

# Increasing Quality of Life for Everybody – the Basic Goal and Indicator of the Development Process

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**Abstract.** During elaboration of strategic development principles and their implementation in planning documents, the Saeima focused on increasing quality of life as the basic development goal. Welfare level, safety and sustainability are pillars of the quality of life concept. Quantitative criteria of the quality of life were developed to monitor the implementation of plans regularly and objectively. Criteria are integrated in the quality of life index. Assessment points out that a number of structural activities should be carried out on national, regional and municipal levels to achieve general increase of the quality of life throughout the country.

**Keywords:** quality of life, strategic planning, spatial planning, development goal, Latvia.

## INTRODUCTION

Ancient Greek philosophers Aristotle, Socrates, Epicurus and others have built up the concept of eudaimonia as the most considerable for everybody and therefore as the kernel of philosophy [1]. Thinkers underlined multidimensional essence of the concept; human health and welfare, ethical principles, implementation of his/her desires, etc. are subjects of the term. Approaches were well diversified from very beginning because of primary accentuation of happiness, welfare or some another aspect.

Throughout centuries eudaimonia has been transformed into a concept of quality of life (QoL), which in greater or smaller degree covers all levels of the Maslow's hierarchy of human needs: satisfaction of an individual with his/her life, performance of his/her needs and desires in a broader (material welfare, health, work, family, security, etc., including even such concepts as happiness and faith) or narrower (only in some separate sphere, most frequently it is used analysing health, family and environmental issues) interpretation [2, 3]. Sometimes quality of life is equalized with happiness; in fact already the ancient Greeks saw it as a much broader concept.

It becomes clear that quantitative level of the QoL cannot be characterized by one numerical indicator; set of many indicators should be created. There are two basic quantitative applications of the QoL concept.

QoL is a popular criterion to compare general life standard of society in various countries; set of used objective criteria/indicators is carefully reconsidered and normally based on statistical data. Annual Human Development Index (HDI) that is created in the UN framework is the most popular application [4]. Objective of the HDI is to compare the achieved QoL on global scale in the countries, which are on very various development levels and which implement

different development models. Therefore it is simplified to the utmost (only three criteria, one of them is formed by two indices) and neutral (indicator is only partly oriented to the substantial for UN human-centred position, the weight of each criterion is identical – 33,33%).

Another application is individual's subjective evaluation of his/her own happiness and welfare level; usually it is used in public opinion polls (e.g., various regular Eurobarometer pollings [5]). In this case each respondent estimates his/her life satisfaction by some personal criteria according to poll's valuation system. It is difficult to use these estimations for objective comparison because of very different requirements of people, even of members of the same community in the same country; in addition people are changing in time.

The General Assembly of the United Nations at the dawn of the new millennium adopted the United Nations Millennium Declaration [6]. The aim of the document is to motivate and to support economic and social development throughout the world, especially in poor and less developed countries. Objectives of the document are concentrated on three areas: human capital (food, health, poverty, education), availability of vital resources (water, energy, natural resources, ICT) and rights (peace and security, human rights, freedom and equality); meeting these objectives will stimulate increase of the QoL of all humanity and each individual. At the same time the UN Member States have to adapt these universal principles according to the development level and priorities of the concrete country.

This is a consistently logical approach that would be supported. Aspiration for better life, for higher QoL level, which is deeply human in its essence, has been the main driving force from the infancy of mankind; it is the priority for everybody and therefore for all society in any country. For example, the Declaration of Independence of the US evaluates pursuit of happiness as unalienable human right similarly to life and liberty [7]. Also the European Union regularly underlines a purposeful trend – to increase QoL for everybody in all EU Member States (see, e.g. [8]).

There is no reason to imagine that QoL will lose its importance in the ranking of human priorities in the future. Vice versa, looking on the human-centred future QoL has to be evaluated as a much more valuable issue, although discussions of theorists have not ended yet and supposedly will never end (see, e.g. [9]).

## THE GROWTH MODEL FOR LATVIA

Discussions and afterwards also practical activities, related to the growing QoL as a national development goal for Latvia,

started after joining the EU in 2004. Because of creation of the National Development Plan 2007-2013 [10] (the first comprehensive mid-term planning document after restoration of independence), a natural task came to the front: to determine the main Latvia's development goal (considering also long-term factors) that corresponds to our national interests and that simultaneously is motivating for society and each society member [11]. This task was performed by elaboration and approval of the Growth Model for Latvia [12].

By determining knowledge and wisdom of population, their skilful and purposeful usage as our basic growth resource, a human automatically is brought in the centre of the growth model as a proprietor and user of the knowledge resource; the highest priority has to be given to individual interests, desires and actions (Fig. 1). Only better life, increasing QoL for everybody can serve as the development goal for such model; any other goal will not perform its visionary and motivating functions.

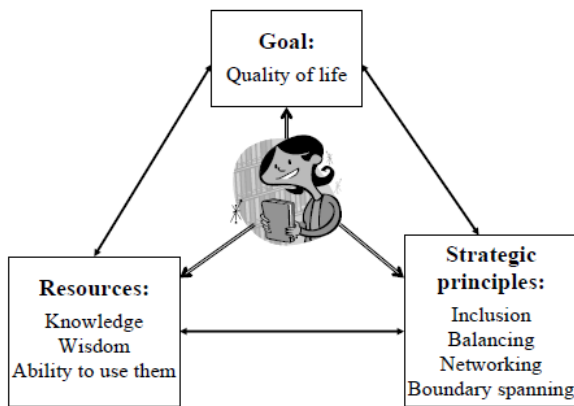


Fig. 1. A knowledge-based human-centred growth model. Source: Commission of Strategic Analysis.

Although individual interests and value priorities are diverse, subjective and deeply personal and produce different opinions about what a good and happy life consists of, the most important desires are centred on the vitally essential factors – higher level of welfare, security for individuals and their relatives, a better future for their children and grandchildren. Welfare (material, physical, psychological, etc.), security (physical, social, external, etc.), sustainability (culture, environment, material resources, etc.) form QoL for everybody.

Because QoL is a multi-dimensional concept, 28 closely interlinked aspects were taken into account; all of them influence the QoL of the population. The individual's quality of life merges with that of the entire nation and together they lead to the emergence of national interests as a whole.

The Growth Model for Latvia was approved by unanimous decision of the Saeima in October 2005. It should be pointed out (especially for people who even today like to speak on lack of development goals in Latvia) that this decision of the Saeima is in force and, so, has to be executed. Correspondent

Law on Development Planning System declares that the Model is a basis for national long-term development strategy and therefore for development planning in total [13]. The National Development Plan 2007-2013 also was created as the Model-based mid-term programme. Unfortunately, the corresponding action plan (which should include concrete activities) has not been created till today, direct linkage with allocation of budget and EU funds has not been established either; therefore the Plan really is not being implemented.

#### QUALITY OF LIFE INDEX

To perform regular and objective examination of the implementation of development plans and achieved progress it becomes necessary:

- to define quantitative QoL criteria that conform to the situation in Latvia and to mentality of the Latvia's population;
- to create integrated numeral QoL Index, which shows real QoL changes in Latvia.

Let us accent that in contrast to the above mentioned global applications our goal is to reflect achieved changes in one country, i.e., dynamics of the process on the national scale. Subjective and objective principles were joined to create the QoL Index [14]. The set of the basic aspects (nine aspects in total), which forms the Index, was created according to priorities that were defined by a number of public opinion polls (executed by Eurobarometer, SIA Latvijas fakti, Commission of Strategic Analysis) as the most considerable QoL aspects for Latvian society (Fig. 2).

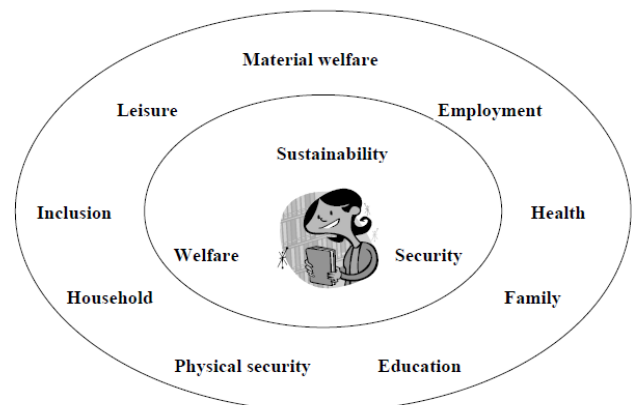


Fig. 2. Quality of life: basic factors and aspects. Source: Commission of Strategic Analysis.

The next step – experts chose indicators for quantitative estimation of each QoL aspect; two basic principles were strictly observed:

- the Model is human-centred and its goal is very human-centred; therefore indicators have to be chosen according to the human's point of view and human's interests in contrast to the ordinary dominant of state's interests in the characterization of development;
- each aspect has to be characterized by indicators that are fixed by regular statistical information (which is provided

by the Central Statistical Bureau); it will guarantee maximum objectivity of QoL evaluation.

17 indicators were selected in total to characterize all aspects. Experts estimated also a specific weight of each aspect in the integrated QoL index as well as value of each indicator in numeral expression of the correspondent aspect to determine a specific weight of each indicator.

Accrued changes of Latvia's HDI and QoL Index since 2003 are shown in Figure 3; it is evident that after a rapid growth during fat years the current crisis has thrown us back below the level of 2007.

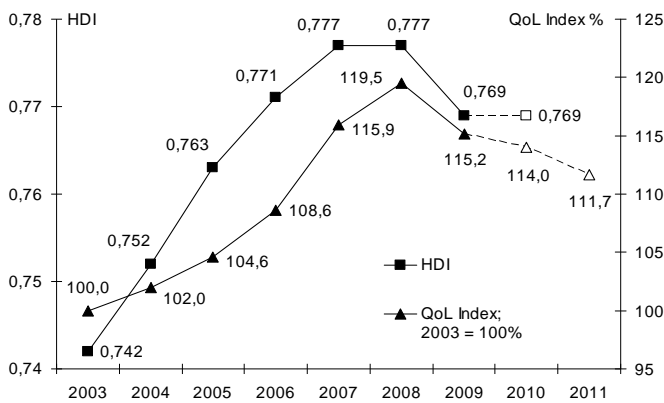


Fig. 3. Cumulative changes of HDI and QoL Index. Source: based on the data from UNDP and CSB Latvia.

COMPONENTS OF THE INDEX AND THEIR CONTRIBUTION

The QoL Index is broader than HDI, it contains a number of indicators, which are very important for our society (e.g., birth rate, employment, dwelling-space, adults' training).

The very popular indicator GDP per capita is not used, because it does not reflect the real income of an individual. Instead of this the material welfare is characterized by three indicators, which show real income level – individual's direct income, indirect benefit from budgetary funding and inflation rate. Together with the interlinked employment indication the weight of these indicators in the QoL index is 30%; however exactly the economic factor in a large measure has determined QoL changes during both growth and crisis periods (Fig. 4). Latvia has not achieved so high population income level yet, when some fluctuations of income have no practical influence on the QoL of the people [15].

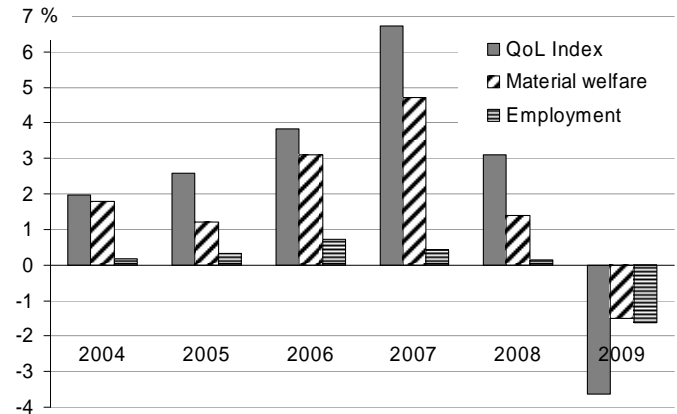


Fig. 4. QoL Index as well as employment and income components. Source: based on data from CSB Latvia.

Wages and salaries in the public sector decreased by 10,7% in 2009, while only by 1,2% in the private sector; nevertheless wages in the public sector are still about 14% higher than in the private sector. Sharp drop of employment indicators is a sign of even more alarming situation (Table 1); businessmen prefer to reduce the number of employees to optimize their business in the crisis period: the number of jobs in the public sector decreased by 10,1% in 2009, but in the private sector – by 23,8%. If the reduction of wages is equivalent to 1,5-year falling back, the employment rates are similar to those after the Russian default in 1998-1999.

TABLE 1

STATISTICAL INDICATORS OF THE EMPLOYMENT

	2008	2009
Active population (age 15-74)	1 215 thsd.	1 187 thsd.
Inter alia:		
Employed	1 124 thsd.	987 thsd.
Job seekers	92 thsd.	200 thsd.
Occupied positions	1 017 thsd.	826 thsd.
Job vacancies	10 600	2 300

Source: CSB Latvia.

There is a very alarming situation in education. Because of its importance level, education is characterized both in statics (proportion of persons with various education attainment) and dynamics (participation/enrolment of youngsters and adults). Increase of the percentage of people with tertiary education is a positive trend; unfortunately humans' interest and motivation to learn are decreasing year by year (from 92,3% in 2004 to 87,6% in 2009 among the youth and from 8,4% to 5,3% among adults); in addition the greatest decline took place in 2009. As a result education indicators point at stagnation (HDI shows a similar situation), general and continuous lifelong learning has not become popular; education actually has not contributed to the development of Latvia.

Demographic situation in Latvia is becoming very dramatic, every year the population decreases by 12 thousand people (the equivalent of disappearance of Ventspils and Valmiera since 2004). So far the statistics does not confirm a

widespread viewpoint on the intensive migration from countryside to cities in search of higher QoL: since 2004 urban population has decreased by 3,3%, while rural – by 2,5% only. However current trends in health and education policies can radically speed up such migration.

The Index characterizes demographic problem by two aspects from various dimensions. The family is the foundation of our society, sustainable family will provide both high birth rates as well as love, health, family care and education for children. Stable family promotes takeover of values and goals in life, it ensures the social protection function during the ageing of society. Lifelong health is not only the top priority for everyone, a healthy society is a basic prerequisite for existence and development of the country. Birth rate and life expectancy at birth have been chosen as the correspondent indicators with the overall weight of above 25%.

There is an indirect inertial connection of these indicators with the economic situation. The rapid economic growth until 2007 also caused a small increase of birth rate and life expectancy (the latter is partly confirmed by the reduction in the number of deaths – by 6,6% since 2004). Unfortunately annual birth growth (approx. 1000 children) was not enough high to stop the adverse demographic trends; even more, the birth rate responded to the economic crisis in 2009 and fell back to the level of 2004 (less than 20 thousand children were born while nearly 30 thousand people died in 2009).

A feeling of physical security is important for people – for themselves and their relatives, for their health and even life, for dignity and property, for security on the streets, at home, at school; security also is interlinked with demography. We have not been able to reduce the total number of offences, but the proportion of serious crime has decreased; the result is fewer injured and dead people. The last factor caused a small positive contribution to the security aspect.

An active housing development in recent years is a well-known fact, according to statistics the living area per capita increased from 23,9 m<sup>2</sup> in 2003 to 27,2 m<sup>2</sup> in 2009; unfortunately much of this space is unoccupied.

Statistics on inclusion and recreation indicators has to be updated every five years, but since 2003 the data have not been available; therefore possible changes of these indicators are not included in the calculation (their total specific weight in the Index is 11.5%).

#### QUALITY OF LIFE IN LATVIA'S REGIONS

There are several mutually contradictory regional zonings in Latvia. Five planning regions have been established according to the Law on Regional Development; six statistical regions have been set up to implement the principles of the EC NUTS Regulation – four of them conform to corresponding planning regions, but Riga planning region is divided into Riga and Riga Suburb statistical regions. However the Rural Development Programme (which is the main or even the only Latvian countryside programme) is based on the voluntary zoning into 9 regions, which are absolutely different ones; in addition closely related plant protection issues are zoned into 7

regions, but environmental protection issues – into 8 regions. Taking into consideration that the Rural Development Programme has not been integrated into the general National Development Plan, fragmentation and weakness of the system can be realized along with chronic lack of adequate information and uncoordinated management.

Assessment of the QoL on the scale of planning/statistical regions is essential for spatial planning and implementation of polycentric development. Unfortunately there are objective difficulties to acquire statistical data and to calculate indicators, first of all because of the small size of the regions and active migration of population; actually only some economic information is available. So identification of certain regularities and regional differences is possible instead of complete calculations of the exact regional QoL indexes.

It is habitual to speak on the low wages of the population of Latgale; payment really is 71% of the Latvia's average wages and only 63% of those in Riga (Fig. 5). However a resident of Latgale produces only 55% of the average Latvian GDP per capita. Statistics shows that people in Riga receive smaller wages for the same product than the average wage, while wages of the rest of Latvians are above average level. At the same time smaller revenues of Latgale's residents means that comparatively larger portion of their household budget is spent for basic needs (food and clothing) and smaller portion for culture, recreation and communication; it is clear that it results in objective negative impact on QoL.

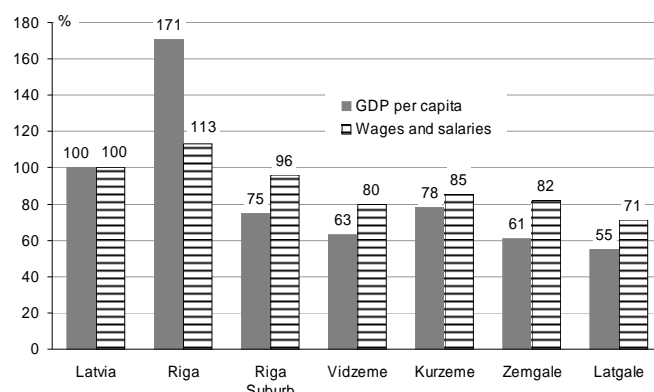


Fig. 5. Gross product per capita and wages in regions; average in Latvia – 100% (2008). Source: CSB Latvia.

The greatest income inequality (Gini index) is in Riga Suburb; it has grown rapidly because of intensive private construction in the suburbs by high-income people during the recent years. But in Latgale income inequality has even declined.

Differences in employment rates between regions are quite conventional due to high local daily migration, which is strong not only around Riga. In any case the unemployment is high in all regions. The largest percentage of economically inactive population traditionally lives in Latgale.

Riga regularly is notable for the highest crime rate (e.g., 44% above the national average level in 2009) far exceeding the other regions; in addition the largest amount of crime since

restoration of the independence took place in 2009. The criminal situation is quite equal in other regions.

In order to get an insight into the assessment of QoL of Latvia's population by various breakdowns (regional, employment status, age, education level, etc), the public opinion survey was carried out by the company SKDS. The survey question was: Please assess from 1 to 7 your satisfaction with the quality of your life, where 7 means fully satisfied and 1 – fully dissatisfied. Respondents were not given any descriptions of the aspects of the notion of quality of life, thus each of them assessed the aspects and their relative value that were individually important specifically to him/her.

The total average of ratings is 3,9 (Fig. 6) that is practically a medium satisfaction level (the survey specified exact medium at 4). The average relative deviation of individual ratings ( $\sigma/\text{naver}$ ) is 0,39, which is a substantial value, showing the continuing high heterogeneity of the QoL of Latvia's inhabitants (that correlates with the Gini index). In majority of the specific breakdowns the distribution of respondents' responses is quite close to the Gaussian distribution.

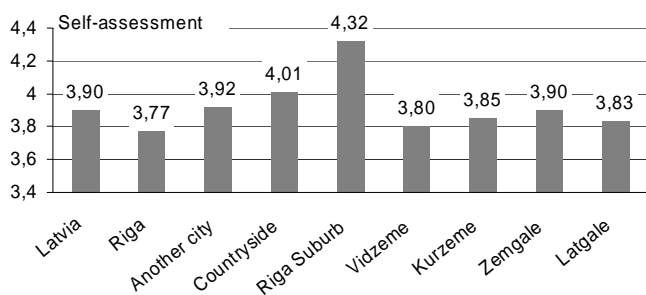


Fig. 6. Self-assessment of the quality of life (2006). Source: Commission of Strategic Analysis.

Responses reflect a surprisingly homogeneous assessment of QoL across the country (the self-assessment of Latgale inhabitants was not glum at all contrary to opinions of numerous experts) with a decidedly more pronounced satisfaction in Riga Suburb. Obviously it is explained by the high concentration of economically and socially well-to-do population in Riga Suburb. Dispersion among assessments of urban and rural population is minimal. It is noteworthy that rural inhabitants in general rate their QoL higher than urban dwellers (impact of high self-assessment of Riga Suburb); in addition, the self-assessment of Riga's inhabitants is lower than that of inhabitants of other cities of Latvia. It is completely understandable that a larger income is a substantial basis for a greater satisfaction with the quality of one's life.

#### QUALITY OF LIFE FORECASTS

It is difficult to make long-term forecasts due to uncertainty of general situation, so only short term quantitative forecasts (2010–2011) would be credible. In addition, the development planning process described above and declared by the Law [13] is not being implemented.

Development planning system that is approved by the Law (in force since 01.01.2009) defines types, levels and hierarchy of planning. The lawmaker has defined goals, tasks, management and coordination of the system, which establishes principally new, systemic and coordinated approach to the development planning at national, regional and municipal levels.

Unfortunately, the Cabinet of Ministers (CoM) has not accepted Regulations that are defined by the Law (time was up by 01.03.2009) as binding for public institutions and/or officials and that are necessary to implement goals; also amendments to other laws to bring them in line with the provisions of the Law [13] have not been submitted to the Saeima. The CoM has not determined procedures for harmonization of planning documents, although the Law defines such a task.

It means that today sectoral ministries, national and regional institutions as well local governments do not have a procedure for coordination of sectoral and regional planning (and therefore coordination is not binding) neither vertically (with the hierarchically highest planning documents – the Growth Model for Latvia, the Strategy for Sustainable Development, the National Development Plan), nor horizontally (mutual as well as sectoral to regional/municipal coordination). Existing CoM Procedure Rules do not require such harmonization for documents of sectoral ministries; each ministry is interested in the sectoral benefits only, regions are excluded from the process at all.

What is more, the Law [13] declares that the hierarchically higher mid-term development planning document is the National Development Plan; the Plan formulates priorities and tactical tasks for the next planning period in accordance with the goals and strategic line that are defined by the Model and long-term documents. Using formal mandate of the Law, CoM has accepted the Regulations (August 2010, i.e., 1,5 years after the final approval term) [16], which define both documentation that may substitute policy planning documents and procedures, how it can be done for indeterminate time period (although according to the spirit of the Law it would be only short-time transitional measure).

These Regulations actually have validated continuation of the existing incoherence and fragmentation of plans and programmes (e.g., the Lisbon Strategy is responsibility of the Ministry of Economics, the EU Strategy for the Baltic Sea Region – of the Ministry of Foreign Affairs, but corresponding budget and EU funds – of the Ministry of Finance without any connection); creation of the National Development Plan 2014–2020 has not started.

A variety of short-term non-coordinated quasi-planning initiatives have been taken, they reflect factional interests only. They appear to be typical whitewashing initiatives of public bodies, they are characterized by supposed lack of common development goals and their obligation to follow only pre-established bureaucratic requirements. In fact, the Saeima has approved the goals and priorities, but public bodies have not created tools and/or performed activities for

their implementation; there is lack of knowledge and rules on coordination of these priorities/activities among sectoral and national institutions.

Overall, new advanced approach to development planning and implementation of the adopted plans has not been developed. Both political and deskbound levels successfully continue to ignore the Model [12] and the Law [13] approved by the Saeima; really the necessary system-formative political and legal kernel for increase of the QoL of the population has not been created. Exactly during the crisis optimal use of scarce resources is extremely important to achieve maximum benefit, without programmed activities it is a hard task to forecast progress.

Current Latvia's economic policy and activities are indeterminate. The internal market is very weak, but future of export activities fully depends on the aspects of global economic situation:

- Impact of current huge subsidies for certain sectors of the big economies and their discontinuance;
- Policy of the Euro zone and the Euro rate;
- Possibility of the second wave of the crisis.

In general, a period of stagnation is very possible.

Due to biased requirements of international creditors, revenues of the population from public funds are falling, there are reduced budgets for health, education, public transport, etc., cancelled indexation of pensions, cuts to social programs. In addition, the country has returned to inflation.

Although employment rate decreased to a minimum at the turn of 2009/2010, its growth is very slow and the indicator for 2010 will be lower. The number of long-term unemployed has rapidly increased (tripled). The economy will not recover due to the labour-intensive activities; the only possibility is growth of productivity and higher value-added of products, but this option will not contribute to increase of the employment rate. In addition, strata of the population have been formed that are crafty in use of social programs and do not seek to be employed at all.

The improvement in education cannot be predicted. Primary education becomes problematic in rural areas, small schools are closed, there are transportation problems and poverty. There is a growing risk that children from poor families (lack of money for school-related expenses) and children with special needs (insufficient number of accordant educational institutions) will not be enrolled. Students' knowledge, understanding and logical thinking level are decreasing, as shown by the international tests.

Career guidance activities at schools are insufficient; therefore educational choice of young people is not sufficiently focused. Professional education is characterized by weak students' knowledge level and low motivation to learn.

Enrolment in higher education establishments is declining for several years, although universities have to face sharp demographic drop only now; so the only advantage that allowed maintaining educational assessment on at least neutral level is lost. Where would we find innovators who will

develop the economy? Overall, educational indicators predict recession; the question is just how sharp and how long it will be.

Dynamics of health (life expectancy at birth) and physical security indicators are encouraging so far. However, a systematic reduction of the health budget and lower revenues of the population will strongly weaken this trend in the future. Past experience also shows that crime level increases during periods of economic problems (1990–1993, 1998–2000); let us hope that this regularity will not be repeated.

The demographic problem in the country remains one of the central unresolved long-term issues. Indicator of the family value (birth rate) perfectly correlates with the number of marriages; the latter has been rapidly decreasing since 2008 (23% in 2009), at present we are back on the level of 2000. In addition, opinion polls show a growing dissatisfaction with the support of families with children (66% of respondents in 2008). Because of absence of national demographic strategy, there is no reason to expect an increase of the birth rate.

Dwelling construction has stopped after the rapid growth in 2003–2008 (0.6 m<sup>2</sup> per capita annually). Because many houses remain unoccupied, it is hard to look forward to substantial growth of this indicator in the near future.

Overall, the future expectations, unfortunately, are not encouraging. Even if the GDP data slowly improves, other inertial indicators will not support the increase of the QoL in the nearest years. If new global economic cataclysms do not follow (that certainly cannot be excluded), the QoL decline will reduce, it will not be as fast as in 2009; the expected annual reduction for 2010 and 2011 is in 1-2% range, therefore inertial indicators fall in 2011 seems to be greater (fig. 3).

#### SPATIAL ASPECTS OF THE QUALITY OF LIFE

The trend to positive changes of the QoL is slightly more promising on the regional level due to performed activities of the former Ministry of Regional Development and Local Government; according to the Law [13] a methodology for creation of development programmes has been elaborated [17]. The Methodology prescribes that regional and municipal programs should comply with the strategic polycentric principle (that is accentuated by the Model [12] and the current National Development Plan), it also should ensure their implementation according to coordinated priorities.

Qualitative analysis of the current situation and planning of the next period measures and/or activities have to be based not only on economic indicators, but also on all other QoL related aspects (e.g., human resource development, education, transport infrastructure, natural resources and environment protection, services of general interest, social services and public security, health care and culture).

Elaboration of the development programs for planning regions has been started on the basis of the Methodology. All planning regions have already developed projects of the region's economic profiles (including necessary surveys and studies within the region), which is the first stage of the planning process. Advanced planning model of regional

development programmes would become a real basis for targeted actions on the national level.

At the same time the future of planning regions has become blurry: the current Declaration of Activities of the CoM declares liquidation of the regions. Decision of the CoM obliges the unified Ministry of Environmental Protection and Regional Development to submit specific proposals for transfer of regional planning functions, rights and obligations as well as property and financial resources till 01.05.2011. It is impossible to complete the debate on regional governance in some months (the debate is going on for 16 years), therefore really it means the transfer of functions to the Ministry. It will be a full cancellation of all previous efforts to coordinate all planning levels and to achieve their common and targeted action for development of the country and enhancement of the QoL of the society: the state administration is not ready for reforms, but local governments are too fragmented even after administrative reform. Without coordination at regional level it is impossible to talk about serious development tools in the context of Vidzeme, Kurzeme, Zemgale or Latgale.

Willingness and/or ability of the politicians and civil servants is necessary to advance national development policy, to fulfil mission and objectives of the spatial planning, to ensure development and growth of the QoL throughout the country; a number of structural activities has to be performed:

- 1) division of the regions should be based on a single territory, self-sufficiency, growth potential, sufficient intellectual, economic and social capacity, development centre that is responsible for the region;
- 2) single regions for the development planning and implementation as well as for administration of the country have to be created; regional functions have to be declared and regional capacity built up (transfer of the portion of public functions as well as territorial breakdown of the national level functions); conversion of the planning regions into regional authorities would become a regular practice in the future;
- 3) real model of polycentric development (incl. the remote areas where daily approachability of major development centres is bothersome) should be implemented, including QoL aspects (but not limited to): access to quality health care within a reasonable distance from the place of residence, strengthening the whole spectrum of the education system in regions, establishment of the one-stop shop for public services in development centres, universal availability of qualitative national and local level public services, special support programs for borderland (e.g., for employment, education, health care issues);
- 4) Riga has to be defined as a special region with diverse functions and targets; both Riga's and national interests require to limit the territory of the region within the borders of the city of Riga;
- 5) participation and role of regions in development planning and implementation process should be strengthened radically; the National Development Plan 2014–2020 has to be developed by combining top down (national priorities and objectives) and bottom up (based on development

programs of regions) principles, including implementation of balanced urban/rural cooperation and development of the infrastructure;

- 6) the role and responsibility of the CoM and the Prime Minister related to regional development has to be determined; the CoM has to elaborate and approve Regulations declared by the Law [13] as soon as possible;
- 7) functionality, responsibility and potential conflict of interests (environment protection vs economic development) of the Ministry of Environmental Protection and Regional Development have to be analysed.

#### QUALITY OF LIFE PROSPECTS IN THE REGIONS

Current very low population density in the regions (15,3 people per km<sup>2</sup> in Vidzeme, 22 – in Kurzeme, 23,4 – in Latgale, 26,1 – in Zemgale in 2010) significantly raises costs of all technological and social infrastructure as well as services, particularly taking into account rural tradition to live in farmsteads. In fact, the costs have become non-affordable economically, and that implies decreasing QoL for the population.

Without the targeted policy, which supports regions, the QoL increase will take place only in Riga agglomeration and in some of the largest cities. A dramatic decrease in the number of population will continue in Latvia's regions and smaller towns due to the above described problems (i.e., migration, demography, decreasing QoL).

Nevertheless, growth of the QoL level in the regions certainly is possible; implementation of the structural activities that have been discussed in the previous section will become an incentive prerequisite. Achievements in each region will be determined by the activities of development centres and their responsibility for the entire region; particularly it relates to employment, health care, security, education, social and public services.

Comparative advantages of each region will continue to be the key source for economic growth. Relative proportion of sectors in the regional aggregate product is different in various regions; e.g., the largest proportion of industry is in Kurzeme, of agriculture – in Zemgale, of financial intermediation and commercial services – in Riga (2008).

There are several main advantages of Zemgale: important transport corridors and their intersections, the most fertile arable land in Latvia, intellectual and research resource (network of educational institutions including the Latvian University of Agriculture), well-developed business infrastructure. Two cities of national significance (Jelgava and Jekabpils) are developing as health, education, research, culture, sports centres and driving forces for the development of the region.

Efficient exploitation of this potential provides all preconditions for the development of Zemgale and growth of the QoL in the region. A large part of the territory of the region is actually a part of the Riga agglomeration, therefore the QoL indices of the correspondent population are closely linked with the further development of Riga; this issue will have a positive impact in future too. Support of governmental funding is necessary for infrastructure, education and research; a special employment promotion programme has to be

developed for the left bank of the Daugava (from Jaunjelgava).

Prosperity of Kurzeme will be determined by two pronounced development centres (Liepaja and Ventspils), know-how and success in use of their geographical (ports) and intellectual (education, universities, research) potential to enhance the QoL of the entire population of the region.

To ensure increasing QoL in the Kurzeme Region, it is important to develop state assistance programme in employment, education, health care and public service segments. This particularly applies to the former district centres Kuldīga, Saldus, Talsi and their neighbouring small counties; there is a threat that equable increase of the QoL in Kurzeme is not possible without appropriate measures. If the symbiosis of region's possibilities and external support is achieved, there will be a challenge for Kurzeme to attain high QoL increase.

Situation in Vidzeme is more complicated than the prospects of the two above-mentioned regions: Vidzeme is the largest region by territory and population in the set of four, but there are no large cities (even on the Latvia's scale) in the region. Only Valmiera and Cēsis (potential development centres) have sufficient potential (existing infrastructure and services) to attract new business, thereby dealing with the critical problem of employment and affecting positively also the hinterland.

List of Vidzeme's advantages includes uniformity of urban areas and relatively developed road network, as well as opportunities for education, tourism and cultural development. A stable growth of the QoL in the region is possible if the infrastructure investments and employment promotion measures take place in all the former district centres at least. A borderland (especially Alūksne) is the problem for Vidzeme; unemployment and population drain from this area will continue without immediate incentives from the government.

Potential of Latgale is closely interlinked with growth of its development centres Daugavpils and Rēzekne. Existing main transport corridors have to be exploited not only for local business needs, but also as an East-West bridge with well-developed infrastructure and services. Latgale is an important tourist region, the natural and cultural values as well multicultural environment are the advantages.

Daugavpils and Rēzekne are important education centres; there is a challenge to improve intellectual and research (innovation) potential and to increase the currently low added value of Latgale's products. Particularly critical situation is in the borderland (Balvi, Ludza, Karsava, Zilupe), where, as in Alūksne, governmental assistance is necessary; the local resources are too small to ensure increase of the QoL.

Economic, intellectual and social capacity of Riga has always been a determining factor in growth of the QoL in the region, this trend will undoubtedly continue in the future.

However, the development of Riga is currently taking place autonomously; the necessary cooperation between Riga and the rest of Latvia has to be implemented in order to exploit the capacity and potential of Riga for enhancing the QoL throughout the country. Even the development of Riga Suburb (that is a part of Riga planning region) currently is determined only by its position in the Riga Agglomeration; many of

employment, education, culture, etc. aspects are managed by the capital.

There are problematic areas in the currently hypertrophied Riga region (territories of former Limbaži and Tukums districts), where growth of the QoL is at risk – Riga as the place of employment is located too far away, but the surrounding area is territory of another region. Reduction of Riga Region territory till the border of Riga will prevent current enormous heterogeneity, will strengthen Riga's potential as well as will interlink the mentioned remote areas with their neighbours in Kurzeme and Vidzeme.

## CONCLUSIONS

Decline of the QoL by 3,63% in 2009 has thrown us back below the level 2007. A further fall can be predicted in 2010–2011 till the level of 2006.

The dominance of material aspects in the QoL Index, which was calculated in the years of the strong economic growth, shows that transformation of economic benefits in improvement of all aspects of the QoL (health, education, security, etc.) has not been achieved. Quantity and quality of our human resources, demographics, health and educational prospects remain our major problem; nevertheless this is a problem not only for Latvia.

On the other hand the contribution of these aspects to the assessment of Latvia's HDI is currently the largest one (with respect to nonincome HDI Latvia moved 10 positions higher in the world ranking); it shows our inability to exploit existing human resources for economic growth. In total one can see lack of understanding on necessity of complex well-coordinated national development; if current stochastic approach is maintained, there are no chances to be successful in contemporary harsh world.

Available regional statistics, as well as quite homogeneous self-evaluation of the QoL made by respondents from regions and rural areas show: there are no futureless regions in Latvia. At the same time the need to encourage the polycentric development much more actively is affirmed; only the symbiosis of smart exploitation of region's comparative advantages with purposeful governmental support will sustainably increase the QoL for everybody.

However, a range of structural activities should be carried out in order to implement the single development planning process at national, regional and local level as the Growth Model for Latvia and the Law on Development Planning System determine it.

If the current sharp drop of the number of population continues, technological and social infrastructure costs will inevitably lead to emergence of large unpopulated rural areas. Since we are short in time (a solution is necessary in the medium term), a natural increase cannot help us. Therefore issues of managed immigration have to be resolved immediately; otherwise uncontrollable immigration process with unpredictable consequences will take place, including a sharp drop in the QoL for original inhabitants.

Adequate statistics on national and regional levels is needed for comprehensive evaluation of the development process and



analysis of the QoL. The currently used five-year period for collection of several indicators is too long for the dynamic XXI century; annual conduct of such surveys is a perfect decision (see, e.g., [18]), 3 years would be a maximum interval.

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#### **Edvins Karnītis, Māris Kučinskis. Ikvienu iedzīvotāja dzīves kvalitātes pieaugums – attīstības procesa pamatmērķis un indikators**

Izstrādājot valsts stratēģiskos attīstības principus un plānošanas dokumentus to īstenošanai, Latvijas Saeima izvirzīja augošu dzīves kvalitāti kā attīstības galveno mērķi šī termina plašā daudzdimensiju izpratnē. Latvijas iedzīvotājiem vitāli nozīmīgie faktori – augstāks labklājības līmenis, lielāka drošība sev un saviem tuvākajiem, labāka nākotne bērniem un mazbērniem veido dzīves kvalitātes pamatvērtības. Lai regulāri objektīvi izvērtētu plānu izpildi un sasniegto attīstības progresu, tika definēti Latvijas apstākļiem atbilstoši kvantitatīvi dzīves kvalitātes kritēriji un tos raksturojoši skaitliskie indikatori, kurus nosaka regulārā statistiskā informācija. Rādītāju kopa veido integrētu dzīves kvalitātes indeksu. Materiālo aspektu dominānce straujās ekonomiskās izaugsmes gados aprēķinātajā dzīves kvalitātes pieaugumā rāda, ka netika panākta ekonomisko ieguvumu transformēšanās visu dzīves kvalitātes aspektu būtiskā uzlabošanā (veselība, izglītība, drošība u.c.). Pašreizējā demogrāfiskā situācija ir kritiska, izglītības aspekti ir ļoti satraucoši. Tuvākā nākotne nav cerību viesoša pasaules krīzes un Latvijas nekoordinēto darbību dēļ. Pieejamā reģionālā mēroga statistika, kā arī iedzīvotāju samērā vienmērīgais savas dzīves kvalitātes pašvērtējums apliecina, ka valstī principā nav bezperspektīvu reģionu. Vienlaikus apstiprinās nepieciešamība visos veidos aktīvi stimulēt policentrisko attīstību, balstoties uz katra reģiona salīdzinošajām priekšrocībām; tikai tā valstī varēs vienmērīgi paaugstināt dzīves kvalitāti ikvienam iedzīvotājam. Ir nepieciešama virkne strukturālu darbību, lai tiktu īstenots Saeimas noteiktais attīstības plānošanas process un panākts progress valsts, reģionālajā un pašvaldību līmenī.

#### **Эдвин Карнитис, Марис Кучинскис. Рост качества жизни каждого жителя страны – основная цель и индикатор процесса развития**

Вырабатывая стратегические принципы развития и внедряя их в документы планирования, Сэйма сфокусировалась на повышение качества жизни как на главную цель развития в широком смысле этого слова; его императивы – растущий уровень благосостояния для каждого жителя, безопасность его и его близких, обеспечение лучшей жизни его детям и внукам. Для объективной оценки выполнения планов были определены количественные критерии качества жизни и цифровые индикаторы, которые отображают интересы людей и основаны на статистической информации. Совокупность критериев формирует интегрированный индекс качества жизни. Доля материальных аспектов в индексе являлась доминирующей в течение 2004-2008 гг.; это показывает, что не было достигнуто использование стремительного экономического роста для повышения других аспектов качества жизни (здоровье, безопасность, семья, и др.). Текущая ситуация в демографии критична и в образовании очень тревожна. Перспективы ближайшего будущего в целом малообещающие в связи с глобальным кризисом и слабо координированными действиями в Латвии. Оценка регионов и самооценка населения показывает, что в стране нет бесперспективных регионов, но для всеобщего повышения качества жизни исключительно важно активизировать стимулирование полицентрического развития, в основе которого положены сравнительные преимущества каждого региона. Поэтому следует предпринять ряд структурных действий для полной реализации принятого Сэймой процесса планирования, для достижения прогресса на государственном, региональном и муниципальном уровнях.