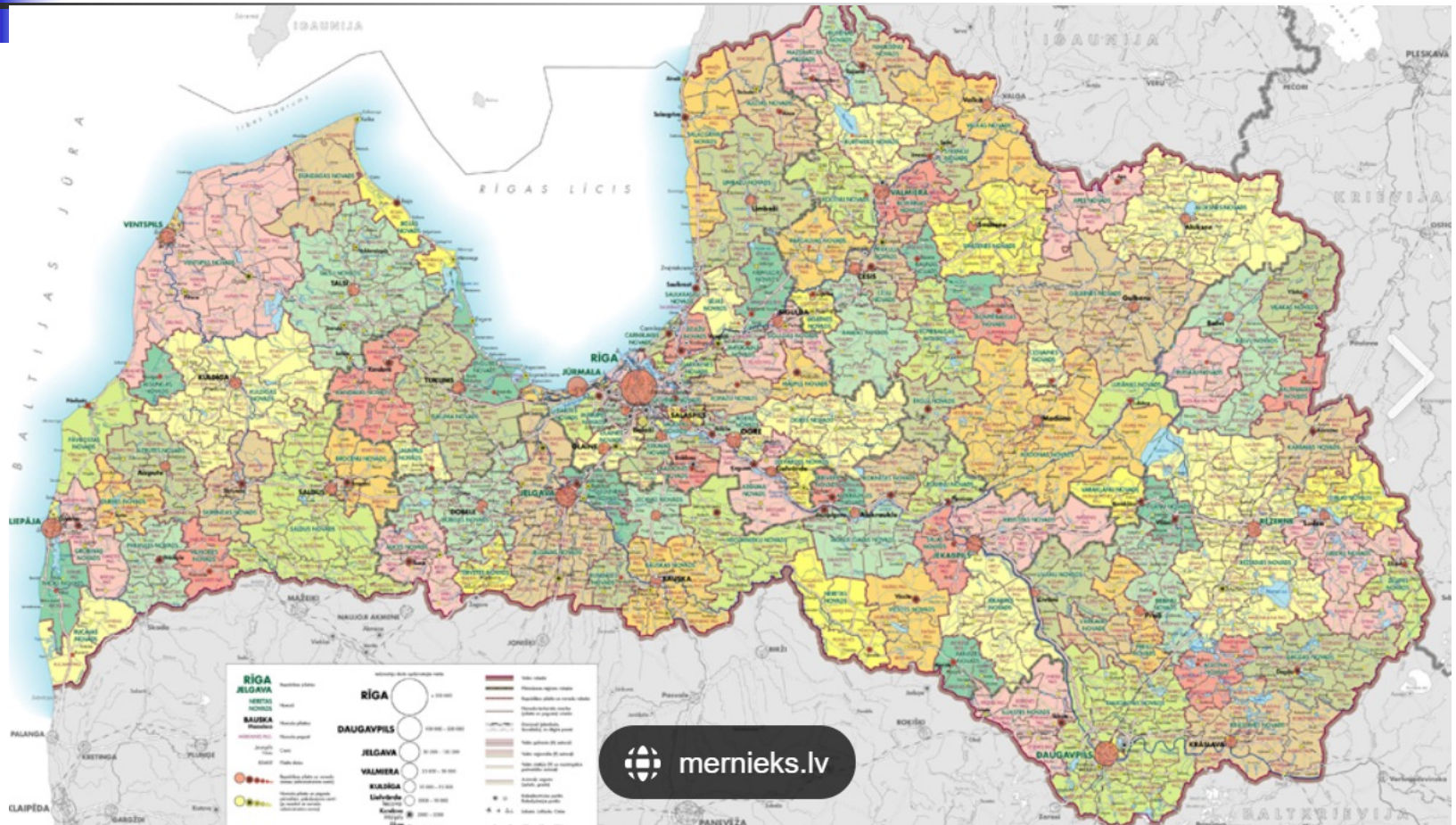
- Informal consultations system:

- Parliamentary commissions
- Working groups and parliamentary commissions
- Co-operation with the employers, entrepreneurs, trade unions, and the Academy of Science

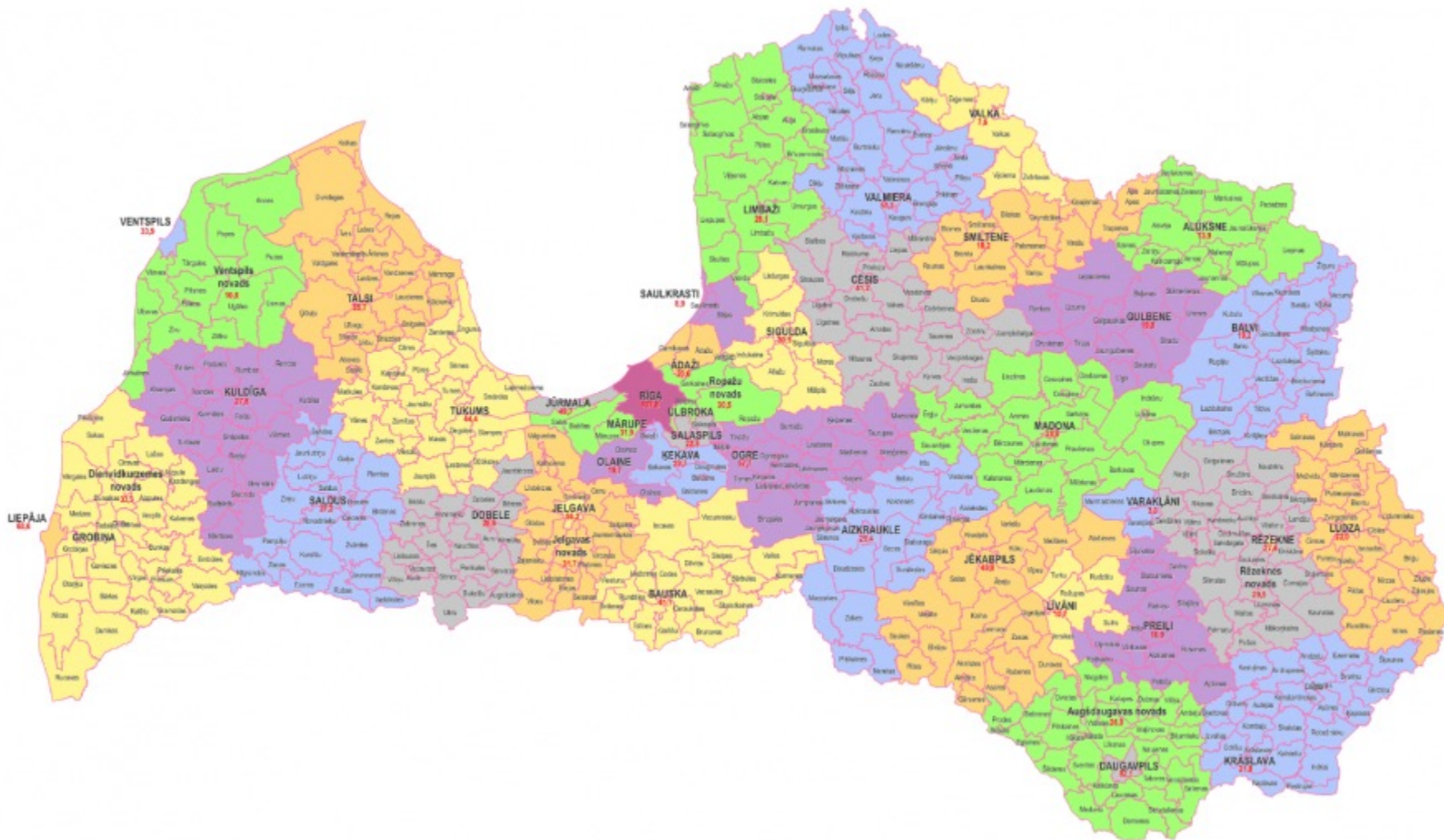
Important elements of reforms' performance

- Splitting of Local and Regional governments, at least several supporters among the members of the LALRG
- Direct worsening of the situation to a minority of population
- Marketing
 - «goal», acceptable for a substantial part of the electors in the next parliamentary elections;
 - «explanations», how the periphery effect could be prevented and why the economy of scale will be greater, than obvious losses from amalgamation
- Splitting of the administrative boundaries change from the content predictable fiscal, property, administrative, and democracy changes
- Preventing consultations with local communities (Art.5 of the European Charter of Local Self-Government)
- Tactics and strategy of reformers in the Constitutional Court
- Hiding the results (lost of statistical data for pre-reform territories)

Administrative division 1990



Administrative division 2023





Interests

- Political parties
- Large farmers
- Real estate market
- European Commissions' bureaucrats
- Local employees
- Centralists
- Localists
- Foreign investors



Transformation of economics

- Privatization to ensure de-Rusification
- Privatization of successful LG and state enterprises
- Non-symmetric policy of competition neutrality
- Restrictions system for politicians and civil servants
- Privileges to the foreign investors

Impact of the Council of Europe



- CLRAE monitoring of the situation with the local and regional democracy
- COE recommendations 1998, 2005, 2009, 2018, 2020
- Destructive role of Russia from 1995 to 2022
- Independent experts group on Charter



Impact of EU

- Cooperation through the Committee of Regions (protecting subsidiarity and proportionality)
- Over regulation
- Avoiding subsidiarity and proportionality by the European Commission
- Shifting of national parliament competencies to locale issues
- Sample for bureaucratization for national and local authorities



Regional development

- Failure with the European Charter of Regional Self Government
- Abolishing of regional governments leads to the absence of regional development budgeting (National Development Plan includes only sectoral policy)
- Historical/cultural regions
- Position of the responsible minister after Reform



Periphery effect

- Facilitation of monocentrism
- Hiding of statistics about internal territorial division in towns, cities and parishes as counterparts of municipality
- Intervention of the central government to the schools network
- Intervention of the central government to the hospitals network

Austerity by decreasing LG resources

- Manipulation with budget information – using absolute figures (avoiding effects of inflation, effects of purchasing parity)
- Avoiding from 3-years framework budget prognosis for LG proportion of taxes:
 - Promise of central government during tax reform – 19,6% from general government tax-revenues in the form of «own income» for LG;
 - In reality from 2019 to 2023 that rate decreases to 16,3%

Shift to participative democracy



- During 33 years – absence of the goal to strengthen political parties
- From 2021 – elections of LG only from political parties
- Discriminative state financing of local political parties
- Law on Local Referenda
- Limitations for LG rights to inform
- Councils of residents (in the internal territorial units – cities, towns and parishes)
- Participatory budgets
- Increasing role of consultative councils and commissions
- Increasing obligatory public pools
- Collective Inquires



Thank you for attention!

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