

The Theoretical and Practical Application of Regional Policy in the Regions of Latvia

Līga Jankova, *Latvia University of Agriculture*

Abstract. The role of the region has changed historically - from a geographical territory to a planning region, the competence of which is to enhance the development of the region for achieving the average EU development indicators in the gross domestic product (GDP), the unemployment level and other indicators affecting welfare nowadays.

The research clarifies theoretical aspects of the regional policy, summarises the outcomes of the regional policy implementation in the regions of Latvia. Macroeconomic indicators of the regions of Latvia, such as changes in the population amount, the gross domestic product (GDP) produced in the regions, are analysed.

Key words: regional policy, regions, indicators

The aim of the research is to analyse the theoretical and practical implementation of the regional policy in Latvia.

The research hypothesis: As a result of the regional policy implementation, the development levels of regional planning are different.

To achieve the aim, the following objectives have been set:

- to summarise theoretical aspects of the regional policy as interpreted by various authors;
- to evaluate the regional policy of Latvia from 1991 – 2010;
- to compare the outcomes of the regional policy implementation between the regions of Latvia.

In the 18th century A. Smith [1] indicated to the need for national regulation when planning economic processes, facilitating the collaboration between the private and the public sector, national regulation of resources, price, salary, profit and other revenues and which is the historical foundation for developing regional policy. The representative of German school of economics A. Miller (1779-1829) [2] considered that the basis of regional policy is formed by the comparison of the research of economy facts and lifestyle of the nation, traditions, and state policy. World economists of the 20th century [3] brought in new verities of the regional policy, defining it as the structural policy of the country, which is the total of political measures affecting components of the economics industry or the regional structure. Russian economists A. Granberg [4], V. Vidjapin [5] relate the regional policy with the strategic development, specialisation and planning of the regional policy, separating the most important conditions for the policy development required for the country to operate purposefully, to enhance growth of the regions – development of the entrepreneurial environment. English economist A. Kuklinski [6] admits that a country's regional policy can be implemented by applying two methods: direct and indirect ones. The direct method means that laws

are adopted, documents are developed, measures and executors are indicated and functions are delegated. The indirect method means that the regional policy is not clearly and explicitly defined, the adopted laws and documents are general, some measures are planned to reduce the territorial, economic and social differences.

When summarising the methods of the regional policy in the 20th century, Russian economists V. Dergacov and L. Vardomskiy [7] distinguish between the stimulating and re-distributive methods. The stimulating regional policy is aimed at the territory development by applying different instruments. As a result of the re-distributional regional policy, financial resources from tax revenue of the more developed territories are directed to less developed ones.

Conditionally, L. Litavniece classifies instruments of the regional policy into: taxes and duties, subsidies and grants, guarantees, loans and legislation, mentioning financial support in different forms of expression as one of the most widespread instruments. I. Vaidere [9, 10, 11] has defined elements of the regional policy, revealing their separate structures and considering that the development of an industry depends on the established goals of the regional policy. E. Vanags [12], S. Keišs [13] consider that the social and economic structure of the region and the entire country changes as a result of implementing the regional policy.

Having summarised the authors' opinions, the author of the present paper concludes that the regional policy is an integral part of the country's development policy and it has the particular goals that provide particular measures by applying various methods and instruments to reduce differences between the regions, introducing changes in the population's welfare level and impacting on the social and economic processes. Objects of the regional policy are municipalities of towns, territories and villages, the territorial state power and administration authorities, non-governmental organizations, commercial enterprises, businesses, individuals, households and every single inhabitant of the country. Regional development depends on the executors of the regional policy – regional municipalities, their ability to impact on the regional policy objects by applying various instruments and mutually cooperating with enterprises at all levels.

The historical development of the regional policy in Latvia can be divided into two important periods: the pre-accession period, when Latvia became an independent country and declared its goal to become an EU Member State, and the post-accession period, when Latvia attained its goal and connected its development with the common EU regional policy. The common feature of both periods is the

implementation system of the regional policy in Latvia, which is represented in Figure 1.

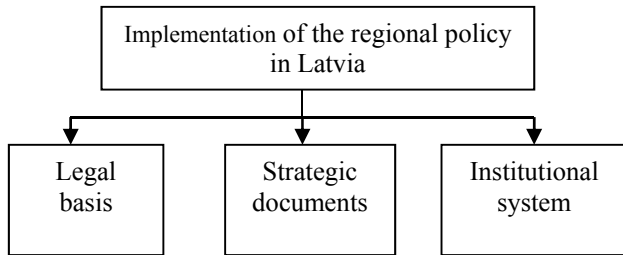


Fig. 1 Implementation system of the regional policy in Latvia. Source: Author's designed, based on [14].

As provided by the Law on the Development Planning System (2008) [14], the regional policy implementation system is regulated by:

- legal basis – laws of the Republic of Latvia, regulations of the Cabinet of Ministers (CM);
- strategic documents – planning documents of national and regional level;
- institutional system that oversees the implementation of regional planning documents.

The pre-accession period of the regional policy in Latvia (see Table 1)

II. TABLE 1.

STRATEGIC DOCUMENTS, NORMATIVE BASIS, REGIONAL POLICY INSTITUTIONS IN LATVIA FROM 1991-2004

Period	Strategic documents	Normative basis	Institutional environment
1991-1996	Regional policy is not implemented		
1994			MEPRED established
1996	Basic Statements of the Regional development of Latvia (1996)		
1997		Law "On Especially Supportable Regions" (1997)	
1998		Law on Planning the Territorial Development (1998)	Development of the Regional Fund
2002		Law on Territorial Planning (2002), Law on Regional Development (2002)	
2004.	Basic Statements of Regional Policy (2004)		

III. Source: Author's designed, based on I.Vaidere (1999), (2006)

During the period of 1991-1996 the regional policy was not implemented in Latvia. In 1994 the Ministry of Environmental Protection and Regional Development (MEPRED) was established and it had to deal with issues of the regional policy. The Ministry started its work with developing the state conception of the regional policy. In 1996 the Cabinet of

Ministers approved the Conception of the Regional Development Policy of Latvia [15]. The document offers the basic definition of the regional development policy as harmonised and organised activities for the country's regional development that include a total of particular operational principles, methods, means and measures. The regional development policy is considered to be an element of the general development policy of the country.

In 1997 the law "On Especially Supportable Regions" was adopted [16]. The law provides the definition of the especially supportable region. The development of the especially supportable regions was facilitated by means of regional support: state investment in the infrastructure, special crediting policy, investment in grants, lump-sum payments to enterprises (business entities) and municipalities, measures of economic education, development of free (special) economic zones, administrative and other measures that are based on the development programmes of especially supportable regions and where the shared financing principle was applied. The tax incentives stipulated by the law were applied to the especially supportable regions.

To facilitate the economic development of the especially supportable regions, the Cabinet of Ministers established the Regional Fund (see Table 1) and approved its statute.

The Regional Fund could finance:

- investment in the statutory capital of an enterprise (a business entity);
- interest payment for the purpose loans that are successfully used according to the submitted business plan;
- lump-sum payments (payment for economic education, premium for creating new jobs, etc.) to enterprises (business entities);
- investment grants;
- partially – local development funds of especially supportable regions and working out development programmes of the especially supportable regions;
- expenses for ensuring operation of the Regional Fund.

In 1998 the Saeima of the Republic of Latvia adopted "Law on Planning Territorial Development" [17]. The law worked as an umbrella law that provided basic principles of planning the territorial development, types of plans, responsible institutions and their functions.

Two laws were adopted in 2002:

- Law on Territorial Planning (2002)[18], which provides the territorial planning levels and documents, their development terms, the procedure and public discussion of territorial planning, as well as the competence of public institutions at the national, regional, local and the planning region levels.
- Law on Regional Development (2002 [19]), which provides the total of regional development planning documents and their development terms, mutual concordance, as well as the functions and the responsibilities of the state, regional, district and local level authorities when planning development. It provides

that municipalities form five planning regions – Kurzeme, Latgale, Riga, Vidzeme and Zemgale regions – for planning and coordination of the regional development and for ensuring collaboration of the municipalities.

When the above laws took effect (see Table 1), the “Law on Territorial Development Planning” (1998) and the law “On Especially Supportable Regions” (1997) became invalid.

The pre-accession period of the regional policy in Latvia (see Table 1) ended with the “Basic Statements of Regional Policy” [20] approved by the CM on 2 April 2004. Basic statements of the regional policy provided for the national regional policy for the coming 10 years.

The goals set in the basic statements of the regional policy and the anticipated activities substantiate that the regional policy comprises all regions of the country, searching for the most effective development tools for each. However, so far they have been very slowly implemented in practice. Based on the subsidiarity principle, a significant role should be assigned to the regions that could determine the necessary financing themselves, as well as the industries and fields where the particular region needs the state support.

However, the current status of the planning regions makes this process complicated. The view that the regional development policy is a part of the national development policy, that planned development of industries (sectors, areas) should include the territorial dimension (division) and that industry plans should be coordinated with the regional development documents is only gradually developing. However, a precondition for the implementation of such a principle is the ability of the region to determine priorities of its development to focus on. The only instrument that is unequivocally evaluated as a purposeful means of the regional development policy is the Programme for the Especially Supportable Regions which implementation began in 1998 and was continued from 2004, only in a wider form and amount, within the framework of the SPD measure in the form of a grant scheme.

Since early 2003 the main competences regarding regional policy have been divided between the Cabinet of Ministers, the National Regional Development Council, the Ministry of Regional Development and the Local Government and State Regional Development Agency, five development Councils of the planning regions and development agencies of the planning regions and municipalities. The operation of all the ministries is closely related with the regional development issues as a horizontal line of operations. At the same time, there is a tendency that ministries are increasingly competing among themselves rather than collaborating in resolving the regional development issues. It encumbers development and implementation of the effective regional development policy. Operation of the regional councils is similarly problematic. The elected regional councils consist of members of the largest municipalities who have different interests and political views. As a result, the region does not have a territorial unity, but is split into smaller units of influence.

From 1991 to 30 April 2004, Latvia did not have a long-term regional policy. In the regional policy context, medium-term and short-term laws, Regulations of the Cabinet of Ministers and concepts were adopted to arrange the regional economy according to the EU requirements and to allow solution of regional problems with the help of the EU regional policy instruments – funds.

To implement the regional policy, an institutional system at the level of ministries and agencies of the planning regions has been developed, but the centralised management system of the institutions hampers the planning regions from working in a decentralised manner. Taking into account the significant amount of financing directed to the development of particular territories, the EU PHARE, ISPA, SAPARD and INTERREG programmes are significant means of impact on the regional development policy.

A. The post-accession period of the regional policy in Latvia

Since accessing EU, Latvia has received access to the significant amount of EU resources for the period 2004-2006, which has already ended, and for 2007-2013, the acquisition of which is still continuing, which to large extent affects the development of not only the entire Latvia, but also of the particular territories.

When introducing EU Funds, Latvia was defined as the NUTS2 level region, which is not divided into smaller territorial units. The priorities and measures identified by SPD, within the framework of which EU financing has been attracted, are based on the priorities identified by NDP.

The EU funds acquisition period of 2007-2013 was planned based on the strategic goals defined in the National Development Plan (NDP). The section “Growth in the Regions” of the NDP for 2007-2013 presents the tasks to be executed within the framework of the regional policy. The plan determines the strategic goal of the country’s development, priorities to attain this goal, preconditions for the country growth, as well as tasks to be solved for attaining the goal. In the section “Growth in the Regions” of NDP, the tasks to be solved within the framework of the regional policy for 2007-2013 are indicated. NDP is designed to serve as an important means of planning the country’s development, which determines the basis for using resources of the EU structural funds during the next programming period (2007-2013).

The NDP presents a new conceptual approach – the polycentric development idea, thus facilitating the strengthening of the potential of cities as driving forces of the regional development, as well as developing a network of cities to create preconditions for a balanced development of the country. Thus, the cities should become a significant driving force for the development of every region and the entire country. The city-environment priority “Polycentric Development” co-financed by the European Regional Development Fund (ERDF) will be implemented as one of the instruments for facilitating the polycentric development in the programming period 2007-2013. The planned measures within

its framework are directed to strengthening the potential of cities as driving forces of the regional development, as well as developing functional connections with the closely lying territories according to the integrated approach to the city development.

A significant planning document for the regional policy of Latvia for 2007-2013 is the State Strategic Plan for the Rural Development in Latvia for 2007-2013 [22]. This document shall be considered as a development planning document of the territorial significance.

The strategy is based on the situation analysis and the overall goal of the strategy is “an affluent individual in a sustainably inhabited countryside of Latvia”. The strategy implementation has several directions:

- development of the abilities of the rural population;
- sustainable management of the rural natural resources;
- development of the rural space for life.

To achieve the action directions, measures financed by the state support and of European Agricultural Fund for Rural Development are implemented; the investment is directed through four action programme axes.

- facilitating the competitiveness of agriculture and forestry industry;
- improving the environment and rural scenery;
- facilitating the quality and rural life and economic variety;
- Leader axe.

Summarising the development of the regional policy in Latvia, the author has come to the following conclusions: the regional policy in Latvia is at its development stage. Before Latvia became an EU Member State, it had to develop the regional policy itself. These activities began with adopting conceptions and laws and establishing institutions. In the post-accession period, the regional policy of Latvia is implemented by applying the centralisation principle, all planned measures of the regional development are determined with the help of EU regulations which provide planning of the EU funds, not extracting the regional needs based on the strategies of planning the development of regional territories but allocating financing to the regions, based on the project application tenders. The agriculture development plan is considered to be the regional policy’s implementation document. It is designed without evaluating the regional needs, but based on EU views and requirements, which is the easiest approach; planning has taken place at the ministry level. The author of the present paper considers that the factors that have hampered regions from developing the regional development policy are the too fragmented municipality system of Latvia and different political interests in the regions.

Undeniably, the slow course of the administrative territorial reform has caused a slow-down effect on the regional policy development. According to the author of the present paper, Latvia needs the regional development policy that is designed based on evaluation of the regions, by signing mutual agreements between regions/municipalities. According to the author, Latvia needs such a regional development policy that

is formed based on the evaluation of the opportunities of the region. Development opportunities of each region are reflected in regional development strategies, but financing for their implementation is not planned at the national level

Stimulating the regional territories has been topical in EU Member States since the 50s of the 20th century, when development of the territories was determined by the EU regional policy. EU funds foreseen for reducing regional differences of the Member States are most important. They can be divided into two big groups: pre-accession funds and post-accession funds.

Before Candidate States become Member States, they have access to pre-accession programmes (see Figure 2) that are financed by EU funds: the European Regional Development Fund (ERDF) financed PHARE programme to prepare for different areas of EU policy, the Cohesion Fund (CF) financed ISPA programme that supports investment in environment and transportation, the European Agricultural Guidance and Guarantee Fund financed (EAGGF) SAPARD programme to support agriculture.

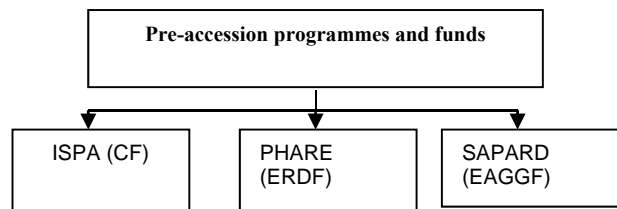


Fig.2. Implementation of EU regional policy in the pre-accession period [26]

In Figure 3 the author has summarised the most important industries/areas of the EU regional policy and their implementation instruments in the 2000-2013 planning period.

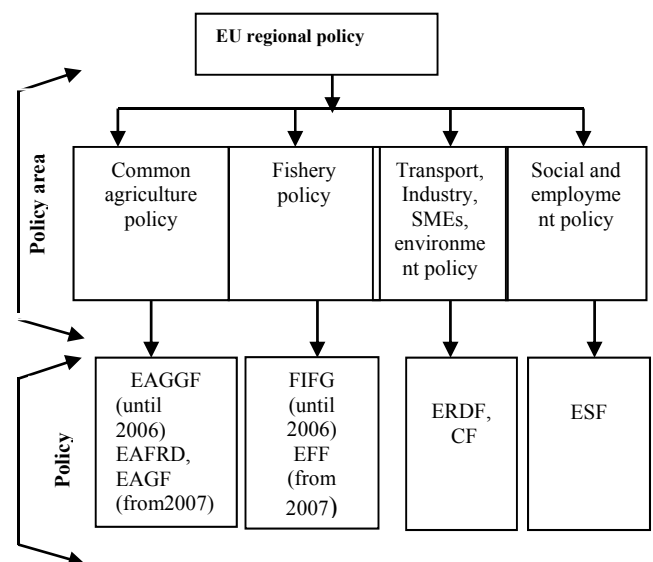


Fig. 3. Elements of EU regional policy and implementation instruments in the period of 2000-2013. Source: Author’s designed, based on [23, 24, 25].

In the post-accession period the instruments of implementing the EU regional policy are EU funds, with the help of which economic growth of particular industries/areas

of the country and the regions is ensured by applying stimulating investment introduction methods. Comparing the structural areas of regional policy, agricultural policy constitutes the largest part of the EU budget – 45.5% of the total EU expenses in 2007-2013. The goal of the common agricultural policy is provision and protection of the revenue gained from the agriculture sector of the economics of EU Member States. Agricultural policy is implemented through the European Agricultural Guidance and Guarantee Fund (EAGGF) until 2006.

Until 2006 it was FIFG and from 2007 it is EFF that offers support to the fishery industry and with the help of which fishery policy is implemented.

With the help of ERDF and CF, transportation, industry, SMEs and the environment structure are improved and their various policies are implemented. ESF solves problems of the social and employment policy. In both periods Latvia had access to EU funds to reduce the regional differences. The issue of distributing the resources for the needs of the regions is topical.

2. Significant social and economic differences can still be observed among the regions in Latvia. In the Single Programming Document, which is the EU funds introduction document in the post-accession period (SPD) [26], problems causing these differences are identified: the insufficient qualitative provision of infrastructure, the high level of unemployment, the low entrepreneurial activity, the low income level, the low proportion of value added production in economics. The character, intensity and reasons for these problems are different. It was planned to reduce the above problems with the help of EU funds during the period of 2004-2006.

The regional division in Latvia is different:

- Statistical regions at NUTS III level – from 1 July 2009 Latvia consists of six statistical regions: Riga, Pieriga, Vidzeme, Kurzeme, Zemgale, Latgale (CSB);
- Planning regions. There are five planning regions in Latvia – Riga, Vidzeme, Kurzeme, Zemgale and Latgale. Their territories have been approved as provided by the Law on Regional Development.

Amendments to the Law on Regional Development in 2010 provide that planning regions may be delegated the administration tasks that are the competence of the direct management authority. Thus, planning regions, in their essence, are collaboration structures – they execute the tasks delegated by the state as state institutions, but, as representatives of municipalities, they implement the coordinating functions of municipal institutions, especially regarding the common development planning and project development. Irrespective of the fact that the status of the planning regions has been made more precise and they have been assigned the particular competence, their current status still has to be evaluated as an interim solution of the situation. A significant drawback of the planning regions is their alienation from the society – people neither knows that such planning regions operate, nor perceive there offered services. [27]

Nine RSS subregions were developed to introduce and account rural, agriculture and fishery support. Eastern Latgale,

- 1) Southern Kurzeme,
- 2) Southern Latgale,
- 3) Lielriga,
- 4) Middle Latvia,
- 5) Zemgale,
- 6) Northeast,
- 7) Northern Kurzeme,
- 8) Northern Vidzeme.

Their borders do not coincide with the territories of either statistical or planning regions. Every regional RSS agriculture office has an administrative territory in which it operates administering EU funds and performing support payments as provided by EU regulations and laws and regulations of the Republic of Latvia.

Comparing the territories of statistical, planning and RSS regions, it can be concluded that it is impossible to perform the investment comparison of EU funds use between the regions due to their different division.

The division of statistical and planning regions is different. Having evaluated the territories of the six statistical regions of Latvia and the five planning regions, the author has concluded that Riga and Pieriga statistical regions correspond to the territory of the Riga planning region. Thus, in the evaluation of the social and economic processes of regions, the Riga planning region contains statistical information about the statistical regions of Riga and Pieriga.

In 2009, 2.26 million people lived in Latvia (see Table 2). The number of population differs significantly between the regions of Latvia. 1.09 million residents, or 49% of the total population of Latvia, live in the Riga region. The Latgale region is significant with regard to the number of population. It is inhabited by 0.34 million people, or 15%. The number of population is similar in the Kurzeme (0.3 million) and Zemgale (0.28 million) regions - they are inhabited by 13% of the total number of the country's population. The Vidzeme region comprises the smallest number of population – 0.23 million, or 10% of the total population.

TABLE 2
MAIN INDICATORS CHARACTERISING THE PLANNING REGIONS IN LATVIA IN 2009

Indicators/regions	Riga	Vidzeme	Kurzeme	Zemgale	Latgale	Latvia
Size of the territory (thous. km ²)	10.4	15.2	13.6	10.7	14.5	64.5
Proportion (%)	16.2	23.6	21.1	16.6	22.5	100
Number of population (mil.)	1.09	0.23	0.3	0.28	0.34	2.26
Proportion (%)	49	10	13	13	15	100
Population density people/km ²	105.6	15.5	22.2	26.3	23.6	35
% against the average in Latvia	302	42	63	75	67	100

Source: Author's designed, based on [28]

In EU Member States (Eurostat, 2009) the average population density is 115 people per km², in Latvia (see Table 2) on average it is 35 people per km², which is 3 times less than the average in the EU. The largest population density is in Riga region – 106, which is 3 times larger than average in Latvia. Population density in Zemgale, Kurzeme, Latgale are similar– 22-26 inhabitants per 1 km², which is 4 times less than in Riga region. The smallest population density is in Vidzeme region – 16 inhabitants per 1 km², which is twice less than the average population density in Latvia, 10 times smaller than average density in the EU and about 7 times smaller than in Riga region. It is important for EU financing in regions to facilitate the business activity, maintaining the number of population, creating favourable life and work environment for the inhabitants. Although the total number of population in Latvia and its regions is decreasing every year, people migrate between the regions of Latvia, preferring more developed territories to solve their employment and welfare issues.

Decrease of the number of population in Latvia was even more affected by accessing the EU, which opened the labour movement to EU developed Member States. Changes in the population number reflect the outcomes of the development of administration, democracy and external policy. Regional administrations do not create work places, but they should be developing conditions for entrepreneurs to be interested to create work places in the regional territories, which is one of the most significant factors for the population when choosing the place of living. Regional administrations require financial resources to implement regional development programmes and at present they are not available because EU funds financing is planned and used in alienation from regional needs.

B. GDP in regions

GDP is the summative value of the end products and services produced in the regions of the country. GDP is calculated both in actual and comparable prices. GDP size is not calculated in comparative prices by the region, thus the changes in GDP amount and rate is analysed only in actual prices. The total amount of GDP indicates the economic activity of the region, GDP per capita indicates to the development level in the regions (CSB) [29].

In 2008 the Latvian GDP was LVL 16.1 bill. in actual prices. Comparing the economic activity in the regions by GDP, in 2008 67% of the total GDP in Latvia was produced in Riga region, which indicates to the concentration of production in the capital. In the other regions of Latvia the GDP makes 7–10% of the total. The uneven distribution across the regions indicates that the overall development of the country is happening at the expense of the production of one region and the potential of the other regions is not used. Then author supports the opinion of K. Špoģis, I. Jance, A. Radžele (2005), V. Strīķis, K. Špoģis (2002), who link regional differences with the uneven investment, which does not facilitate creating of the economic value GDP in the regions.

Comparing GDP per capita in 2008 in per cent against the average in Latvia, it can be concluded that Riga region is the most developed one, as in it GDP per capita reaches 139% of the average GDP in Latvia, in the other regions the development level fluctuates between 54%-77% of the average in Latvia and could be considered a significant indicator of development differences. The author of the present Ph.D. Thesis agrees with R. Zvirgzdiņa (2007) that a precondition for the development of enterprises in the regions is availability of investment in industries and EU funds should be considered external long-term financing sources in the regions of Latvia. Thus, the distribution of EU funds financing in the regions is important, as it indicates to a purposeful and even use of financial sources because theoretically it has been clarified that the development of regional differences is related with uneven investment in the regions.

TABLE 3
GDP IN LATVIA AND REGIONS IN ACTUAL PRICES IN THE PERIOD OF 2004-2007

Regions/ Indicators	Riga	Vidzeme	Kurzeme	Zemgale	Latgale	Total in Latvia
GDP in 2004 (mil. LVL)	5 045	473	886	480	548	7 432
Structure (%)	67.9	6.4	11.9	6.5	7.4	100
GDP in 2007 (mil. LVL)	9 854	990.4	1 515	1 180	1219	14 760
Structure (%)	66.8	6.7	10.3	8.0	8.3	100
Base increase 2004/2007 (%)	195	209	171	246	223	199
GDP per capita in 2004	4593	1 916	2 841	1 662	1493	3 214
GDP per capita in 2007	8 993	4 143	4 979	4 154	3471	6 493
Base increase in 2004/2007 (%)	196	216	175	250	232	202

Source: Author's calculations, based on CSB [29]

To evaluate the EU financing and its impact in the regions of Latvia, the author of the present paper has studied the research of economic scientists about different impacts of attracting EU funds. The need to attract EU structural funds, the activity of funds acquisition and their impact has been studied by E. Dubra [32], who has explained the goals of the EU structural policy. Likewise, E. Dubra [33] has evaluated the dynamics of the amount of non-financial investment in Latvia since it became the EU Member State. R. Zvirgzdiņa [35] has emphasised the importance of the support of the EU structural funds, which helped to reduce social and economic disproportions in the regions. I. Pilvere [36] has concluded that during the period of 2003-2005 positive changes took place in agriculture, due to the attracted structural funds. On average, the value added per month and the average monthly

salary in agriculture has increased faster than the average monthly indicators in the economy of Latvia. V. Tetere and I. Pilvere [37] admit that the acquisition of EU funds has been successful. When evaluating the attraction of EU structural funds, V. Tetere [38] has analysed the opportunities of entrepreneurs and has concluded that new technologies have been introduced, jobs have been created, the labour force has been trained and infrastructure has been developed on the national scale. R. Zvirgzdiņa [35] considers that the support of the EU structural funds for the farmers has helped to ensure equal competitiveness opportunities. When evaluating the activity of farms in acquiring the EU structural funds, B. Rivža, M. Krūzmētra, I. Baraškina, P. Rivža [39] have concluded that financial resources are available, but one has to know how to take them, learning to work according to requirements of the EU structural funds. The requirements are not easy to be understood, but they are realistic to be executed.

The financing of EU funds in the regions of Latvia has to be connected with the division of the same periods as for the entire Latvia:

- The pre-accession funds period,
- The post-accession funds period.

TABLE 4

EVALUATION OF EU FUNDS AND PROGRAMMES IN LATVIA AND ITS REGIONS

Regions/ indicators	Rīga	Vidzeme	Kurzeme	Zemgale	Latgale	Latvia
Per 1000 inhabitants (thous. LVL)						
1997-2004	52.3	13.3	44.4	59.3	67.5	50.3
2004-2006	279.7	297.4	296.8	279.5	163.3	261.4
2007-2013	160.2	156.7	238.8	144.5	219.3	177.3
Per 1000 enterprises (thous. LVL)						
1997-2004	1 134.5	244.3	113.3	151.3	179.3	1 148.2
2004-2006	4 575.2	4 958.1	5 547.6	5 642.8	3 554.1	4 732.2
2007-2013	1 228.7	1 214.9	2 038.4	1 384.7	2 135.3	1 464.5
Per 1000 (LVL) GDP						
1997-2004	11.4	7	15.7	35.8	45.5	15.7
2004-2006	38.8	98.6	79.7	99.5	70.6	53.6
2007-2013	17.8	36.9	47.1	34.2	61.1	26.9

EU financing during the period of 1997-2010 in the regions of Latvia (see Table 4), without SAPARD, EAFRD, EFF, is LVL 1.1 billion. The distribution of financing among the

regions reveals significant differences. The Riga region has attracted 48%, Kurzeme – 16%, Latgale – 14%, Zemgale – 12%, the Vidzeme region – 10% of the total financing of the regions.

The attracted financing of EU funds differs significantly in the regions of Latvia. During the pre-accession period, with ISPA and PHARE programmes, the largest amount of financing went to the Riga region – 49% of the total financing, the Latgale region attracted 21%, the Kurzeme and Zemgale regions – 12% and 15% respectively, the smallest financing was in the Vidzeme region – 3% of the total financing.

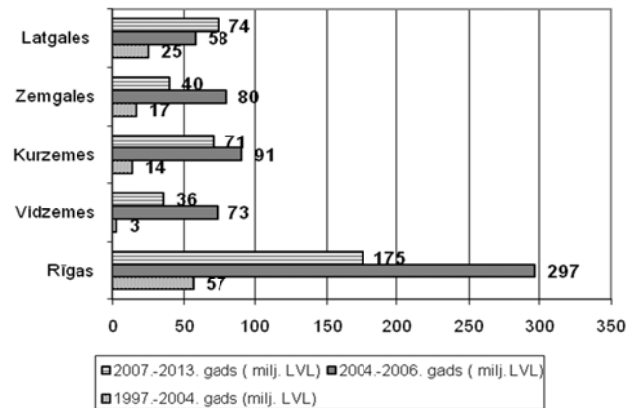


Fig. 4. EU financing and programmes in the regions of Latvia [10, 42].

In the post-accession period, the Riga region has attracted 47% of the total financing from EU funds. The Kurzeme region has attracted 16%, other regions of Latvia – within the margins of 11-13%. The indicators of other regions in the above positions lag behind significantly.

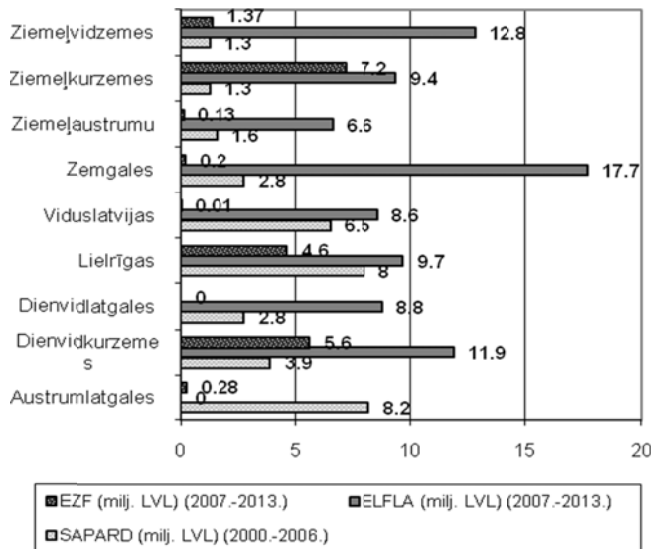


Fig. 5. Financing of EU funds in agriculture and fisheries in the RSS regions [43]

The differences in the division of regions cause problems in evaluating EU funds across the regions. During the pre-accession and post-accession periods, the total of LVL 148 million has been attracted in the RSS regions. Comparing the

amount of financing during the pre-accession and post-accession periods, it can be observed that it has increased four times during the post-accession period. When evaluating the distribution of financing among the regions in all the periods, it can be observed that the SAPARD programme, EAFRD, EFF funds are accounted for the largest investment in agriculture – on average 9% to the Zemgale region of the total investment and 3-7% in other regions.

EU funds financing has affected the social and economic indicators in the regions. Comparing the used EU funds financing per inhabitant, the number of enterprises in the regions, its distribution is uneven. However, financing per the created GDP in the economically strongest Riga region is used three times more effectively than in the other regions.

CONCLUSIONS

1. The regional policy is on the basis of the regional development.
2. There was no long-term view of the regional policy of Latvia in the period 1991-2004.
3. The regional policy in Latvia is implemented by applying the indirect method: the policy is not clearly defined, the adopted laws and documents are general, a few measures are planned to reduce the economic, territorial and social differences.
4. The indicators of the planning regions in 2009 reveal that the Riga planning region dominates in all the analysed categories.
5. The strategic development and spatial planning documents of the planning regions of Latvia have been worked out separately from the documents of EU funds, as a result of which there is no funding and institutional system for implementing the strategy of the planning regions.
6. At present, the centralised planning and management system of EU funds does not allow allocating a particular amount of EU financing to solving the regional needs.
7. It is necessary to develop the terms for regional programmes that could operate along with the existing ones. It would be necessary to develop conditions for regional programmes that would operate parallel to the already existing ones – limited project selection and open project tenders. Introduction of regional programmes would happen according to the strategic and spatial planning documents.

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Līga Jankova.

Education: PhD student in Latvia University of Agriculture, Faculty of Economics.

Work experience: since 2007 lector in Riga Teacher Training and Educational Management Academy, Faculty of Social Science.

E-mail: ligajankova@inbox.lv.

Līga Jankova. Reģionālās politikas teorētiskais un praktiskais pielietojums Latvijas reģionos.

Reģionālā politika ir reģiona attīstības un līdzsvara nodrošināšanas instruments, kuru regulē tiesiskais un administratīvais ietvars. Reģionālā politika ir reģiona pārvaldības politika un tās līdzekļu pamatā ir reģionālās politikas pamatnostādnes, kas ir savstarpēji saistītu resursu starpteritoriāla plānošana.

Latvijā reģionālā politika ir kopējais tautsaimniecības izaugsmes vienotais elements, valdības nostādnes un mērķtiecīga rīcība reģionālās attīstības veicināšanā. Latvijā reģionālās politikas īstenošanai ir izstrādāta atbilstoša normatīvā bāze un institucionālā sistēma, noteikti reģionālās politikas mērķi, taču nav norādīti reģionālās politikas īstenošanas līdzekļi un starpteritoriālie resursi. ES fondi tiek plānoti valsts līmenī, neņemot vērā reģionu intereses.

Patreizējā ES daudzreģionu sistēmā Latvija ir pakļauta kopējam ES tirgus nosacījumiem, kas neļauj reģionos attīstīt sabalansētu līdzsvaru. Līdzsvars reģionā ir iespējams pie sabalansētām investīcijām plašām reģiona nozarēm, nodrošinot tirgus infrastruktūru. ES fondu finansējums Latvijai dod iespēja veidot reģionos sabalansētas investīcijas, kas veicinātu ne vien ekonomisko, bet arī politisko, sociālo, starptautisko līdzsvaru reģionā. ES fondu izmantotais finansējums Latvijas reģionos norāda, ka ekonomiski spēcīgākais Rīgas reģions izmantojis lielāko ES fondu finansējumu, nodrošinot strauju attīstību, pārējie Latvijas reģioni, kurus raksturo zemāki attīstības rādītāji, izmantojuši tikai pusi no reģionos vidēji izmantotā finansējuma. Analizētajos lielumos konstatētas novirzes no reģionu vidējā rādītāja, kas liecina par finansējuma sadalījuma neproporcionalitāti reģionos, kas neatbilst to attīstības rādītājiem un reģionālās politikas uzstādījumiem.

Лига Янкова. Теоретическое и практическое применение региональной политики в регионах Латвии.

Региональная политика - это инструмент обеспечения развития и равновесия региона, который регулируют правовые и административные рамки. Региональная политика - это политика управления регионом, и ее фундамент - основная постановка региональной политики, которая включает межтерриториальную планировку связанных ресурсов.

В Латвии региональная политика - объединяющий элемент развития народного хозяйства, правительственные установки и целенаправленные действия в способствовании развитию регионов. Для внедрения региональной политики в Латвии разработана соответствующая нормативная база и институциональная система, определены цели региональной политики, но не названы средства внедрения региональной политики и межтерриториальные ресурсы. Фонды ЕС планируются на уровне государства, не принимая во внимание интересы регионов.

В настоящей многорегиональной ЕС системе Латвия находится под влиянием общих условий рынка ЕС, что не дает реализовать в регионах сбалансированное равновесие. Равновесие в регионе возможно при сбалансированных инвестициях для обширных отраслей региона, обеспечивая инфраструктуру рынка. Финансирование Латвии из фондов ЕС дает возможность создавать в регионах сбалансированные инвестиции, что способствовало бы не только экономическому, но и политическому, социальному и международному равновесию регионов. Использование финансирования фондов ЕС в регионах Латвии показывает, что экономически сильнейший Рижский регион использовал большую часть финансирования ЕС, обеспечив стремительное развитие. Остальные регионы, которые характеризуют меньшие показатели развития, использовали только половину от среднего показателя использованного финансирования в регионах. В анализированных данных констатированы отклонения от среднего показателя, что свидетельствует о непропорциональности распределения финансирования в регионах, что не соответствует показателям развития и установкам региональной политики.