

## ***DEVELOPMENT OF REGIONS IN LATVIA 2005***

**Riga, 2006**

**Development of Regions in Latvia 2005**  
**State Regional Development Agency**

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Development in regions is one of the most important preconditions of a successful and sustainable development of Latvia. We have to continue our work in creating employment and growth opportunities for people of Latvia wherever they are in the country as this is the only way to lay a stable foundation for future welfare of the entire Latvia.

I am proud to say that finally we have achieved an appropriate understanding of this issue on a state level. The National Development Plan of Latvia for 2007–2013 provides for an implementation of a polycentric approach in regional development by strengthening the network of towns and other populated areas that will become a significant driving force of the development of every region and the whole country.

Our common task during the next seven years is to achieve a turning point in education, science and production in order to create a stable basis for gradual increase of the quality of life. Each of us can make a contribution in fulfilling this task by a responsible planning of one's own and family's future, by self development, education and hard work in our native country – Latvia.

Local governments play a significant role in facilitating regional development. It is important for them to be capable of implementing various projects on their own, thus fostering the formation of an attractive business environment on their territory, by attracting experienced specialists and taking care of their inhabitants. Another significant aspect is the coordination of the mutual work of local governments and state administrative institutions and development planning.

To make these preconditions true, the Ministry of Regional Development and Local Governments together with its partners in the entire Latvia has done a tremendous job, which you can familiarize yourself with in this report. Besides, I hope that having familiarized yourself with this report, you will share my firm belief that by a dedicated implementation of the National Development Plan, already in the nearest future, the regional development in Latvia will take place much faster and more efficiently than now, and we will be able to observe all regions of Latvia flourish!

Respectfully Yours,  
Minister for Regional Development  
and Local Governments H.E.

A stylized, handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Maris Kucinskis

## PREFACE

"Development of Regions in Latvia" is already the third edition, which reveals the principles of regional policy and associated measures, as well as provides analysis of development of state territories. Report of this type and analysis is quite unique, as presently this is the only informative material, which allows the inhabitants, business people, politicians and social partners of the country to gain insight about the development trends of the state territories, to discuss the significance of the regional policy as well as to evaluate its efficiency.

The analysis of development of territories comprised in year 2004 edition revealed constantly negative differences in social and economic development levels among the territories of the country. Retention of peculiarities characteristic to regions of Latvia by developing the comparative regional advantages, which make the regions stand out and by eliminating the disparities of unfavorable social and economic development which prevent the overall development of Latvia was set as the most important objective in the field of regional development.

The aim of this edition is to reveal the action framework and peculiarities of the regional policy by providing insight in the most important guidelines of the regional policy and its implementation results in 2005 and the first half of 2006 identifying whether and how the regional development trends have changed in the country during the period since the last analysis made as well as setting new tasks to implement the action courses set forth in the National Development Plan of Latvia for 2007–2013.

The first chapter characterizes the most essential basic principles and guidelines. The regional policy is presented to the reader as a horizontal field of action, which is aimed at the use and strengthening of the development potential of the state territories. Achievements of the Ministry of Regional Development and Local Governments in the accounting period are revealed in five most significant areas which are essential preconditions for an efficient implementation of the regional policy:

- elaboration of the National Development Plan of Latvia for 2007–2013,
- alignment of the state administrative territorial structure,
- territorial development planning,
- implementation of regional development support instruments and development of their range,
- establishment of the regional development monitoring and evaluation mechanism.

Brief overview of planning regions is also provided.

The second and third chapter give a summary of information on the changes in the development trends in Latvia in general, in planning regions and local governments by using comparative indicators accumulated in national statistics over the six year period. Report also outlines the differences of territory development level.

The concluding chapter discusses main conclusions on the regional development trends and results of implementing the regional policy, as well as outlines the most important future tasks resulting from the strategic principles specified in the National Development Plan of Latvia for 2007–2013.





## REGIONAL POLICY PRINCIPLES AND ACHIEVEMENTS

Efficient elaboration and implementation of regional policy which is aimed at fostering a balanced development of the entire territory of the country is one of the main priorities of the Ministry of Regional Development and Local Governments (hereinafter referred to also as RAPLM). The regional policy in Latvia is regulated by two basic documents:

- Law on Regional Development (entered into force on April 23, 2002) which sets forth the objectives of regional development, responsible institutions and their responsibilities and tasks, as well as sources of funding,
- Basic Principles for Regional Policy (approved by the Cabinet of Ministers on April 2, 2004) which regulate the state's regional policy for the next decade.

The Law on Regional Development provides for that the objective of the regional development is to foster and ensure balanced and sustainable development of the country by taking into account peculiarities and potential of all territories of the country and its separate parts, by eliminating the unfavourable disparities among them, as well as to maintain and develop features and development potential characteristic to nature and cultural environment of each territory. In line with the basic principles of regional policy the objectives of the regional policy of Latvia are:

- approximation of the development level of Latvia and its regions to the level of the European countries; an increase of competitiveness of Latvia and its regions among other EU regions,
- ensuring equal living, working and environmental conditions for inhabitants of the country as well as creating equal preconditions for business activity in the entire Latvia,
- an increase of the international competitiveness of the capital Riga.

The Law on Regional Development and the Basic Principles for Regional Policy clearly outline the specifics of regional policy

– it is a horizontal field of action which is aimed at the use and strengthening of the development potential of the state territories, thereby it should be implemented in close cooperation with those who elaborate and implement field policies (e.g. economical, educational, transport, environmental, health, etc.) on all administrative levels (national, regional and local). A focused advancement of the regional policy depends on a capability to plan development in the state territories in a coordinated and integrated way in cooperation with partners in the regional and local administration levels as well as to analyse and evaluate the impact on regional development of support measures implemented in the territories. A successful implementation of regional policy shall ensure diverse support instruments for the growth of both less developed state territories and territories with a development potential.

The operation of the Ministry of Regional Development and Local Governments as the main institution responsible for the regional development in the country may be assessed according to such criteria:

- whether coordinated planning and implementation of industry and regional development priorities are fostered,
- whether measures of aligning the state administrative territorial structure are efficiently directed,
- whether planning of the territorial development is ensured,
- whether a range of territorially differentiated regional development support instruments is created and developed,
- whether cooperation mechanisms are established and developed in regional development area,
- whether a mechanism for monitoring and evaluation of regional development trends is offered.

## PREPARATION OF THE NATIONAL DEVELOPMENT PLAN OF LATVIA FOR 2007–2013

Further the results of operation of the Ministry in the most significant areas of the regional policy over the period from January 1, 2005 till July 1, 2006 will be discussed.

The National Development Plan of Latvia for 2007–2013 (hereinafter referred to as NDP) has been developed in accordance with the Regional Development Law of the Republic of Latvia as a medium-term planning document. The objective of NDP is to facilitate a balanced and sustainable development of the country and ensure an increase in Latvia's competitiveness among other countries. It is our contribution to the common strategy of the EU member states and to the implementation of the Lisbon programme.

Development of NDP was started in the middle of 2004 when the Cabinet of Ministers approved the order of development, implementation, monitoring and public discussion of

NDP. The development process was coordinated by the RAPLM and the National Regional Development Board. A very wide range of partners participated in the development of NDP – line ministries, non-governmental organizations, businessmen, scientists, regional representatives, independent experts, involving in total around 200 people.

On the basis of the analysis of the existing situation carried out in the initial phase of the development and conceptual document approved by the Saeima of the Republic of Latvia "Latvia's Growth Model: focus on a person first", several work groups developed the strategy focusing on three main areas: human resources, economics, living environment.

Along with publishing the first edition of NDP on February 28, 2006, a two months long public discussion was launched. In order to ensure the availability of information and involve as



At the exhibition: "Development of Regions in Latvia 2006".  
Photo: AFI.

larger society as possible in an open dialogue about the development of the country, ten regional conferences were organized in cooperation with regional universities, local governments and regional development agencies.

In the end of the public discussion of the first edition of NDP an exhibition "Development of Regions in Latvia in 2006" was organized in Kipsala on April 20–22, 2006. Participants of the exhibition were united by a slogan "Let's Develop Latvia

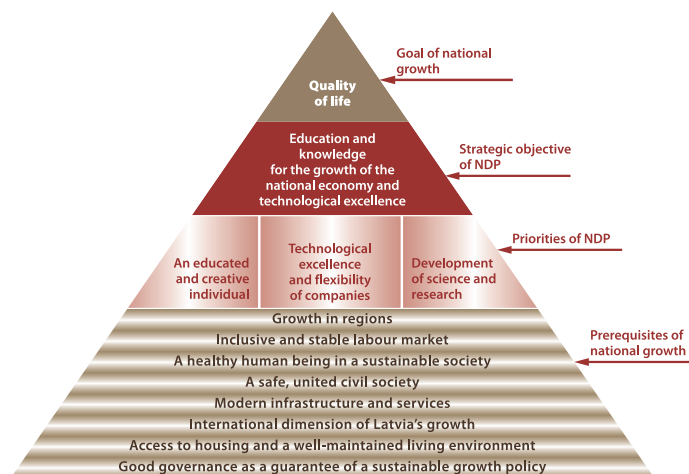


Figure 1. The National Development Plan.

Together!" because this event served as a unique forum for the whole Latvian society during which people could think and discuss how we would like to live and what country we would like to develop over the next seven years. At the same time it was also a possibility for regions of Latvia to show their characteristic features.

Evaluating the findings and suggestions gained as a result of public discussion of the first edition of NDP, the final edition of the document was prepared under the guidance of the Ministry which was approved by the Cabinet of Ministers on July 4, 2006.

The NDP is not an action or financial plan but a strategic document which sets forth the strategic objective of the development of Latvia and defines the main areas of activities for the facilitation of a stable development of the country (see Figure 1).

The NDP's task is to focus society's attention on a common goal, thus ensuring coordination and balance of activities and purposeful channelling of financial resources into attainment of the state's development goals, as well as into creating the necessary preconditions. Therefore, it is very important to incorporate NDP's principles and suggested proposals into other planning documents, to co-ordinate them and provide funding for implementing.

Improvement and implementation of the regional policy shall be also ensured taking into account NDP's principles and set tasks. Already in 2005 and the first half of 2006 the RAPLM has implemented several actions and fulfilled tasks in line with requirements set forth in the NDP, thus starting a successful implementation of development areas defined within the NDP including the alignment of the state administrative territorial structure, planning of territorial development, elaboration of regional development support instruments, etc.

## ALIGNMENT OF THE STATE ADMINISTRATIVE TERRITORIAL STRUCTURE

Taking into account that the basis of the regional development is functional local governments and regions, the accomplished work of implementing administrative territorial reform of local governments and strengthening the status and role of planning regions shall be considered as a substantial result of the Ministry's operation.

### The pace of administrative territorial reform of local governments

The objective of the administrative territorial reform of local governments (hereinafter referred to as ATR) is to establish administrative territories with local governments which are capa-



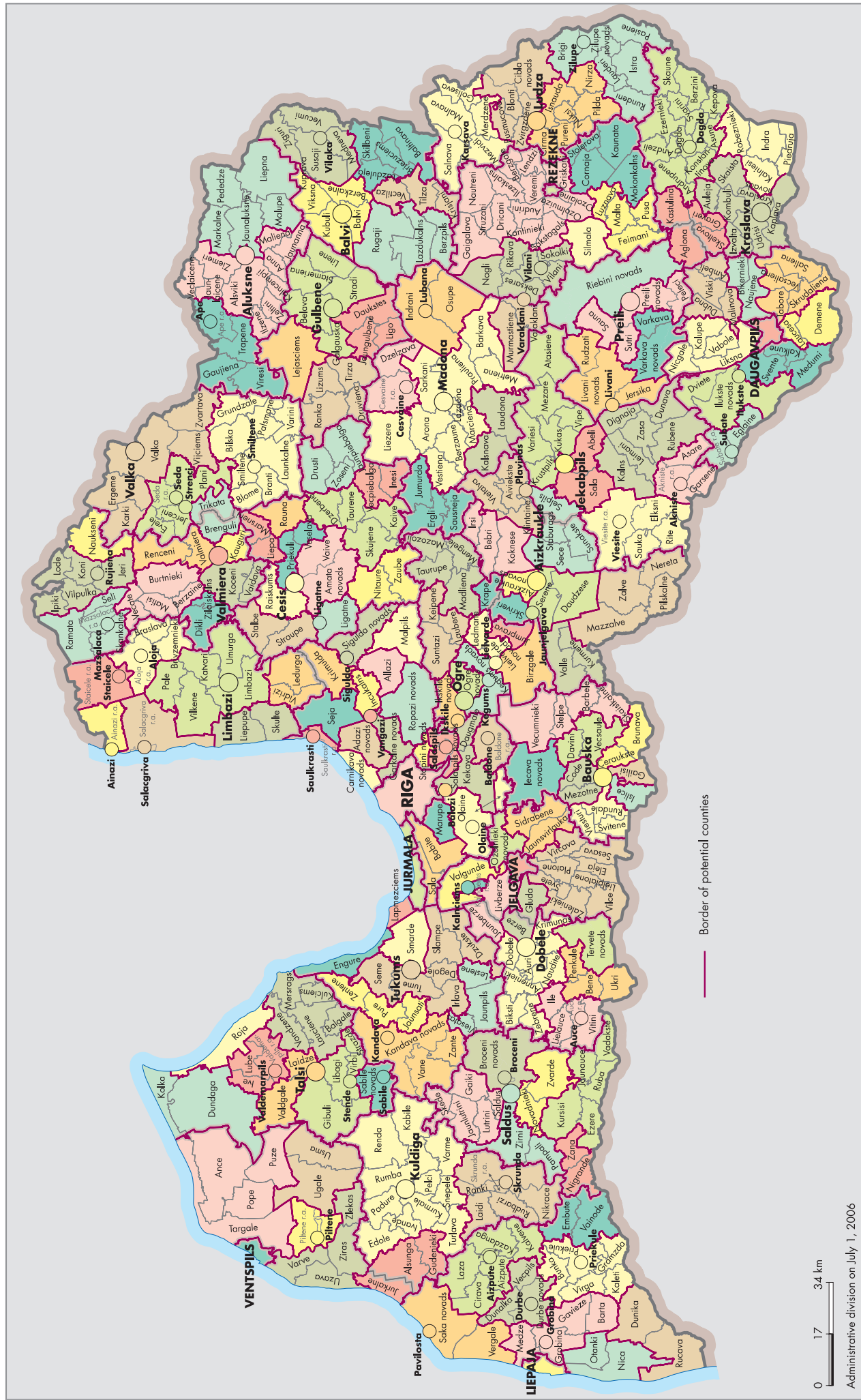


Figure 2. Draft of administrative territorial division of local governments.

Planning region	Number of novads	Novads formed by uniting local governments	Number of local governments included in novads
Kurzeme region	4	4	9
Latgale region	8	8	24
Riga region	12	4	21
Vidzeme region	1	1	2
Zemgale region	4	3	8
<b>Total in Latvia</b>	<b>29</b>	<b>20</b>	<b>64</b>

Table 1. Established counties as of July 1, 2006.

ble to develop economically and which would provide qualitative services to inhabitants. The need for ATR is based on a radical difference of the number of population in local governments (at the beginning of 2005 – from 294 to 731.762 people) and the large number of small local governments (the population of 73% local governments comprise less than 2 000\*) that does not facilitate the development taking into account their low development potential as well as limited possibilities to fully fulfil the functions within their competence. In order for the local governments to be capable not only to ensure the accessibility to more qualitative services for inhabitants but also to think about the development it is necessary to create larger and stronger local governments.

As of July 1, 2006, there are 29 counties established in Latvia by uniting local governments or reforming the administrative territories of local governments into counties (see Table 1).

The adopted amendments to the Law on Administrative Territorial Reform which provides the term of completion of ATR – by the municipal elections in 2009 shall be considered as a significant result of the Ministry's operation.

In line with the provisions of the law, in 2005 and the first half of 2006 the RAPLM undertook consultations with local governments concerning preparation of the draft of administrative territorial division. After receiving and evaluating opinions of local governments the RAPLM continued consulting and prepared the draft of administrative territorial division of local governments. After discussing the draft in a task force, which was established especially for this purpose as well as after receiving a positive opinion from the Administrative Territorial Reform Council the draft was submitted for review to the Cabinet of Ministers. On June 28, 2006, the Cabinet of Ministers approved this draft by the decree No. 478 "On the Draft of Administrative Territorial Division of Local Governments" (see Figure 2).

In accordance with the Law on Administrative Territorial Reform, the following local government support instruments have been developed and are actually being implemented to facilitate the implementation of the reform:

- single state grant for a county in the amount of 1 to 5% of the total budget of the amalgamated local governments,
- should the budget revenue of the established county be less than the sum of budgets of local governments which formed the given county in the year of establishment, during the next five years the county is granted a donation from the state budget to balance the difference,
- special purpose grant to the county for development of county's development strategy and for draft of administrative structure of the given county,

- for purposes of development of county's infrastructure, 100 thsd Ls are granted annually per each town, rural municipality included in the county, provided that the given county is established by January 31, 2009, in accordance with the draft map of administrative territorial division or pursuant to Regulation of the Cabinet of Ministers on administrative territorial division of local governments which will be approved by January 1, 2008, based on the draft map of administrative territorial division,

- In the programming period of 2007–2013 within the framework of operational programme of the European Social Fund "Human Resources and Employment" an activity "Support to Attracting Specialists in Local Governments of Regions and Counties" will be implemented, which is specifically focused on the ATR and also on completion of the regional reform.

During the accounting period, special purpose grants were granted to 6 local government groups for the total amount of 24 thsd Ls.

In 2005, the law "On the State Budget" envisaged a grant for the development of county infrastructure at the amount of 1.8 million Ls, which was allocated to previously established 15 counties per order of their establishment. In 2006, the law "On the State Budget" envisioned a grant for the development of county infrastructure in the amount of 2.8 million Ls.

### Strengthening of status and role of planning regions

Along with the measures of aligning local administration level it is necessary to strengthen and develop the regional administration level in Latvia, which should serve as a strong partner in developing and implementing the regional policy as well as a cooperative link between the state administration and local governments.

Amendments to the Law on Regional Development (effective as of August 1, 2006) adopted by the Saeima on June 22, 2006, which provide that a planning region is a derived public person with its autonomous competence shall be noted as the most important result of the RAPLM operation during the accounting period in the field of strengthening the status and the role of regions.

The adopted amendments to the law outline a substantial turning point in the former operation of planning regions because they provide planning regions with a place in the state administration system as well as offer an instrument to ensure the coordination of development priorities of industries and regions – a cooperation commission of the planning region, which will comprise representatives of the planning region and the respective ministries as well as representatives from private and public sectors. Strengthening the status of planning regions also serves as an important precondition for strengthening their role in attracting the Structural Funds of the European Union in the programming period of 2007–2013.

Operation of five planning regions along with the operation of district local governments is a transition period until Latvia will establish an effective level of regional governments, which will be competitive on an EU level. The regional local governments established on the basis of local governments of planning regions and districts could start to operate in 2009. In accordance with the Law on Administrative Territorial Reform the establishment of regional local governments will be provided by a special law.

\* Data of the Office of Citizenship and Migration Affairs as of January 1, 2006.



## TERRITORIAL DEVELOPMENT PLANNING

Apart from a coordinated industry and regional policy as well as functional local governments and regions, an efficiency of implementing regional policy is determined by the capacity to plan the development of territories. The most important documents in the system of territorial development planning which define a deliberate and purposeful development of territories and facilitate an attraction of investments are strategies (or programmes) of territorial development and spatial plans.

With respect to the elaboration of the mentioned documents the RAPLM has fulfilled several tasks during the accounting period:

- has made amendments to Regulation No. 111 of the Cabinet of Ministers "Rules of Order of the Cabinet of Ministers" of March 12, 2002, which provides that when elaborating sectoral policy planning documents it is necessary to indicate their coherence with the development priorities of regions,
- in order to ensure a successful implementation of the mentioned regulation, the RAPLM has carried out explanatory work with the sectoral ministries to facilitate the understanding about the fact that the development and implementation of the policy may not be separated from the state territorial development planning,
- has ensured financial support possibilities for elaborating the development strategies of counties,
- has worked on the drafting of National Spatial Plan,
- has given opinions on spatial plans of planning regions and local government territories,
- has ensured financial support for development of spatial plans,
- has participated in the development of the Basic Principles for the Policy Planning System Development, which defines the required connection between sectoral and territorial development planning documents.

The National Spatial Plan is being developed as a long-term planning document which reveals the state interests and requirements for the use of the territory showing Latvia's place in Europe and the world. The objective of developing the National Spatial Plan is to facilitate a sustainable social and economical development of the country promoting the formation of an agreed regional policy, ensuring nature protection, ratio-

nal use of the territory and natural resources, management and protection of nature and cultural and historical heritage, creating preconditions for developing efficient network of populated areas and infrastructure.

On March 31, 2006, the National Spatial Plan task force launched its operation under the guidance of the RAPLM. Within the framework of spatial development perspective of Latvia a research of results, methods used and indicators of scientific projects elaborated by the European spatial planning observation network EPSON 2006 has been carried out and the possibilities to use them in Latvia's situation have been analysed.

The RAPLM has organized a seminar "Latvia after 20 Years – Spatial Development Vision". The necessary information has been collected on the basis of which a chapter on characteristics of a current situation has been prepared which will be incorporated in the documents of the National Spatial Plan "Latvian Spatial Development Perspective".

A significant fact to be noted is the progress in developing territorial plans of planning regions and local governments. As of July 1, 2006, six cities of state importance had their spatial plans in effect. 17 out of 26 spatial plans of district governments were elaborated and were in effect. 218 spatial plans were submitted to the RAPLM (including 201 local and 17 district spatial plans), 311 spatial plans were in the drafting phase (including 297 local, 9 districts', 5 planning regions' spatial plans). In accordance with the Spatial Planning Law, the development of territorial spatial plans of planning regions and local governments shall be completed by December 31, 2006. However, taking into account the current active planning process on all administrative levels, it is possible that the term set forth in the law may be extended for a year.

On September 18, 2006, the Cabinet of Ministers approved the Basic Principles for the Policy Planning System Development which was elaborated in collaboration with the RAPLM. The policy planning system offered within the basic principles outlines the necessary preconditions for coordination and sustainable planning of action policies because it identifies the required connection between sectoral and territorial development planning documents.

## REGIONAL DEVELOPMENT SUPPORT INSTRUMENTS

Implementation programmes and measures of action policies which are focused on the development of the state territories can be considered as regional development support instruments. A support for their implementation can be received in various ways – from the state budget funds, from the European Union or foreign (e.g. Norwegian government) co-funding.

### Regional development support instruments financed by the state budget

During the reporting period the RAPLM implements the following regional development support instruments financed by the state budget:

- Local importance and planning regions' importance investment programme for 2005–2009,

- National Programme "Business Development in Specially Supportable Territories",
- National Programme "Income Tax Relief",
- Support measures for implementing the local governments unified information system,
- Support measures for ensuring access to housing for inhabitants, incl. tenants of denationalized houses.

Measures of increasing energy efficiency of local governments and measures of social care of local governments were set as a priority of the local importance and planning regions' importance investment programme for 2006. In 2006 the RAPLM supervises 30 investment projects of local governments for the total amount of Ls 1.294.050. In order to improve the efficiency of the programme the Ministry has undertaken to define

and implement new principles of planning state budget special purpose grants for investments in local governments with regard to the conception of strategic planning and medium-term budget planning which is currently being elaborated by the Ministry of Finance.

Over the period from January 1, 2004 till July 31, 2006, 281 projects for the total amount of Ls 2.674.374 were financed within the national programmes "Business Development in Specially Supportable Territories" and "Income Tax Relief". By implementing these projects 1 409 new permanent and 382 seasonal work places were established as well as 7 639 work places retained.

In 2005 improvement and implementation of the Local Governments Unified Information System (LGUI) continued in local governments. The improved LGUIS software provides an automation of the state delegated local government functions thus facilitating the efficiency of operations of local governments. Within the framework of LGUIS a Central Data Centre (CDC) has been developed which is served by SIA "Lattelecom" on the basis of an agreement. The CDC ensures the maintenance and administration of the LGUIS software allowing the local governments to work with the LGUIS software as remote users. Besides the CDC provides local governments with the possibility to place their websites on the CDC server and use e-mail services free of charge. As of June 1, 2006, the LGUIS software was used by 100 local governments, whereas 10 local governments used the CDC server to place their websites. Since 2004 maintenance and development of the LGUIS is financed from the state budget funds.

During 2005 a complex of measures was developed which facilitated access to housing providing funding for implementing the measures from the state budget funds – Ls 2.000.000 for the state's participation in paying vacation allowance to tenants of denationalized houses and Ls 3.000.000 for the state's participation in establishing the municipal housing fund. Warranty issuance for the purchase of housing has been started with a purpose of facilitating the possibilities of those households to purchase housing which have no savings for the first instalment. At the same time a list of regulations has been adopted which set forth the procedure of the state's financial participation on how the management fee shall be set in solving housing issues, and the procedure on the management fee for a housing property, as well as categories of persons and a procedure for receiving the state warranty for the purchase of housing or renovation of an apartment house. Several occupational standards have been approved.

The RAPLM has developed proposals and submitted a request of the state budget for 2007 for implementation of new support instruments of local government development, including the National Programmes "Investments in the Infrastructure of Coastal Local Governments", "Investments in the Infrastructure of Border Area Local Governments", "Investments in the Development of Small-Sized Towns Infrastructure", for implementation of local initiative support instrument for fostering rural development as well as for implementation of special purpose grants' investments in local governments.

### **Regional development support instruments co-financed by the European Union Structural Funds**

During the reporting period the RAPLM ensured the management of implementing the following activities of the Single

Programming Document (SPD) of the European Union Structural funds:

- grant scheme "Support to investment in business development in specially supportable territories" (SPD subactivity 2.2.1.2.) within which support is provided to small and medium-size enterprises registered and operating in the specially supportable territories. Within the framework of the grant scheme over the period from January 1, 2004, till July 31, 2006, 384 projects were submitted, of which 69 were supported and 48 implemented. By implementing this grant scheme 1 174 work places were retained and 175 new work places established. The European Regional Development Fund and the state funding for implementing the grant scheme comprise in total 10.3 million Ls,
- open project application tender "Development of Public Internet Access Points" (SPD activity 1.3.2.) within which 492 public internet access points were established in local government and state administration institutions. The total available co-financing of the European Regional Development Fund is 1.4 million Ls.

Over the accounting period an intensive work was carried out in the programming the European Union Structural funds for 2007–2013 creating the preconditions for planning resources for reaching the objectives of priorities and regional policy defined within the framework of the NDP. In the most significant planning documents of the EU Structural funds and Cohesion Fund (in the National Strategic Framework Document for 2007–2013 and operational programmes) a balanced development of territories is defined as one of the horizontal priorities, which shall be taken into account in planning and implementing the investments of the EU Structural Funds. The RAPLM in cooperation with the planning regions and sectoral ministries undertook a significant work to identify criteria, the use of which in resource allocation would facilitate the development of the state territories in line with the provisions set forth in the NDP strategy. However, in order to ensure observance of the partnership principle and needs of planning regions in the investment allocation, a provision has been incorporated in the operational programmes binding the sectoral ministries to involve the planning regions in elaboration of guidelines of the national programmes and open project application tenders. Thus a focused direction of support instruments co-financed by the EU Structural funds will be ensured according to the development priorities of separate territories.

### **Foreign regional development support instruments**

In order to facilitate the implementation of the basic principles of regional policy, the RAPLM continued implementation and monitoring of PHARE, European Community initiative INTERREG and international bilateral and trilateral cooperation programmes during the reporting period.

In 2005, 14 project concepts at the amount of EUR 1.750.000 on the basis of which project applications are elaborated within the activities of the European Regional Development Fund, were supported within PHARE 2002 national programme "Support for Preparation of Projects".

Within PHARE 2003 national programme "Economical and Social Cohesion Measures in Latvia" 30 projects for the total PHARE funding of EUR 13.976.772 were approved and the

monitoring of the project implementation had been started. As a result of project implementation development of production of innovative and high value added products will be facilitated, employment measures will be implemented, the education system will be modernized and maintenance of nature, historical and cultural heritage will be fostered.

Within PHARE 2003 national programme "Strengthening of Institutional Capacity in Regions" the RAPLM coordinated implementation of 5 projects for the total PHARE funding of EUR 1.494.000. As a result of implementing these projects, experts elaborated an action plan for the development of each planning region for programming period of 2007–2013.

In 2005, a monitoring of implementing PHARE 2002 and 2003 Cross-border Cooperation Programme was started within which 69 projects were approved in the following areas: tourism and culture, training and employment, health care, infrastructure and economical development. The PHARE funding assigned for implementation of projects is EUR 3.000.000. Whereas, within PHARE 2003 programme "External Frontier Initiatives in Latgale and Vidzeme Regions" the capacity of Latgale and Vidzeme planning regions was strengthened. As a result, more than 20 project applications were elaborated and submitted within the tenders of INTERREG III A North and South priorities, cooperation networks developed in Estonia, Lithuania, Russia and Belarus, seminars and training organized for local, regional project applicants and their socio-economical partners.

In 2004-2005, within the European Community initiative INTERREG III A or direct cross-border cooperation programme 55 projects with the participation of Latvian partners and the total ERDF funding of EUR 7.960.000 were approved. As a result of implementing projects, cross-border cooperation networks will be developed on both sides of states' borders.

In 2004-2005, within the Baltic Sea region INTERREG III B or transnational cooperation programme 109 projects with the participation of Latvian partners for the total ERDF funding of EUR 47.680.000 were approved. As a result of implementing these projects, a transport corridor (Eastern Baltic Sea Region – Central Europe) and transport services will be developed, industrial parks established and their cooperation ensured in the Baltic Sea region, the former military facilities reformed, unified civil protection system developed in the Baltic Sea region, support to entrepreneurs provided.

In 2004-2005, within the INTERREG III C or interregional cooperation programme 23 projects with the participation of

Latvian partners for the total ERDF funding of EUR 21.020.000 were approved. As a result of implementing projects, rising of capacity and sharing of experience will be ensured in such areas as health care, increasing rural competitiveness, development of small and medium sized enterprises, development of an effective and integrated water management system in local governments, increasing competitiveness of regions, etc.

In 2006 the RAPLM has started preparatory work for developing the new cross-border, transnational and interregional operational programmes for the next programming period of the European Union Structural funds.

In accordance with Cabinet of Ministers Regulation No. 852 "Rules on the European Economic Area financial mechanism's and the Norwegian financial mechanism's management, implementation, monitoring, control and evaluation system" the RAPLM is responsible for implementing priority 9 "Regional policy and development of economic activity" (EUR 7.180.273), priority 10 "Cross border cooperation" (EUR 2.329.890) and special support form "Short-term expert fund" (EUR 1.097.230) of the Norwegian government's bilateral financial mechanism. In 2005 programming of the Norwegian government's bilateral financial mechanism was carried out including work with the development of descriptions of the RAPLM priorities. In order to ensure involvement of social partners in the planning process the RAPLM consulted with the competent sectoral ministries and development agencies of the planning regions.

An open call for tenders of the priority "Regional policy and development of economic activity" is expected to be announced in November, 2006. Whereas, the other tenders of grant schemes and programmes financed by the Norwegian bilateral financial mechanism are expected to be announced in May–June 2007.

The Norwegian bilateral financial mechanism is financed with the support of the Norwegian government. Therefore, the Ministry of Foreign Affairs of Norway is the responsible institution which will make a final decision on financing projects to be supported within the framework of tenders.

The activities to be supported within the framework of the Norwegian bilateral financial mechanism are planned so in order to ensure mutual complementarity, synergy and non-overlapping with other international and national financial mechanisms available in Latvia.

## REGIONAL DEVELOPMENT MONITORING AND EVALUATION

In order to ensure the possibilities of analysis of the state territorial development as well as to evaluate the impact of the existing and envisioned regional development support instruments on the development of the state territories, during the reporting period, the RAPLM worked on developing the Regional Development Monitoring and Evaluation System (RDMES).

The objective of developing and maintaining the RDMES is to provide the parties involved in the regional policy (decision making authority, executive authority of the state administration, local governments) with respective information, which would serve as a basis for decision making in the regional policy implementation process to ensure steady and sustainable development of the state territories.

The tasks of the RDMES are:

- to provide a regular and detailed review on the regional development in the country, implementation of the regional policy, as well as on development of industries and sectors in the state territories,
- to identify the efficiency of the regional development support measures as well as to substantiate the need for their improvement or development of new instruments,
- to facilitate the correlation of sectoral policies with the regional policy,
- to facilitate the updating of the territorial development documents,

- to facilitate common and comprehensive understanding of the state administration, local government institutions and society about the regional development issues and regional policy.

It is envisioned to use the RDMES as one of the monitoring and evaluation instruments of implementing the NDP.

The result of the RAPLM operation during the reporting period is the elaborated and approved Cabinet Regulation (entering into force as of September 27, 2006) which sets forth the

procedure of information exchange of institutions involved in the operation of the RDMES. The established cooperation with sectoral ministries explaining the importance of the RDMES as well as creating the understanding about the impact of operation of industry policies on the regional development should be noted with a great satisfaction. The work on system development and implementation is still to be continued creating the RDMES data base and strengthening the cooperation with line ministries in the information exchange process.

## OVERVIEW OF PLANNING REGIONS

### KURZEME PLANNING REGION

Kurzeme planning region comprises cities of Liepaja and Ventspils and districts of Kuldiga, Liepaja, Saldus, Talsi and Ventspils. Region covers an area of 13.6 thsd km<sup>2</sup>, population at the beginning of 2005 – 310.7 thsd.

#### Development priorities and objective of Kurzeme planning region

- Facilitate and differentiate regional economy and production,
- increase competitiveness of region's economy and develop necessary infrastructure for business development,
- create favourable conditions for investments and promote business development, based on sectoral high added value and knowledge based entrepreneurship,
- develop polycentric and balanced regional spatial structure, based on economically active local governments,
- streamline tourism development opportunities in the region,
- streamline region's multi modal transport and infrastructure possibilities,
- improve competitiveness of ports of Kurzeme,
- improve accessibility of the region and its competitiveness, by focusing investments into transport infrastructure upgrades,
- invest into human resources and develop innovation culture,
- improve education and training quality and variety, as well as ensure accessibility to life long education,



*Ice clearing in Venta river.*

- develop business support infrastructure, foster entrepreneurship and enhance use of innovation,
- foster employment and increase competitiveness of region's labour force,
- create high quality living environment, preserve nature environment and foster development of peripheral areas,
- facilitate viability of human settlements and rural areas,
- preserve and maintain nature variety and ensure sustainable use of natural resources,
- diminish negative impact of peripheral areas and foster levelling of territorial development.

#### Development planning documents of Kurzeme planning region

- Spatial plan of Kurzeme region is in the process of development – first draft is made available for public hearing,
- within the Latvia–Flanders cooperation project in 2004 a region's spatial strategy was developed (spatial development proposal), which presently is being used for preparation of spatial plan of Kurzeme region,
- Kurzeme region partnership model – prepared in 2005,
- Kurzeme region action plan for 2007–2013, prepared in 2006.

#### Territory development fostering projects of Kurzeme planning region

- Phare programme project "Institutional capacity building in Kurzeme region",
- European Social Fund National Programme project "Establishment of Kurzeme planning region support system and capacity building for implementation of life – long learning strategy",
- INTERREG III C project "Hanseatic Innovation regions",
- INTERREG III C project "Knowledge transfer network",
- European Social Fund National Programme project "Establishment and operation of Kurzeme planning region EU structural funds information centre",
- ERDF project "Development of public internet access points in Kurzeme".

#### Administration of planning region

Kurzeme development council was established according to Law on Regional Development – in February 13, 2003. Council comprises representatives of 14 local governments – two from



each district and from cities of state significance. Change of chairman takes place once in six months.

Kurzeme region development agency was established in October 29, 1999.

#### Contact information

Kurzeme region development agency.  
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www.kurzeme.lv



A view of the lake at Talsi hillside area.

## LATGALE PLANNING REGION

Latgale planning region comprises cities of Daugavpils and Rezekne and districts of Balvi, Daugavpils, Kraslava, Ludza, Preiļi and Rezekne. Region covers an area of 14.5 thsd km<sup>2</sup>, population at the beginning of 2005 – 364.3 thsd.

#### Development priorities and objective of Latgale planning region

Latgale region development programme for 2007–2013 sets out four strategic priorities and subsequent strategic objectives.

##### *Increase of region's competitiveness*

- Creation of favourable environment for business activities,
- increase of competitiveness of labour force,
- raise of self – initiative of inhabitants,
- decrease of social inequality,
- sustainable development of cities and rural areas,
- preservation of identity of Latgale.

##### *Development of region's infrastructure*

- Facilitation of region's accessibility,
- development of business infrastructure,
- development of environmental infrastructure,
- ensuring of access to sufficient energy resources,
- housing development,
- development of educational infrastructure,



Glen of Stiglava.

- development of social and health care infrastructure,
- development of culture and sports infrastructure,
- development of border area infrastructure,
- development of transport corridors.

##### *Tourism development*

- Development of tourism resources of the “land of lakes”,
- development of resources of sacral tourism,
- development of nature and cultural – historic tourism resources,
- development of tourism services and infrastructure.

##### *Increase of institutional capacity of the region*

- Strengthening of institutional capacity of regional planning and development institutions,
- strengthening of regional partnerships.

Spatial plan of the region addresses given objectives, besides, Latgale development plan 2000–2020 defines strategic development priorities for each given territory and outlines mutual interrelations among separate spatial structures. In line with the above priorities, the following strategic development directions of spatial structure of Latgale region are specified:

- increase of region's competitiveness,
- development of region's infrastructure,
- development of rural areas.

#### Development planning documents of Latgale planning region

- Latgale development plan – prepared in 2000,
- development strategy for towns of Latgale – prepared in 2001,
- partnership strategy for Latgale region – prepared in 2003,
- spatial plan of Latgale region – approved by Latgale planning region development council in spring of 2006, document is made available for public hearing,
- development programme of Latgale region – is being currently drafted.



*Livani glass production.*

### **Territory development fostering projects of Latgale planning region**

- European Social Fund project "Internship for unemployed youngsters",
- Phare CBC project "Interactive communications portal of Latgale",
- spatial plan of Latgale,
- implementation of life – long learning strategy in Latgale,
- Phare 2003 project "External border initiative in Latgale and Vidzeme",
- Phare 2003 project "Institutional capacity project",
- GRIDS project,
- "Balttour" 2005 and 2006,
- tender on projects pertaining to Latgale culture programme,
- creation of new tourism destinations by encompassing proposals from border regions of Latgale and Aukstaitija,
- mechanisms for attraction of investors for Latgale and Kaunas regions,
- creation of new spatial development zones in border areas of Latvia, Russian Federation and Estonia by employing transport – geographical location potential (distant access),
- development of public access internet points in Latgale region,

- development of engineering sciences studies programme at the University of Daugavpils,
- development of cluster of Latgale engineering technologies,
- possibilities for establishment of transboundary cooperation research institute,
- project on cultural – historic heritage of Ludza town,
- project on training of Rezekne, Siauliai and Vicebsk accountants,
- establishment of bicycle route in Latvia and Lithuania,
- administration of local governments and increase of project development capacity,
- Marks Rotko art centre in Daugavpils fort,
- organisation of Latvia–Lithuania transboundary championship in basketball and street-ball,
- enrichment of cultural life at the bordering areas of Latvia and Lithuania,
- transboundary cooperation among Latvia–Lithuania–Belarus universities in the field of environmental protection,
- development of cultivation of flax – establishment of cooperation network among flax growers of Latvia and Lithuania,
- establishment of a unified system for attraction of investments in border areas of Latvia and Lithuania.

### **Administration of planning region**

Latgale development council was established in May 5, 1998, however in December 13, 2002 it was reorganised into Latgale planning region development council. Council comprises representatives of 15 local governments. Change of chairman takes place once in six months.

Latgale region development agency was established in 1999 with an objective to ensure implementation and supervision of region's development plans. Local governments of Latgale region are founders of the Latgale region development agency. Legal status of the Latgale region development agency changed in October 26, 2004 – limited liability non profit organization was changed into a society.

### **Contact information**

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 phone/fax: +371 4624300,  
 e-mail: latgale@latgale.lv,  
 www.latgale.lv



## RIGA PLANNING REGION

Riga planning region comprises cities of Riga and Jurmala and districts of Limbazi, Ogre, Riga and Tukums. Region covers an area of 10.4 thsd km<sup>2</sup>, population at the beginning of 2005 – 1 097.8 thsd.

### Development priorities and objectives of Riga planning region

Overall objective of Riga region development is to facilitate economic development of the region, enhancement of competitiveness and integration into Europe, significant and stable growth of welfare of inhabitants and preservation of healthy and safe environment by making preconditions for sustainable and balanced development of region's spatial structure.

Development strategy of Riga region specifies that favouring and hampering development characteristics of the region must accordingly be either taken advantage of or limited in three main directions, determining future of the region's spatial structure:

- integrated development and competitiveness. Riga region is a rapidly growing metropolitan area with great development potential, thus it must gain international influence. Riga region – driver for Latvia's integrated development, competitive Baltic Sea area, European and world region,
- sustainable development. Riga region should develop as internally strong functional area with sustainable and balanced economy and high quality living environment,
- high quality of life. Substantial improvement of living quality and preservation of such, as well as development of a healthy society in the region.

In order to form spatial structure, which would ease and foster achievement of economic and social objectives specified in development strategy of the region in the shortest time frame possible by least use of resources, three priority directions and drivers for spatial structure development were selected:

- united amalgamated polycentric settlement system,
- high quality infrastructure and transport,
- dynamic rural areas and quality environment.

### Riga region innovation development programme

#### Priorities

- Development of human resources,
- development of infrastructure for innovation activities,



Seaside of Ragaciems



Melngalvju House

- formation of society open to innovation,
- update of legislative framework for innovation development,
- attraction of financing for innovation activities.

#### Objectives

- High quality and development of human resources,
- convenient international and domestic accessibility of the region,
- competitive national economy, active and diverse entrepreneurship,
- high quality living environment,
- increase of role and impact of Riga region on a national and international scale.

#### Primary action areas

- Formation of information society,
- development of health, social, educational and culture infrastructure and services,
- development of transport and transport infrastructure,
- development of efficient energy and environmental infrastructure,
- broadening of innovation in business activities,
- increase in productivity,
- tourism development,
- increase of effectiveness of region's administration,
- promotion of a consolidated unified image of the region.

#### Secondary action areas

- Improvement of demographic situation,
- improvement of housing,
- creation of favourable preconditions for employment,
- formation of a citizen society,
- development of communications infrastructure,
- increase of business activity,
- improvement of quality of city environment,
- diverse development of rural areas,
- integrated coastal zone development,
- extension of cooperation on national and international scale.

### Development planning documents of Riga planning region

- Riga region development programme 2005–2011, prepared in 2005,
- Riga region innovation development programme 2005–2010, prepared in 2005,
- Spatial plan of Riga planning region 2005–2025, prepared in 2005.

### Administration of planning region

Riga planning region development council was established in March 28, 2003 at the meeting of chairpersons of Riga planning region municipalities. Council comprises 18 members – Riga and Jurmala cities are represented by three deputies, whereas each district is represented by at least one deputy from the town municipality and one deputy from rural municipality.

Council chairperson is elected for the term of deputy mandate and therefore his/her mandate is terminated by respective local government elections.

Riga region development agency was established in September 1, 2003 in order to implement decisions of Riga planning region development council and to carry out the function of the planning region executive institution.

### Contact information

Establishment "Riga region development agency".

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## VIDZEME PLANNING REGION

Vidzeme planning region comprises districts of Alūksne, Cēsis, Gulbene, Madona, Valka and Valmiera. Region covers an area of 15.3 thsd km<sup>2</sup>, population at the beginning of 2005 – 245.4 thsd.

### Development priorities and objectives of Vidzeme planning region

- Improvement of region's competitiveness,
- increase of business activity,
- increase of productivity of industry, agriculture and services branches,
- attraction of human resources to the region,
- improvement of education opportunities by adjusting to requirements of labour market,
- development of infrastructure associated to business activity,
- preservation of cultural and historical heritage, nature diversity and characteristic landscapes.

### Development planning documents of Vidzeme planning region

- Vidzeme region development programme – prepared in 2002 and is subject to review and update till February 2007.



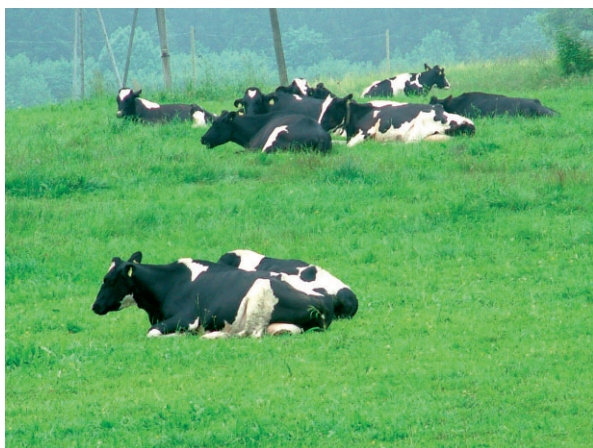
Vidzeme highway

- Second draft of Spatial plan of Vidzeme planning region – prepared in 2006.

### Territory development fostering projects of Vidzeme planning region

- "Three trails in Vidzeme",
- "Development of tourism in Vidzeme region – future opportunities",
- Phare 2003 project "External border initiative in Latgale and Vidzeme",
- "Capacity building in spatial planning in Vidzeme region",
- "Spatial planning – tool for policy inter-sectoral and transboundary integration",
- "Baltic Tangent" and "Rail Baltica",
- "Vidzeme regional support system establishment and capacity building for implementation of life-long learning strategy",
- Project "Establishment and operation of EU structural funds information centre in Vidzeme planning region" of the EU structural funds National Programme "Establishment and operation of EU structural funds information centres",
- "Support for families with children to commencement of business activity and self-employment",
- Facilitation of creation of new commercial companies and self employment in Vidzeme region,
- Internships for youngsters for development of Vidzeme region,
- Project "Good roads – from knowledge to practice" in the framework of the Ministry of Finance programme "Economic and social cohesion measures in Latvia",
- "Establishment of tourism network in the area of VIA Hanseatica corridor",
- "Desti Link",
- "Nine rivers in Vidzeme",
- 24 hours information provision network for tourists on nature, culture, and historical heritage,





*Rural landscape of Vidzeme*

- "Sustainable integration of former military settlements, challenges and opportunities for regional development – ReMiDo",
- Culture initiatives for Vidzeme society integration,
- Middle Daugava waste management project.

### Administration of planning region

Vidzeme planning region development council was established in Gulbene in July 2, 1999 by chairpersons of six district councils. Council consists of 18 deputies – three deputies from each district. Chairperson of Vidzeme planning region development council is also the chairman of the board of Vidzeme development agency. Rotation of chairpersons of council and establishment takes place once in six months.

Vidzeme development agency is established in August 1, 2000.

### Contact information

Establishment "Vidzeme development agency".

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www.vidzemes-regions.lv

## ZEMGALE PLANNING REGION

Zemgale planning region comprises city of Jelgava and districts of Aizkraukle, Bauska, Dobele, Jekabpils and Jelgava. Region covers an area of 10.7 thsd km<sup>2</sup>, population at the beginning of 2005 – 288.2 thsd.

### Development priorities and objectives of Zemgale planning region

- Development of human resources,
- sustainable and balanced development of territory of Zemgale,
- development and diversification of economy,
- development of agriculture and rural areas

### Development vision of Zemgale planning region

- Zemgale – region with favourable living environment,
- region with cultural environment and landscape characteristic for Zemgale, where balance between the man and the environment is preserved,
- region with developed science based economy, production and services with high added value.



*Jekabpils old town*

During implementation of objectives set forth in the vision, the following European Union average indicators must be met in Zemgale region in 20 years:

- GDP per capita,
- unemployment level,
- employment level.

In order to accomplish vision, the following policy planning principles are observed in Zemgale planning region:

- facilitation of territorial cohesion by enhancing balanced economic and social development of Zemgale;
- facilitation of development of polycentric and balanced territory of Zemgale, improvement of linkage between development centres and rural areas by developing public transportation network,
- development of science based economy, direction towards development of intellectual facilities, production and services with high added value,
- development of accessibility of information and knowledge,
- sustainable utilisation of environment, natural resources and cultural and historical heritage.

### Development planning documents of Zemgale planning region

- Zemgale planning region Development strategy 2003–2010, prepared in 2003,
- Zemgale planning region Action plan 2004–2007, prepared in 2004,
- Zemgale planning region Forestry development programme 2005–2010, prepared in 2005,
- Zemgale planning region Employment development programme 2005–2010, prepared in 2005,
- Zemgale planning region Business development programme 2006–2011, prepared in 2006,

- Spatial plan of Zemgale planning region 2006–2026. Draft is made available for public hearing in 2006,
- Innovation development plan of Zemgale 2006–2009. Draft is made available for public hearing in 2006.

### **Territory development fostering projects of Zemgale planning region**

- Phare 2003 project “Institutional capacity building”,
- “Establishment of rural partnerships for resolving of local challenges in the Baltic sea region”,
- subproject “Spatial economic plan of Zemgale” in the framework of Latvia–Flanders cooperation project,
- prepared tourism information materials, joint stand for Zemgale exposition at the international tourism fair “Balttour 2005”,
- “Establishment of tourism networks in the territory of Via Hanseatica corridor”,
- project “Network of Baltic Euroregions”,
- fast railway feasibility project “Rail Baltica”,
- “Establishment of support system for life-long learning and capacity strengthening in Zemgale planning region”,
- “Household waste management in Zemgale region”,
- Middle Daugava waste management project.

### **Administration of planning region**

In May 29, 1997 in Jelgava, six local governments of Zemgale encompassing Jelgava city, Jelgava district, Bauska district and Dobeles district jointly established an institution – Zemgale region Development Council, but in 1999 – Zemgale



*Landscape of Zemgale*

development agency. Until 2001 Zemgale region was joined by Aizkraukle district and Jekabpils district. According to the statutes of the Zemgale planning region Development council, the chairperson is re-elected every six months.

### **Contact information**

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# PLANNING REGIONS OF LATVIA

## DEVELOPMENT INDICATORS AND ANALYSIS METHODOLOGY

The information and statistical data about separate territories, their development characteristics, opportunities and differences are being summarized and analyzed according to the administrative-territorial division of Latvia – i.e. districts, cities under state jurisdiction, towns, counties and rural municipalities – as of January 1, 2005.

### Indicators

Data aggregated and published by the Central Statistical Bureau of the Republic of Latvia (CSP) have been used for the analysis of territory development. The availability of data has considerably influenced the structure of indicators included in the survey, as the range of used indicators was limited. The data published by CSP forms the basis for calculations made by State Regional Development Agency on cities under state jurisdiction and districts in each planning region in order to obtain sets of indicators for description of planning regions, as well as for their inter-comparison.

The accessibility and structure of data is also influenced by the administrative status of territories. A wider range of statistical information is available about districts and cities, whereas less information about towns, counties and rural municipalities.

The statistical data used in the survey differ by the reporting periods. Some indicators characterize the situation at a given precise time – at the beginning or at the end of the respective year. Whereas, indicators characterizing a process within a given period of time, are related to a one-year period. For instance, the number of resident population, the population age structure, demographic burden, population density, unemployment rate, are related to the beginning of every year. Number of persons employed at a basic job and number of unemployed are related to the end of each given year. Indicators, such as the Gross Domestic Product, personal income tax, non-financial investments, data about economically active enterprises and business companies, as well as the balance of population growth and net migration characterize every respective year as a whole.

### Comparison of areas

The survey presents comparison of territories, as well as comparison of given indicator values against the mean indicator values in the country. Comparison of indicators, characterizing territories was made for the period of last six years. This survey covers the period from 1999 to 2004, inclusive. In separate cases, development dynamics are reflected by comparing the indicator value of the given year against the mean value of the previous five years. Correlation between separate indicators has been analyzed.

Both absolute and relative indicators have been used in the comparison. Some indicators are expressed in various measurement units, i.e. in percent and percent points. Secondary indicators are calculated both per one inhabitant and per 1 000 population.

### Territory development index

In 1997, the Ministry of Economics in cooperation with the Institute of Statistics of Latvia developed methodology which

\* Specially supportable territory is the territory where unfavorable economic and social development trend(s) are preserved over time and which is therefore assigned the status of a specially supportable area according to the procedure specified by the Cabinet of Ministers.

was for the first time applied in assigning the status of specially supportable\* area. The method was simple, demonstrative and comprehensible for the user, it gave the possibility to make the comparison of different territories. For this purpose, all administrative-territorial units of Latvia were ranked according to all the basic indicators included in the complex, and respective ranks were attributed. Thereafter, the ranks of all indicators were measured by special coefficients of indicator importance (weights) and a weighed sum of ranks was obtained for every territorial unit. These sums were ranked again, and the rank of every unit showed the placement of a specific territory in the general table of ranks.

According to the ranking method of 1997, the specially supportable territories were divided into two groups. The first group was formed of districts and cities under state jurisdiction, the second group – of rural municipalities and district towns. Yet, both territorial groups were quite different in their socio-economic development. The ranking method did not allow for reflection of actual differences according to the value of a given indicator, besides, the ranks were not metrically commensurable.

In 1999, the method for assigning the status of specially supportable territories was improved significantly by completing the range of indicators and by changing the calculation of territory development index. The new method for assigning the specially supportable territories was approved by the Ministry of Economics on November 29, 2000 by Order No. 216.

In order to assess development of territories in question, according to the methodology applied presently, the territory development index is being calculated separately for uniform groups in terms of status and the accessibility of indicators – regions, districts, cities, towns and rural municipalities. County local governments comprising a town are included in the town group. If county local governments are formed only by rural municipalities, they are enlisted in the rural municipality group. A separate set of indicators is assigned to the determination of the socio-economic development level of every territorial group. 8 development indicators are used for the region group and dis-

Indicator	Weights		
	Regions, districts	Rural municipalities	Cities, towns
Gross domestic product per capita, Ls	0.3	-	-
Non-financial investment per capita, Ls	0.1	-	-
Economically active enterprises and business companies per 1 000 population	0.1	-	-
Unemployment rate, %	0.15	0.25	0.3
Personal income tax per person, Ls	0.1	0.25	0.3
Level of demographic burden	0.1	0.15	0.2
Resident population change, %	0.1	0.15	0.2
Population density per 1 km <sup>2</sup>	0.05	0.1	-
Mean cadastral value of land, Ls/ha	-	0.1	-

Table 2. Basic indicators used for calculation of territory development index and their weights.

trict group, 6 – for rural municipality group, and 4 for the town group. Depending on its importance, a definite weight determined by experts, is attributed to every indicator (see Table 2).

Basic development indicators depict the territory from various viewpoints, yet they are not compatible because of being expressed in different units of measurement. In order to make all the indicators comparable and compatible, by calculating the common development index, indicators are standardized. This enables to dispose of certain measurement units, metrically adjust indicators expressed in various measurement units and calculate the weighed average index.

By ranking all territories according to the development index in descending order, respective ranks can be attributed. The development rank shows the place of a specific territory in the group of territories, according to the differences in the development level.

The territory describing indicators mentioned in the table are available yearly in the data summary of the Central Statistical Bureau of Latvia, the State Treasury, the State Land Service and other state institutions.

So far, the territory development index has been calculated for a period of six years – from 1999 till 2004. The development index and respective attributed ranks of district, town and rural municipality groups are enclosed in the annex to this edition, whereas those of the regions are depicted in the chapter on planning regions. Examination of basic indicators of the territory development indexes during a six-year period may be of assistance when attempting to identify factors that influence changes in development indexes in a particular territory group.

In this edition, the development index values and the basic indicators used in their calculation are employed for the general analysis of territorial development, for illustrating the differences in the socio-economic development of territories, for comparison of living standard of people, and for identification of the challenges in the area of regional development.

Territory development index is used to ensure the operation of the state support programs and to identify regional develop-

ment support measures. Index may also be used for development planning purposes, as well as in preparation and implementation monitoring process of programmes and projects.

### Development index of territories of regions

Employing available data of 2004, the development indexes of territories of regions were calculated for every planning region as a separate group of regional territories by joining towns, counties and rural municipalities into one group. Calculation of the development index of territories of regions is based on comparison to the average value of a specific indicator in the region. The calculation is based on four indicators: unemployment rate, the amount of personal income tax per 1 inhabitant, the level of demographic burden, changes in the number of permanent residents in the course of the last five years.

The calculations of the development index of territories of regions may be used for the comparison and evaluation of the development level of towns, counties and rural municipalities, for depiction of development differences in the town group and the rural municipalities group within the given region, as well as for purposes of development of state's and regional development planning documents.

Presently, acquisition of statistical data is limited for towns or rural municipalities amalgamated into counties. Evaluation and analysis of regional development processes in the country may only take place over extended period of time. When establishing new administrative territories, one must retain the possibility to compare existing statistical data.

For purposes of more comprehensive analysis of differences in regional development, further research needs to be carried out on development processes in territories of various regions. In this present survey, territories of regions are characterized by selected indicators.

## TERRITORIES OF PLANNING REGIONS AND LOCAL GOVERNMENTS

### Territories of planning regions

Pursuant to the Law on Regional Development approved in April 9, 2002 and the March 23, 2003 Cabinet of Ministers Regulation No. 133 territories of five planning regions were established for purposes of planning and coordination of regional development, as well as for purposes of enhancement of the co-operation among local governments (see Table 3 and Figure 3).

Assignment of legal status to planning regions strengthens the role of regions in public administration, as well as increases opportunities of regions to stand for their interests during processes of development and implementation of state policies. Coordinated cooperative efforts are required from state administration and local governments to foster acquisition of European Union Structural Funds.

Riga planning region	Vidzeme planning region	Kurzeme planning region	Zemgale planning region	Latgale planning region
Riga city	Aluksne district	Liepaja city	Jelgava city	Daugavpils city
Jurmala city	Cesis district	Ventspils city	Aizkraukle district	Rezekne city
Limbazi district	Gulbene district	Kuldiga district	Bauska district	Balvi district
Ogre district	Madona district	Liepaja district	Dobeles district	Daugavpils district
Riga district	Valka district	Saldus district	Jekabpils district	Kraslava district
Tukums district	Valmiera district	Talsi district	Jelgava district	Ludza district
		Ventspils district		Preiļi district
				Rezekne district

Table 3. Territories of planning regions according to the Cabinet of Ministers Regulations of March 23, 2003 No. 133 "On territories of planning regions".





Figure 3. Territories of planning regions according to the Cabinet of Ministers Regulations of March 23, 2003 No. 133 "On territories of planning regions".

Since April 28, 2004 (Cabinet of Ministers decree No. 271) the territories of four planning regions correspond to territories of four NUTS 3\* statistical regions. Riga planning region comprises two NUTS 3 statistical regions – Riga and Pieriga (adjacent area to Riga). Thus, there are six statistical regions in Latvia, but five planning regions.

#### Local governments in planning regions

As of January 1, 2005, there were in total 556 local governments in Latvia – 26 district governments and 530 local governments, which are divided into 7 local governments of cities of state importance, 53 local governments of district towns, 444 local governments of rural municipalities and 26 county governments.

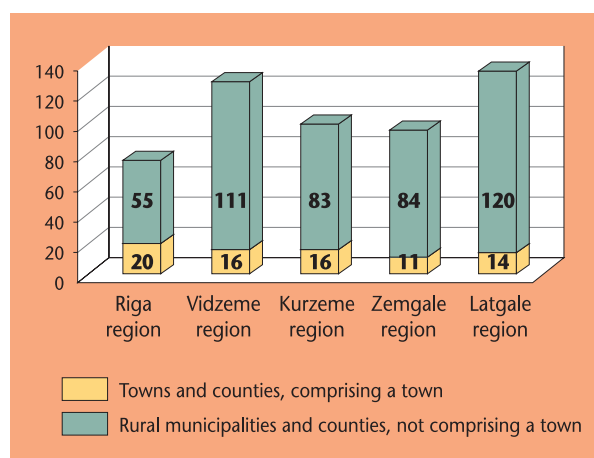


Figure 4. Division of local governments in town group and in rural municipalities group in planning regions at the beginning of 2005.

\* NUTS – nomenclature of territorial units for statistical purposes in the European Union for a united statistical administration. NUTS 3 level corresponds to regional statistics in Latvia.

Population	Number of rural municipalities and counties	Population ratio to total population of the country
up to 999	190	6.0
1 000-1 999	186	11.3
2 000-2 999	43	4.5
3 000-3 999	11	1.6
4 000-4 999	11	2.1
5 000 and more	12	4.0

Table 4. Division of rural municipalities by resident population.

Largest number of local governments (134), which makes almost one fourth of all Latvia's towns, counties and rural municipalities, is found in Latgale region. Slightly smaller number of local governments is found in Vidzeme region – 127. Riga region is the smallest by total number of towns, counties and rural municipalities, there are 75 local governments in the region. There are 99 local governments in Kurzeme region, whereas in Zemgale region – 95 (see Figure 4).

Riga region is distinct by the largest share of towns in the total number of local governments – 20 towns form 27% of all administrative territories in the region. In other regions, the share of towns in the total amount of local governments range from 10 to 16%.

In average, there are 4.4 thousand inhabitants per one local government, however, excluding rural local governments (rural municipalities and rural counties) the number is 1.5 thousand inhabitants per local government.

There is a comparatively large number of local governments in Latvia with small number of inhabitants. Among rural local governments, there are 190 rural municipalities with resident population less than 1 000 inhabitants, and 186 local governments with population number from 1 000 to 2 000 inhabitants. Resident population exceeds 2 000 inhabitants only in 77 local governments, among those there are 23 local governments with population exceeding 4 000 inhabitants (see Table 4).

Majority of rural local governments with population less than 2 000 inhabitants are found in Latgale region (110) and in Vidzeme region (100), the smallest number – in Riga region (31). There are 73 small-sized local governments in Kurzeme region and 62 in Vidzeme region.

Taking a particular look at the rural local governments with resident population less than 1 000 inhabitants, Latgale region stands out – there are 66 such extremely small rural municipalities, which form one third of respective local government group (rural municipalities). In Vidzeme region less than 1 000 inhabitants is found in 49 rural local governments, in Kurzeme – in 36, in Zemgale – in 28 and in Riga region – in 11 rural local governments.

The distribution of 23 large rural local governments (population of 4 000 and more) by regions, on the other hand, is as follows: Riga region – 12, Zemgale region – 7, Latgale region – 2 and Vidzeme and Kurzeme regions – 1 in each.

Largest rural local governments by resident population are found in Riga region – in Kekava rural municipality (12 103 inhabitants) and in Marupe rural municipality (9 643 inhabitants). Smallest local governments in Latvia are found in Vidzeme region – Kalncempji rural municipality (294 inhabitants) and Ipiki rural municipality (332 inhabitants).

In 376 rural local governments with population up to 2 000, which form 83% from total number of local governments, lives almost one fifth of population of Latvia – 17,3%, incl. 190 local governments with population up to 1 000 inhabitants – 6,0% of the state's population, which is as much as in comparatively large rural local governments with population more than 4 000.

As of January 1, 2005, there are 26 counties\* established. Centres of 17 counties are towns, whereas 9 counties are established by amalgamating territories of rural municipalities or renaming rural municipalities into counties. Most of counties, which comprise a town, are found in Riga region – 7. Slightly smaller number is found in Latgale region – 5, and in Kurzeme region – 4. Zemgale region has only 1 county with a town as a centre, whereas Vidzeme region has none of such counties.

## COMPARATIVE DESCRIPTION OF REGIONS

Essential precondition for the implementation of regional policy and state support measures is the evaluation of social and economic situation and changes taking place in the country and its territories. This section of the survey contains information about the population and economical indicators of the

Planning region	Area, km <sup>2</sup>	Share, %
Vidzeme region	15.257.6	23.6
Latgale region	14.547.2	22.5
Kurzeme region	13.600.8	21.1
Zemgale region	10.741.6	16.6
Riga region	10.441.5	16.2
<b>Total in Latvia</b>	<b>64.588.7</b>	<b>100.0</b>

Table 5. Area of planning regions and their share in the country at the beginning of 2005.

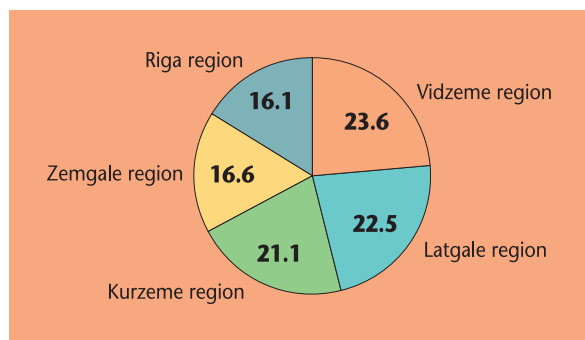


Figure 5. Share of territory of planning regions in the country at the beginning of 2005.

Rural counties, which do not comprise a town, are mostly found in Zemgale region and Latgale region – 3 counties in each. Riga region has 2 of such counties, Vidzeme region – 1, but Kurzeme region does not have any county, formed solely by territories of rural local governments.

Planning regions are rather similar by the size of their area, mutual difference in the share of the total area of the country does not exceed 8 percent points. Riga region is the smallest by area, its share in the area of the country is 16.2%. Zemgale region is slightly larger. The remaining three regions each exceed the 20% share of the total area of the country. The largest is the Vidzeme region, which covers 23.6% of the total area of Latvia (see Table 5 and Figure 5).

## DEMOGRAPHIC SITUATION

### Population

At the beginning of 2005, the population of Latvia amounted to 2.306.400 inhabitants. Areas of planning regions are quite similar in size, yet there are differences in terms of resident population. This is mainly due to relatively large number of inhabitants of Riga region.

As of January 1, 2005, almost half (1.097.800 or 47.6%) of the whole population of Latvia lived in Riga region, in the capital city Riga – 31.7% of all inhabitants or almost every third person in Latvia.

Planning region	Resident population	Share, %
Riga region	1.097.837	47.6
Latgale region	364.345	15.8
Kurzeme region	310.673	13.5
Zemgale region	288.153	12.5
Vidzeme region	245.426	10.6
<b>Total in Latvia</b>	<b>2.306.434</b>	<b>100.0</b>

Table 6. Population in planning regions and its share in the country at the beginning of 2005.

\* On March 21, 2006 three more counties are established by renaming Adazi rural municipality, Garkalne municipality and Carnikava municipality of Riga district into counties. Thus, the number of counties has increased to 29, whereas the number of rural municipalities decreased to 441.

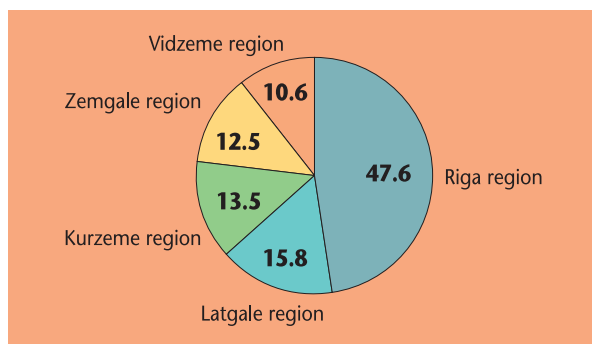


Figure 6. Share of resident population of planning regions in the country at the beginning of 2005.

In terms of population, other four regions do not display great difference, the share of population ranges from 11 to 16% of the total in the country. Latgale region is the second largest region in Latvia – 364.3 thsd or 15.8% of the total population lives there. Smallest, in terms of resident population, is the Vidzeme region, which has 245.4 thsd inhabitants or one tenth (10.6%) of the country's population (see Table 6 and Figure 6).

### Population density

At the beginning of 2005, the average population density in Latvia was 35.7 people per 1 km<sup>2</sup>. During six year period the density of population has decreased proportionally along with overall decrease of population – at the beginning of 2000 the value of this indicator was 36.9 people per 1 km<sup>2</sup>.

Planning regions are alike in terms of their area, yet different by population number and therefore they vary in terms of population density. Highest population density among regions – 105.1 inhabitants per 1 km<sup>2</sup> is observed in Riga region. Population density of Riga region exceeds three times the average population density in the country. The respective values of other regions are below the country's average. There are 26.8

Planning region	Population density	
	total	excluding cities
Riga region	105.1	30.9
Zemgale region	26.8	20.8
Latgale region	25.0	15.0
Kurzeme region	22.8	13.4
Vidzeme region	16.1	16.1
<b>Average in Latvia</b>	<b>35.7</b>	<b>18.4</b>

Table 7. Population density in planning regions at the beginning of 2005, people per 1 km<sup>2</sup>.

Population density in regions is recommended to be evaluated in relation to settlement structure. A great deal of regional population inhabits large cities. Higher density indicators are found in regions with higher degree of urbanization. Differences among regions diminish considerably if cities of state significance are excluded in calculations of regional population density (see Table 7 and Figures 7 and 8). Not all of the large cities are presently functionally directly related to the development of territories of respective planning regions, for this reason, in order to characterize regions, it is advised to additionally consider indicators that are calculated by excluding data regarding large cities from common regional indicators.

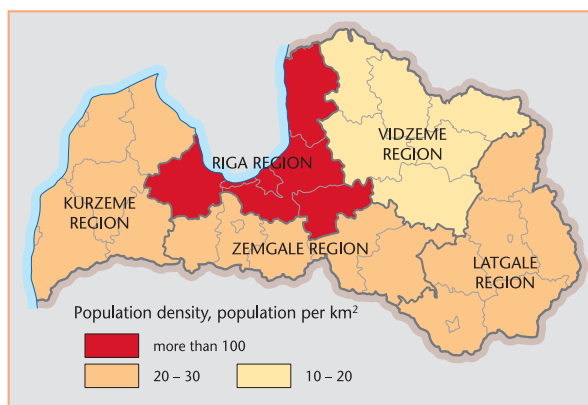


Figure 7. Population density in planning regions at the beginning of 2005.

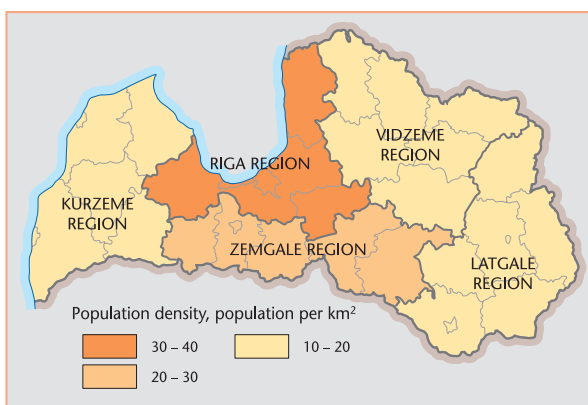


Figure 8. Population density in planning regions at the beginning of 2005, excluding cities.

people per 1 km<sup>2</sup> in Zemgale region, 25.0 – in Latgale region, 22.8 – in Kurzeme region, yet the lowest population density is to be found in Vidzeme region – 16.1 inhabitants per 1 km<sup>2</sup>. Despite that Vidzeme covers one fourth of the total area of the country, only one tenth of Latvia's population lives there (see Table 7 and Figure 7).

### Urban and rural population

The degree of urbanization is characterized by distribution of town and rural population, it also indirectly reveals business activities and their structure. Changes in the distribution of town and country population may reflect significant structural social and economic processes.

During the period of 2000–2005, the number of inhabitants has decreased both in towns and in rural areas. During this given timeframe, the distribution or the share of urban and rural population in the total population of the country has not changed significantly. At the beginning of 2000, 68.1% of Latvia's population lived in towns and cities, and less by half – 31.9% lived in the country. As of January 1, 2005, these figures were respectively 68.0% and 32.0%. Thus, the share of rural population has slightly increased, whereas the share of urban population has decreased.

Concentration of urban population is quite uneven in regions. At the beginning of 2005, the share of urban population as percentage to total population of the region was in the range from 42 to 84%. The highest share of city and town population is attributed to Riga region (83.9 %), which is followed by Kurzeme region (62.4%), Latgale region (57.8%) and Zemgale region (48.0%). The lowest share of urban population is observed in Vidzeme region (42.3%), which is

Planning region	Urban population		Rural population	
	Total, thsd	Percent of total population of region	Total, thsd	Percent of total population of region
Riga region	920.8	83.9	177.1	16.1
Vidzeme region	103.8	42.3	141.6	57.7
Kurzeme region	193.9	62.4	116.8	37.6
Zemgale region	138.3	48.0	149.9	52.0
Latgale region	210.6	57.8	153.8	42.2
<b>In Latvia</b>	<b>1 567.3</b>	<b>68.0</b>	<b>739.1</b>	<b>32.0</b>

Table 8. Urban and rural resident population and their share in planning regions at the beginning of 2005\*.

two times lower than in Riga region. Thus, the highest share of rural population among regions is found in Vidzeme region (see Table 8).

High concentration of population in the capital city is very characteristic for Latvia, this determines the high degree of urbanization of the Riga region. At the beginning of 2005, there were 731.8 thsd people or 31.7% of the whole country's population living in Riga (at the beginning of 2000 – 776.4 thsd or 32.2%).

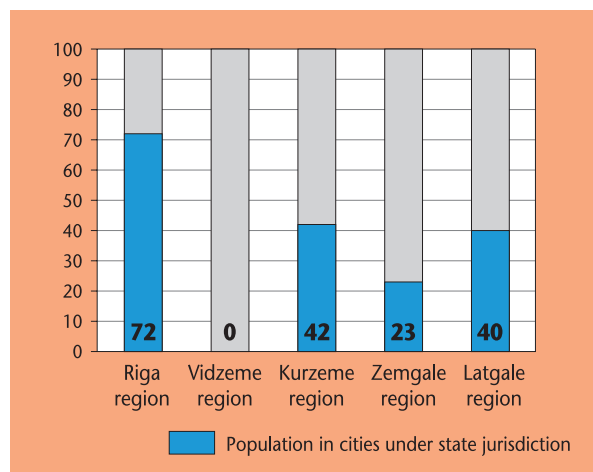


Figure 9. Share of resident population in cities in planning regions at the beginning of 2005.

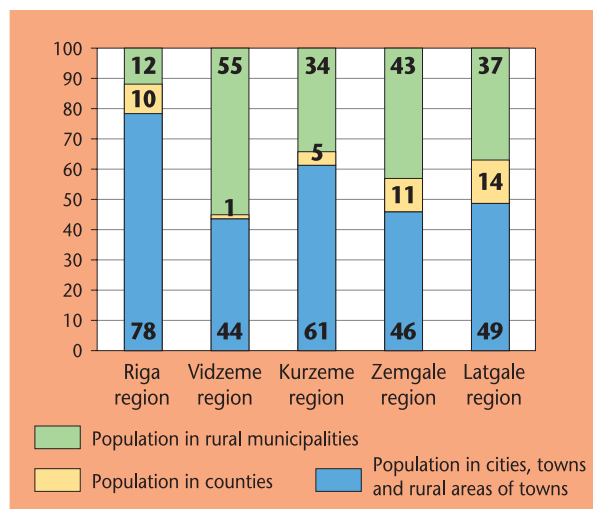


Figure 10. Share of resident population in cities, towns, counties and rural areas in total population of planning regions at the beginning of 2005.

\* Population of rural areas of towns and of rural areas of counties belonging to town group are not included in the number of town population.

The changes in the share of urban and rural population vary by regions in the period of beginning of 2000–2005. The number of town inhabitants has decreased in all regions, yet, the share of urban population during six years has only decreased in Riga region – by 1.0 percent point. Share of urban population has increased in Vidzeme region by 0.8, in Zemgale region – by 0.7, in Kurzeme region – by 0.5 and in Latgale region – by 0.1 percent points. Similarly, the share of rural population of the total amount of population of the region has decreased accordingly in the given four regions.

Given figures reflect general correlation – the share of urban population is either decreased or more slowly increased in areas, where the share of urban population of large cities to total population is greater in the given region. And the opposite – the share of urban population has more rapidly increased in regions, where either the share of town population to the total population of the region is smaller or there are no large cities at all in the given region (see Figure 9). During the time period analyzed, the share of population of cities of state importance to the total population of the country has decreased by 0.3 percent points, despite the fact that from regional standpoint during six years it has only decreased in Riga region (Riga and Jurmala) – by 1.4 percent points. In other regions, the share of population of cities of state importance has increased – the most, by 1.2 percent points in Zemgale region (Jelgava).

Since 2000, the share of urban resident population in the total population of the country has decreased slightly. Cities of state importance influence the distribution of urban and rural population in each region, they also impact the overall regional indicators of population increase and decrease in towns and in rural areas. The size of Riga city is an increasingly influencing factor, which by population is 6.6 times larger than Daugavpils city – the second largest city in Latvia. Therefore great disparities exist in terms of resident population and share of urban population between Riga planning region, which comprises two cities of state significance – Riga and Jurmala, and the other four regions.

Kurzeme and Latgale region each has two cities of state significance, Zemgale region has one city, whereas there are no cities of state significance in Vidzeme. Rapid development is observed in towns of Valmiera, Cesis, and Jekabpils. According to various indicators (GDP, non-financial investments, etc.) these towns approach the level of cities of state significance. Some of these towns may in future be included in the group of large cities.

Decrease of urban population in general, and in particular in large cities, may be explained by demographic processes, as well as by suburbanization – relocation of urban population to adjacent rural areas. Also new system for declaration of place of residence may have impacted reflection of this process.

## Population change

The number of resident population in all regions and in the county on the whole is decreasing year by year. At the beginning of 1999, there were 2.399.200 inhabitants in Latvia, yet at the beginning of 2005 – 2.306.400 population. Thus, in the period of beginning of 1999–2005 the population of Latvia has decreased almost by 93 thousand people.



Planning region	1999	2000	2001	2002	2003	2004	2005
Riga region	1132.8	1123.8	1115.2	1105.7	1098.1	1098.5	1097.8
Vidzeme region	258.3	256.8	255.1	252.8	251.7	248.2	245.4
Kurzeme region	324.3	322.2	319.4	317.1	315.6	313.3	310.7
Zemgale region	294.6	293.3	292.5	292.0	291.3	290.0	288.2
Latgale region	389.2	385.7	382.2	378.1	374.8	369.2	364.3
<b>Total in Latvia</b>	<b>2399.2</b>	<b>2381.7</b>	<b>2364.3</b>	<b>2345.8</b>	<b>2331.5</b>	<b>2319.2</b>	<b>2306.4</b>

Table 9. Resident population in planning regions at the beginning of 1999–2005, thsd.

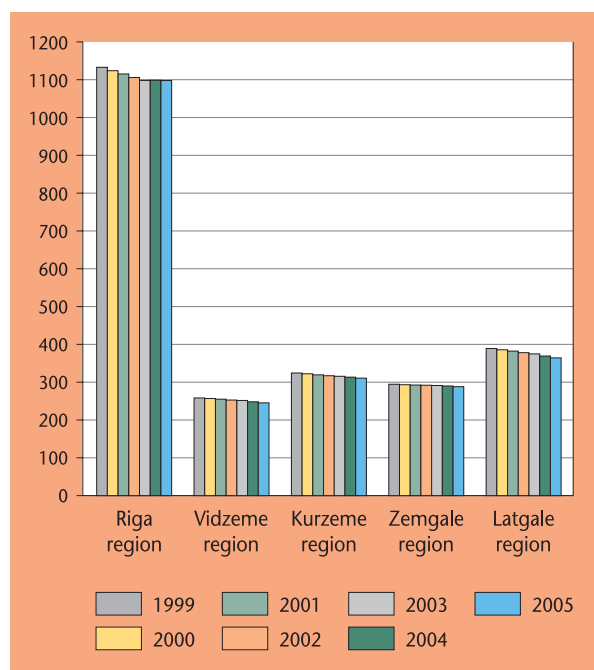


Figure 11. Dynamics of resident population in planning regions at the beginning of 1999–2005, thsd.

Planning region	1995–2000	1996–2001	1997–2002	1998–2003	1999–2004	2000–2005
Latgale region	-4.9	-4.7	-4.8	-4.8	-5.2	-5.4
Vidzeme region	-3.2	-3.1	-3.6	-3.5	-3.9	-4.2
Kurzeme region	-4.9	-4.5	-4.3	-3.5	-3.4	-3.6
Riga region	-5.3	-4.6	-4.3	-3.9	-3.0	-2.3
Zemgale region	-3.7	-3.0	-2.3	-1.8	-1.6	-1.6
<b>Average in Latvia</b>	<b>-4.8</b>	<b>-4.3</b>	<b>-4.1</b>	<b>-3.7</b>	<b>-3.3</b>	<b>-3.1</b>

Table 10. Resident population change in planning regions during five year period, %.

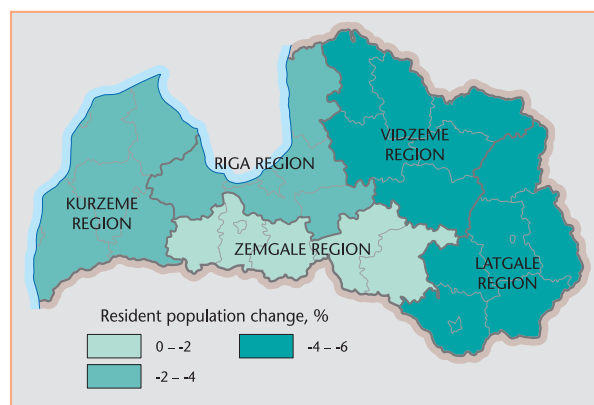


Figure 12. Resident population change in planning regions at the beginning of 2000–2005.

For already 14 years – since 1991, natural increase in Latvia is negative, yet the speed of population decrease has slowed down during the last six years. In the year 2000, population of the country has decreased by 0.73%, whereas in 2004 – only by 0.55% of the total population.

In the period from beginning of 1999–2005, the largest decrease of resident population was observed in Riga region – by 35.7 thsd, smallest decrease in Zemgale region – by 6.4 thsd inhabitants. Population in Latgale region has decreased by 24.9 thsd, in Kurzeme region – by 13.6 thsd, Vidzeme region – by 12.2 thsd inhabitants (see Table 9 and Figure 11).

It would be quite convenient to portray population increase or decrease in each region and during each period by simply reflecting number of population. However, in order to picture regions, which lose or gain population faster than others, a relative indicator is being calculated: resident population change in five year period, compared against number of population at the beginning of the period, and expressed in percentage.

During period of five years – at the beginning of 2000–2005, most rapid decrease of population is observed in Latgale region – by 5.4%. This process has been slightly slower in Vidzeme region – by 4.2% and in Kurzeme region – by 3.6%. Relatively most benevolent situation has been observed in Zemgale region and Riga planning region, where decrease of population was by 1.6% and 2.3%, respectively (see Table 10 and Figure 12).

During the time period of beginning of 1995–2005, rate of decrease of population has slowed in the country, as well as in three of its planning regions. Rate of decrease of population has grown in Vidzeme region (by 1.0 percent points) and in Latgale region (by 0.5 percent points), besides in Latgale region this decrease rate has constantly been highest during all time period.

### Vital statistics

Natural increase or growth is the difference (saldo) between the number of those born and those died within a definite period of time. It is also characterized by a coefficient, which is the proportion of natural growth (or decrease) against the average annual amount of inhabitants (expressed per 1 000 population). The decrease or increase of the population as a result of

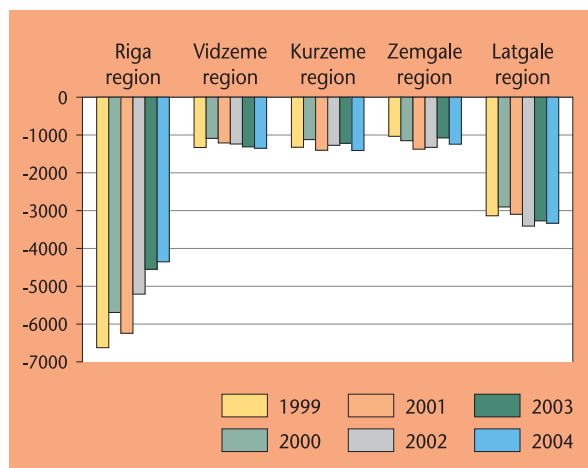


Figure 13. Dynamics of vital statistics in planning regions 1999–2004, persons.

Planning region	1999	2000	2001	2002	2003	2004	1999–2004
<b>Riga region</b>	<b>-6 625</b>	<b>-5 693</b>	<b>-6 243</b>	<b>-5 209</b>	<b>-4 551</b>	<b>-4 354</b>	<b>-23.967</b>
incl. Riga	-5 067	-4 656	-4 744	-3 860	-3 231	-3 078	-24.636
Jurmala	-403	-322	-431	-361	-295	-343	-2 155
<b>Vidzeme region</b>	<b>-1 330</b>	<b>-1 088</b>	<b>-1 210</b>	<b>-1 238</b>	<b>-1 314</b>	<b>-1 350</b>	<b>-7 530</b>
incl. Valmiera	-151	-94	-135	-117	-103	-80	-944
<b>Kurzeme region</b>	<b>-1 323</b>	<b>-1 122</b>	<b>-1 403</b>	<b>-1 272</b>	<b>-1 218</b>	<b>-1 410</b>	<b>-7 748</b>
incl. Liepāja	-519	-365	-524	-433	-400	-297	-2 538
Ventspils	-178	-194	-164	-225	-228	-165	-1 154
<b>Zemgale region</b>	<b>-1 034</b>	<b>-1 151</b>	<b>-1 375</b>	<b>-1 326</b>	<b>-1 077</b>	<b>-1 243</b>	<b>-7 206</b>
incl. Jelgava	-185	-205	-220	-261	-198	-203	-1 272
Jekabpils	-139	-262	-103	-112	-83	-78	-777
<b>Latgale region</b>	<b>-3 136</b>	<b>-2 903</b>	<b>-3 096</b>	<b>-3 409</b>	<b>-3 271</b>	<b>-3 333</b>	<b>-19.148</b>
incl. Daugavpils	-629	-552	-615	-710	-728	-635	-3 869
Rezekne	-247	-198	-276	-278	-210	-287	-1 496
<b>Total in Latvia</b>	<b>-13.448</b>	<b>-11.957</b>	<b>-13.327</b>	<b>-12.454</b>	<b>-11.431</b>	<b>-11.690</b>	<b>-74.307</b>

Table 11. Vital statistics – natural flow of population in planning regions 1999–2004, persons.

Year	Live births		Summary birth ratio
	total	per 1 000 inhabitants	
1999	19.396	8.1	1.18
2000	20.248	8.5	1.24
2001	19.664	8.3	1.21
2002	20.044	8.6	1.23
2003	21.006	9.0	1.29
2004	20.334	8.8	1.24

Table 12. Birth trends in Latvia 1999–2004.

natural flow is a significant indicator for development in general, as well as for each separate territory, reflecting positive or negative changes in the population structure.

The natural flow of population in Latvia has had a negative balance since 1991. Positive natural population growth, namely, when the number of births exceeds the number of deaths, for the last time was observed in 1990. Rapid decrease of birth rate and increase in mortality rate was observed in the following years. The natural decrease in the population in 1991 was 116 people, it reached the peak in 1995 – 17.336 people, but

Planning region	1999	2000	2001	2002	2003	2004	1999–2004
<b>Riga region</b>	<b>-5.9</b>	<b>-5.1</b>	<b>-5.6</b>	<b>-4.7</b>	<b>-4.1</b>	<b>-4.0</b>	<b>-29.5</b>
incl. Riga	-6.6	-6.2	-6.3	-5.2	-4.4	-4.2	-33.0
Jurmala	-7.2	-5.8	-7.8	-6.5	-5.3	-6.2	-38.8
<b>Vidzeme region</b>	<b>-5.2</b>	<b>-4.3</b>	<b>-4.8</b>	<b>-4.9</b>	<b>-5.3</b>	<b>-5.5</b>	<b>-29.9</b>
incl. Valmiera	-5.5	-3.4	-4.9	-4.3	-3.7	-2.9	-34.1
<b>Kurzeme region</b>	<b>-4.1</b>	<b>-3.5</b>	<b>-4.4</b>	<b>-4.0</b>	<b>-3.9</b>	<b>-4.5</b>	<b>-24.5</b>
incl. Liepāja	-5.8	-4.1	-6.0	-5.0	-4.6	-3.4	-29.0
Ventspils	-4.0	-4.4	-3.7	-5.1	-5.2	-3.7	-26.2
<b>Zemgale region</b>	<b>-3.5</b>	<b>-3.9</b>	<b>-4.7</b>	<b>-4.6</b>	<b>-3.7</b>	<b>-4.3</b>	<b>-24.7</b>
incl. Jelgava	-2.9	-3.2	-3.3	-4.0	-3.0	-3.1	-19.5
Jekabpils	-4.9	-9.4	-3.7	-4.1	-3.0	-2.9	-28.1
<b>Latgale region</b>	<b>-8.1</b>	<b>-7.6</b>	<b>-8.2</b>	<b>-9.1</b>	<b>-8.9</b>	<b>-9.1</b>	<b>-51.0</b>
incl. Daugavpils	-5.4	-4.8	-5.4	-6.3	-6.5	-5.8	-34.3
Rezekne	-6.3	-5.1	-7.3	-7.4	-5.6	-7.8	-39.4
<b>Average in Latvia</b>	<b>-5.6</b>	<b>-5.1</b>	<b>-5.7</b>	<b>-5.3</b>	<b>-4.9</b>	<b>-5.1</b>	<b>-31.7</b>

Table 13. Natural decrease of population in planning regions 1999–2004, per 1 000 inhabitants, persons.

in 1999 it was 13.448 people. In 2004, the number of those dead outnumbered those born by 11.690 people (see Figure 13 and Table 11).

Since 2001, birth rate increase is observed in Latvia. Along with increase of number of newborn babies, the relative indicator for birth rate has also improved – number of persons born per 1 000 population. The value of this indicator in 1999 was 8.1, yet in 2004 it reached 8.8. Largest number of newborn babies per 1 000 population during the time period of 1999–2004 was observed in 2003 – 9.0.

Summary birth ratio (average number of live births of newborn babies, which could be delivered by a woman during her life, preserving the birth rate of given year) reached its highest values in 2003, yet in 2004 it decreased and collapsed back to level of 2000 – 1.24 (see Table 12). The value of this indicator is slightly more than one half of what is required for change of generation (2.1–2.2).

During last years the mortality rate in Latvia has stabilized, since 2001 the number of deaths has even slightly decreased. In 2004, the number of deaths was 32.000, and the death ratio, which is calculated as number of deaths per 1 000 population, was 13.8 (for comparison, in 2000 – 13.6, in 2001 – 14.0, in 2002 – 13.9, and in 2003 – 13.9).

Highest mortality rate among regions was observed in Latgale and Vidzeme regions (in 2004, respectively 16.7 and 14.0), but among Latvia's districts – in Ludza, Kraslava and Balvi

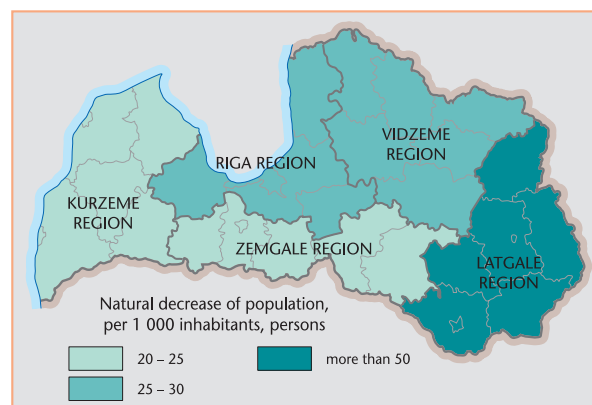


Figure 14. Natural decrease of population in planning regions 1999–2004, per 1 000 inhabitants.

districts (respectively, 21.9, 19.2, and 19.1). During time period of 1999–2004, in average in Latvia, there are 5-6 persons more who have passed away than those who are born per 1 000 population (see Table 13 and Figure 14).

From 1999–2003 one could observe a trend of gradual diminishing of negative natural flow in average in the whole country from -5.6 persons per 1 000 population in 1999 to -4.9 persons per 1 000 population in 2003. In 2004, the trend is just the opposite – -5.1 persons per 1 000 population. During the time analyzed, natural increase towards positive direction was observed only in Riga region, whereas in other regions they have either been variable or have changed towards negative direction, i.e. number of deaths prevailing over the number of births. The most unfavorable situation is observed in Latgale region.

Since 1991, the demographic situation in Latvia altogether and in each planning region separately has been unfavorable. Core indicator reflecting this is the number of deaths prevailing over the number of births. This reflects negative processes in the country in general, where indicators of natural flow in separate regions do not substantially differ from those of the average in Latvia. Decrease of population was also greatly impacted by prevalence of external long term emigration over immigration. No great regional disparities are observed in terms of role of migration in forming population balance.

### Long term migration

Long term migration of population is relocation of inhabitants from one administrative territory to another with an objective of permanent change of place of residence or for at least a period of one year. Migration is divided into external (international) and internal (domestic). In statistics of internal migration, one does not count change of place of residence of a given person within the administrative boundaries of a given city, town, rural municipality or a county.

The difference between inhabitants parted and arrived forms the net migration or saldo. It can be considered one of the essential indicators for attractiveness of a given territory.

Since 1991, the net long term migration has been negative every year in Latvia on the whole. The volume of emigration flow became stable since 2000, when positive development trends could be observed and decrease of negative net migration was observed. In this and the next year, 2001, more than 5 000 inhabitants left Latvia. But already in 2002 – less than 2 000. In 2004 slight increase in external migration occurred, compared to 2003, when such migration was at its lowest during the last decade (see Table 14 and Figure 15). Considering prevalence of emigration over immigration, in 2003 population decreased by 846 persons due to migration, whereas in 2004 – by 1 079 persons, among them 714 females and 365 males.

In 2004, the number of persons, who arrived for permanent stay or at least for a period of one year from abroad amounted to 1 665, which is for 300 persons or 22% more, compared to 2003. On the other hand, number of persons, who left the country for purpose of permanent relocation amounted to 2 744 persons, which is for 530 people or 24 % more than in 2003.

On the whole, during time period of 1999–2004, the number of resident population in the country decreased by 16.269 persons due to external long term migration.

During 2003–2004, due to external and internal inter-regional migration the number of inhabitants increased only in Riga region (in 2003 by 4 277 persons, in 2004 by 3 667 persons). The other four regions display clearly negative net migration. In 2003 and 2004, population in Latgale region decreased by 2 395 and 1 473 inhabitants due to migration, in Vidzeme region – by 1 466 and 1 428 inhabitants, in Kurzeme region – by 1 003 and 1 251 inhabitants, in Zemgale region – by 259 and 594 inhabitants (see Figure 16 and Table 15).

Population increase in Riga region is due to positive net migration in Riga district, Ogre district and Jurmala city. In 2004, 3 458 persons arrived in Riga district for permanent settlement, which is

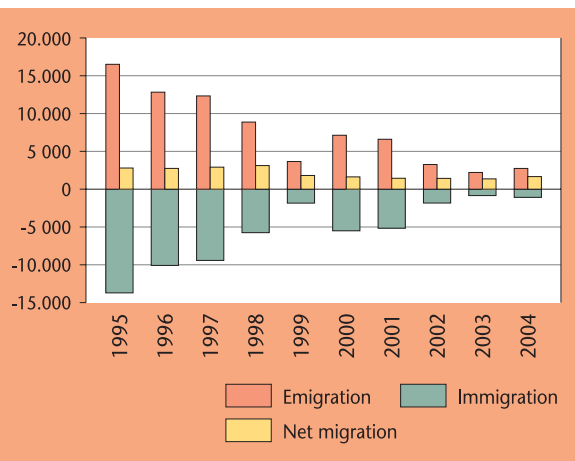


Figure 15. External long term migration 1995–2004, persons.

94% of all persons arrived in Riga region (for comparison – in 1999 the number was 1 701 persons). Largest population migration into Riga district took place in 2003, when population increased by 3 902 inhabitants there.

During 1999–2004, constantly negative net migration was observed only in Kurzeme region. In other regions during those six years the migration indicator varied, yet mostly negative. On the background of negative net migration, the number of inhabitants increased in Zemgale region in 2000, 2001, and 2002, in Vidzeme and Latgale regions positive net migration was observed in 2002, but in Riga region – in 2003 and 2004.

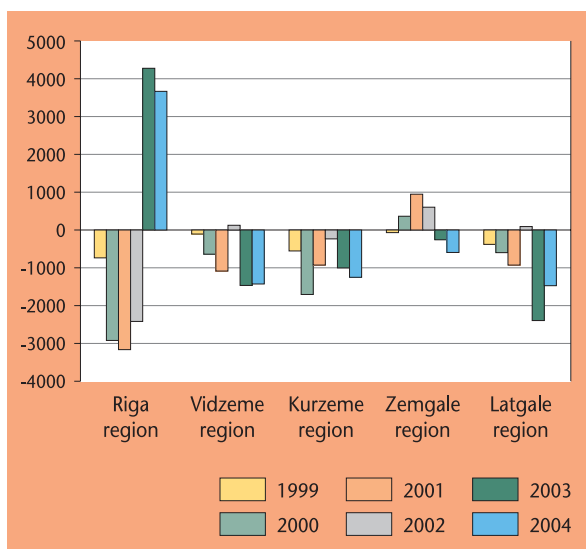


Figure 16. Dynamics of total net long term migration in planning regions 1999–2004, persons.

	1995	1996	1997	1998	1999
Emigration	16.512	12.828	12.333	8 874	3 660
Immigration	2 799	2 747	2 913	3 123	1 813
<b>Net migration</b>	<b>-13.713</b>	<b>-10.081</b>	<b>-9 420</b>	<b>-5 751</b>	<b>-1 847</b>

	2000	2001	2002	2003	2004
Emigration	7 131	6 602	3 262	2 210	2 744
Immigration	1 627	1 443	1 428	1 364	1 665
<b>Net migration</b>	<b>-5 504</b>	<b>-5 159</b>	<b>-1 834</b>	<b>-846</b>	<b>-1 079</b>

Table 14. External long term migration 1995–2004, persons.

Planning region	1999	2000	2001	2002	2003	2004	1999–2004
Riga region	-737	-2 921	-3 164	-2 418	4 277	3 667	-1 296
incl. Riga	-3 382	-5 098	-4 726	-4 065	-760	-401	-18 432
Jurmala	531	361	47	189	591	494	2 213
Vidzeme region	-107	-640	-1 086	125	-1 466	-1 428	-4 602
Kurzeme region	-554	-1 705	-928	-235	-1 003	-1 251	-5 676
incl. Liepāja	-101	-803	-444	-87	-109	85	-1 459
Ventspils	100	97	314	231	348	52	1 142
Zemgale region	-69	361	947	603	-259	-594	989
incl. Jelgava	172	980	1 629	88	532	251	3 652
Latgale region	-380	-599	-928	91	-2 395	-1 473	-5 684
incl. Daugavpils	-311	-541	-457	-90	-650	-217	-2 266
Rezekne	-215	-544	-358	1	-344	-138	-1 598
<b>Total in Latvia</b>	<b>-1 847</b>	<b>-5 504</b>	<b>-5 159</b>	<b>-1 834</b>	<b>-846</b>	<b>-1 079</b>	<b>-16 269</b>

Table 15. Total net long term migration in planning regions 1999–2004, persons.

Planning region	1999	2000	2001	2002	2003	2004	1999–2004
Riga region	-0.7	-2.6	-2.9	-2.2	3.9	3.3	-1.1
incl. Riga	-4.4	-6.7	-6.3	-5.5	-1.0	-0.5	-24.6
Jurmala	9.5	6.5	0.8	3.4	10.7	8.9	39.8
Vidzeme region	-0.4	-2.5	-4.3	0.5	-5.9	-5.8	-18.5
Kurzeme region	-1.7	-5.3	-2.9	-0.7	-3.2	-4.0	-18.0
incl. Liepāja	-1.1	-9.1	-5.1	-1.0	-1.3	1.0	-16.6
Ventspils	2.3	2.2	7.1	5.2	7.9	1.2	25.9
Zemgale region	-0.2	1.2	3.2	2.1	-0.9	-2.1	3.4
incl. Jelgava	2.7	15.2	24.7	1.3	8.0	3.8	55.8
Latgale region	-1.0	-1.6	-2.5	0.2	-6.5	-4.0	-15.3
incl. Daugavpils	-2.7	-4.7	-4.0	-0.8	-5.8	-2.0	-20.1
Rezekne	-5.5	-14.1	-9.4	0.0	-9.2	-3.8	-41.9
<b>Average in Latvia</b>	<b>-0.8</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-6.9</b>

Table 16. Total net long term migration in planning regions 1999–2004, per 1 000 inhabitants, persons.

Generally speaking, external long term migration rate decreases in Latvia. According to calculation per 1 000 population, in 1999 in average 0.8 people left the country, whereas in 2004 – 0.5 people. Largest migration was observed in 2000 and 2001 when 2.2 to 2.3 people per 1 000 population left Latvia (see Table 16 and Figure 17).

Statistical data on migration reveal that of total external immigration in 2004 (total of 1 665 persons), the share of Russian Federation was 16.5%, of Lithuania – 14.8%, of Germany – 10.2%, of USA – 7.1%, of the UK – 6.7%, of Estonia – 5.2%, of

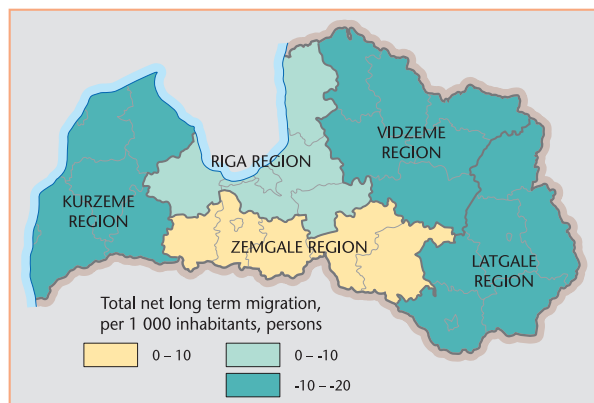


Figure 17. Total net long term migration in planning regions 1999–2004, per 1 000 inhabitants.

Ukraine – 4.9%, of Israel – 4.5%, of Belarus – 3.5%, of Denmark – 3.1%.

Considering emigration flow (total of 2 744 persons), the first ten countries by number of emigrants divide their share as follows: to Russian Federation – 38.5%, to Germany – 8.5%, to Ukraine – 6.3%, to USA – 6.2%, to Lithuania – 5.5%, to UK – 4.1%, to Belarus – 4.0%, to Estonia – 2.7%, to Sweden – 2.6%, to Denmark – 1.9%.

In 2004, the number of resident population in the country decreased by 0.55%, including 0.50% due to natural decrease and by 0.05% due to external long term migration. In 2000, number of inhabitants decreased by 0.73%, including 0.50% due to natural decrease and 0.23% due to external long term migration. Decrease of population is increasingly being influenced by net natural flow.

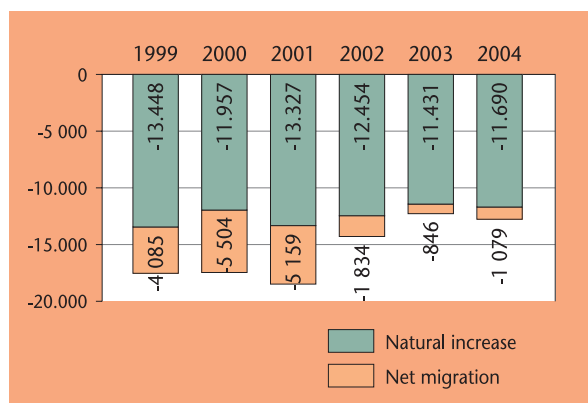


Figure 18. Resident population change in Latvia and causing factors 1999–2004, persons.

At the same time, impact of long term migration is decreasing (see Figure 18). In 2000, the share of negative net natural flow to total decrease of population was 68%, whereas in 2004 – already 92%. Migration share, accordingly decreased from 32% in 2000 to 8% in 2004. As a result of long term external migration, in 2004, 867 working age persons and 332 persons of retirement age left Latvia.

The magnitude of internal migration in the country is influenced by law on declaration of place of residence. Since enforcement of this given law in July 1, 2003, rapid increase of change of permanent place of residence was observed. In 2003 and in 2004, more than 60,000 people have changed their place of permanent residence from one given administrative territory to another, compared to approximately 35,000 migrants in year 2000. Analyzing total migration volume, large share of internal migration is observed (in 1999 – 95%, in 2004 – 97%), whereas external migration share has decreased (in 1999 – 5%, in 2004 – 3%).

From 1991 to 2002, large share of total population decrease in the country was formed by negative external long term net migration. Since 2002, the volume of external long term migration has decreased, however, since accession to the European Union, the trend of increasing mobility of inhabitants is being observed. Disparities among regions are



determined by internal migration, which does not affect the total population number in the country, yet plays an essential role in shaping economic life of each given administrative territory. It also determines development of infrastructure, as well as securing adequate living conditions and therefore is to be regarded as a significant indicator of "attractiveness" of a given territory.

Indicators of internal migration require assessment of the importance of the population density indicator in relation to changes in the dynamics and number of population, as well as the number of economically active enterprises. In addition, it is necessary to study the internal migration of the country, including daily migration. The change of place of residence within the country and its regions is very closely associated with the development of particular territories. This change reflects, enhances or weakens the economic potential, and it suggests to find out the social causes and effects of this process. The everyday movement of persons reveals not only the features of economic structure of separate territories, the structure of local government revenue, but also inter-territorial economic ties. The latter are of essential importance, because a favorable commuting flow often creates a supplementary potential for economic development in functionally related territory groups.

### Demographic burden

The level of demographic burden describes the ratio of children and retirement age population to working age population. It is calculated as the proportion of the number of inhabitants before and persons beyond working age per 1 000 working age population. Values of indicator of demographic burden level have caused changes in the determination of retirement age. This prevents precise evaluation of changes in demographic structure in Latvia at large, whereas this indicator is quite useful for comparison of regions (see Table 17).

The number of children and adolescents at the age of 0-14 has diminished almost by 87.000 since year 2000 and their share of the total population had diminished from 18.0% in 2000 to 14.8% in 2005. The smallest share of children and adolescents in 2005 was observed in Riga region – 13.7% and in Latgale region – 14.4%. In other regions the difference is minor and varies from 16.3% to 16.5%.

The share of children and adolescents in the age structure is smaller than the share of retirement age persons even since 1993, and this gap only grows. At the beginning of 2000, the

Planning region	2000			2005		
	Under working age	Of working age	Over working age	Under working age	Of working age	Over working age
Riga region	16.3	60.1	23.6	13.7	64.9	21.5
Vidzeme region	20.7	56.6	22.7	16.5	62.0	21.5
Kurzeme region	19.8	58.0	22.2	16.5	62.8	20.7
Zemgale region	20.1	58.2	21.7	16.3	63.6	20.1
Latgale region	17.8	58.2	24.0	14.4	63.4	22.2
<b>Average in Latvia</b>	<b>18.0</b>	<b>58.9</b>	<b>23.1</b>	<b>14.8</b>	<b>63.9</b>	<b>21.3</b>

Table 17. Resident population by main age groups in planning regions at the beginning of 2000 and 2005, share of total.

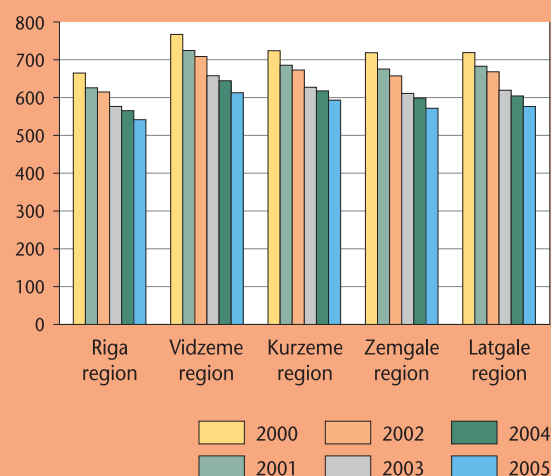


Figure 19. Dynamics of level of demographic burden in planning regions at the beginning of 2000–2005.

Planning region	2000	2001	2002	2003	2004	2005
Riga region	664.8	625.8	614.8	576.6	565.4	541.5
Vidzeme region	767.0	724.4	708.6	657.8	644.5	612.8
Kurzeme region	723.9	685.5	672.8	627.2	617.7	593.2
Zemgale region	718.6	675.5	657.3	611.0	598.7	571.7
Latgale region	718.9	682.9	668.2	619.4	604.3	576.4
<b>Average in Latvia</b>	<b>698.4</b>	<b>659.1</b>	<b>646.0</b>	<b>602.9</b>	<b>590.8</b>	<b>565.0</b>

Table 18. Level of demographic burden in planning regions at the beginning of 2000–2005.

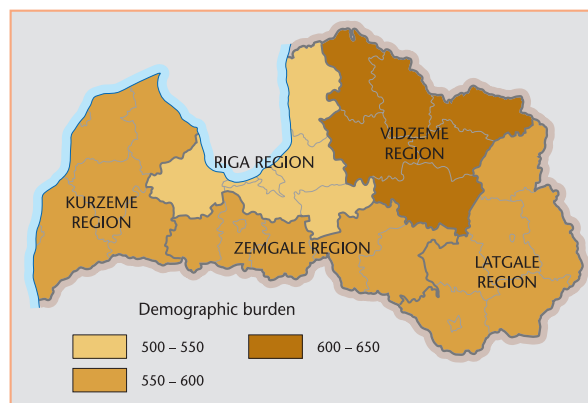


Figure 20. Level of demographic burden in planning regions at the beginning of 2005.

difference was 5.1 percent points, whereas at the beginning of 2005 – already 6.5 percent points. At the beginning of 2005, the number of children and adolescents per 1 000 working age population was 1.4 times smaller than the number of retirement age inhabitants (at the beginning of 2000 – 1.3 times smaller).

At the beginning of 2005, there were in average 565 children and adolescents per 1 000 working age population in the country. Highest value for indicator of demographic burden was observed in Vidzeme region, whereas the lowest – in Riga region. Since 2000, the level of demographic burden has decreased in regions and in the country on the whole, in particular: in Riga region – by 19%, in Vidzeme, Zemgale and Latgale regions – by 20%, in Kurzeme region – by 18%. Compared to economic processes, the demographics is much more stable, thus given indicators do not differ much in regions by year (see Table 18 and Figures 19 and 20).

## Population by gender

The share of men and women in the total population of the country has not changed significantly during the last six years. At the beginning of 2005, the share of men and women was 46.1% and 53.9% respectively. The largest number of women per 100 men (121 women) is observed in Riga region. This value is higher than the average in the country (117 women). In Latgale region, there are approximately 115 women per 100 men, but in the regions of Vidzeme, Kurzeme and Zemgale the number of women per 100 men is quite similar – about 113. At the beginning of 2005, compared to beginning of 2000, the prevalence of number of women over men has diminished slightly in the country as a whole and in four regions in particular – only in Riga region this number has remained unchanged (see Table 19).

Planning region	2000	2001	2002	2003	2004	2005
Riga region	121.0	121.0	121.1	121.4	121.2	121.0
Vidzeme region	113.1	113.1	112.9	112.9	112.9	112.7
Kurzeme region	113.9	113.8	113.8	113.8	113.5	113.4
Zemgale region	113.1	113.1	113.0	112.8	112.6	112.5
Latgale region	114.8	114.8	114.9	114.9	114.7	114.7
<b>Average in Latvia</b>	<b>117.1</b>	<b>117.1</b>	<b>117.2</b>	<b>117.3</b>	<b>117.1</b>	<b>117.0</b>

Table 19. Population by gender – females in planning regions at the beginning of 2000–2005, per 100 males.

## Life expectancy and demographic forecast

Average life expectancy is an indicator characterizing demographic situation. According to data by Central Statistical Bureau, a positive trend is being observed – increase of life expectancy. The average life expectancy of persons born in Latvia in 2004 is 72.1 years (in 2003 – 71.4 years), i.e. males – 67.1

Population of Latvia and of all planning regions continues to decrease year by year, thus demographic situation is to be considered as unfavorable, even critical. During past years, natural decrease of population plays increasing role in overall decrease of population. Impact of migration on this indicator is diminishing, as substantial decrease of negative net migration was observed, therefore a trend is identified that pace of decrease in population number has become slower over the last years.

Ageing of population has become a serious demographic and social issue of concern. It is displayed through increased share of elderly people and decreased share of children and adolescents, as well as increase of average age of working age persons. Demographic burden has slightly decreased in the country and in each region, however, at the beginning of 2005, the number of children and adolescents

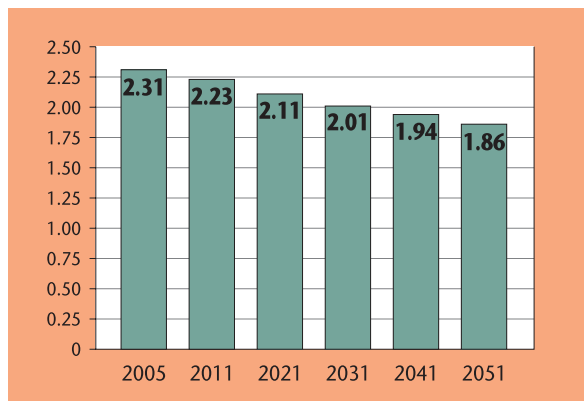


Figure 21. Population forecast in Latvia up to 2051, mln persons.

years (in 2003 – 65.9 years), females – 77.2 years (in 2003 – 76.9 years).

The great difference between female and male life expectancy indicators is a serious issue. Since 2000, the life expectancy has increased by 2.2 years for males, whereas by 1.2 years for females. Life expectancy for men is growing faster than that for women. For men, who reached the age of 65 in year 2004, the average life expectancy is 12.9 years, whereas for women of the same age – 17.8 years. Increase of life expectancy may be explained by reduction of infants' mortality and slight decrease of mortality of young men.

It is noted in a research "Depopulation today and tomorrow" carried out by Latvian Academy of Sciences that "Latvia is in a deep demographic crisis, from which there are no chances of getting out either in near future or in middle term period". Positive trends in the dynamics of population number are not to be expected, thus the state needs special programs for resolving demographic issues (see Figure 21). Programs, that financially stimulate young parents are likely to be needed.

per 1000 working age population was 1.4 times less than the number of persons of retirement age.

The age structure of population determines the quality of life of people to a large extent. Numeric ratios among the age groups largely impact the share of economically active population, magnitude of work resources, burden, which is laid upon working age people by children and retired people, etc.

Demographic burden, just like other demographic indicators, is closely connected with the further development of the country and its regions, and it should be evaluated in coherence with qualitative indicators of social development. There is a need for special studies on the ageing of society and eventual social problems that might arise in the regions and in the country as a result of this process.

## ECONOMIC DEVELOPMENT

Indicators like Gross Domestic Product, non-financial investments, economically active enterprises, number of employed in public and private sector, personal income tax, unemployment and territory development index is used for characterizing economic development of state.

### Gross Domestic Product

One of the most significant complex indicators characterizing the level of economic development in the regions is Gross Domestic Product (GDP). It means the total value of final products and services produced in the country within a year. The GDP value is calculated in districts and 7 cities of state importance, whereof further calculations for planning regions can be done. The calculation is complicated and takes a long time, which causes delay of public data for approximately two years. At the moment GDP data for period from 2000 to 2003 is available.\*

In 2003, the proportion of Riga region formed 66.2% of the state's total GDP, Kurzeme region – 11.9%, Zemgale region – 7.2% and Vidzeme region – 6.4%. In comparison to data of year 2000, proportion of Riga region in the total GDP has increased by 0.6 percent points, Vidzeme and Latgale region – by 0.4 percent points, while GDP share by Zemgale region decreased by 0.1 percent points, whereas the most rapid decrease of the share of GDP is observed in Kurzeme region – -1.2 percent points.

Evaluating changes GDP share over shorter period of time (during 2002 and 2003), it is observed that share of Riga region contribution to total GDP in the country has decreased (by 1.5 percent points), whereas in other regions such share has increased within the range of 0.2 and 0.7 percent points.

Planning region	2000	2001	2002	2003
Riga region	2785.0	3047.1	3541.8	3854.6
incl. Riga	3458.9	3782.2	4470.2	4868.9
Jurmala	1206.0	1445.4	1265.8	1250.5
Vidzeme region	1126.7	1231.5	1425.0	1645.7
Kurzeme region	1938.5	2061.4	2040.4	2412.0
incl. Liepaja	1969.3	2179.0	2124.5	3061.3
Ventspils	5583.2	4911.0	4164.4	5013.8
Zemgale region	1178.4	1271.0	1370.5	1574.1
incl. Jelgava	1556.5	1634.5	1638.5	1829.0
Latgale region	974.5	1290.5	1189.0	1418.0
incl. Daugavpils	1261.8	2058.2	1574.4	1811.7
Rezekne	1371.9	1766.2	1927.5	2945.7
<b>Average in Latvia</b>	<b>2002.0</b>	<b>2216.5</b>	<b>2462.3</b>	<b>2749.2</b>

Table 20. Gross Domestic Product per capita in planning regions 2000–2003, Ls.

Riga region is the driver for Latvia's economic advancement. City of Riga has the key in increase of GDP of the region and of the whole country. In 2003, 56.1% of total GDP produced in the state was produced in Riga city. Along with growing share of Riga region to country's GDP, also the share of Riga city in terms of growing contribution to total GDP has increased comparing year 2000 to year 2003, yet decrease is observed if years 2000 and 2002 are compared (in 2000 – 55.4%, 2002 – 57.7%). Other cities of state importance do not have such

a significant role in the total amount of GDP produced in the country. For instance, the share of Ventspils in the total amount of GDP was 3.5%, that of Liepaja – 4.2%, Daugavpils – 3.2%, Jelgava – 1.9%, Rezekne – 1.7%, Jurmala – 1.1% in 2003.

The average GDP produced in the state in 2003 was 2 749.2 Ls per capita. The largest volume of GDP was in Riga region – 3 854.6 Ls per capita, which is a lot more than the state's average. Other planning regions can be arranged in a descending order as follows: Kurzeme region (2 412.0 Ls), Vidzeme region (1 645.7 Ls), Zemgale region (1 574.1 Ls) and Latgale region (1 418.0 Ls) according to the GDP amount per capita.

Total GDP per capita of cities of state importance has increased in period from 2000 till 2003. The most essential increase of GDP per capita is observed in Rezekne (by 1 574 Ls), in Riga (by 1 070 Ls) and in Liepaja (by 1 092 Ls), whereas decrease – in Ventspils (570 Ls, see Table 20, Figures 22 and 23).

Evaluating situation during four-year period, it was observed that average value of total state's GDP per capita is increasing yearly, such increase was observed in all regions, except Kurzeme and Latgale Region in 2002, where GDP per capita has decreased.

Compared to average indicator of the country, GDP per capita in Riga region was 140.2%, Kurzeme region – 87.7%, Vidzeme region – 59.9%, Zemgale region – 57.3% and 51.6% in Latgale region. Average GDP per capita in Ventspils against

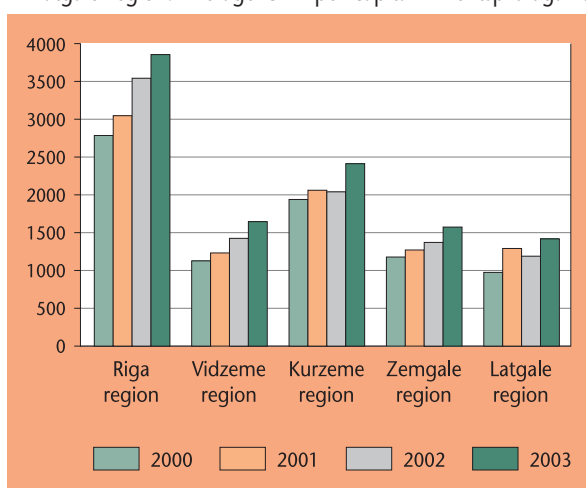


Figure 22. Dynamics of Gross Domestic Product per capita in planning regions 2000–2003, Ls.

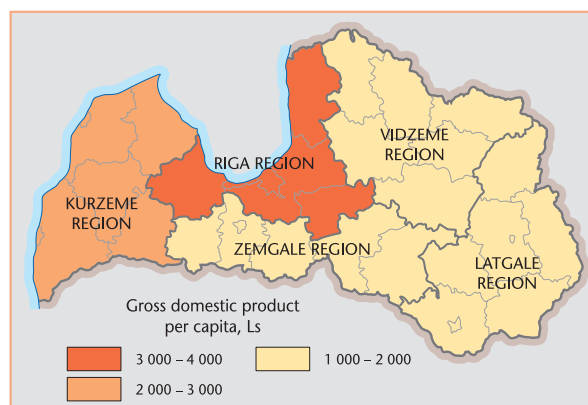


Figure 23. Gross Domestic Product per capita in planning regions in 2003.

\* GDP for years 2000–2003 is recalculated according to requirements of European Commission regulation No. 1889/2002 in connection with financial intermediation services indirectly measured (FISIM) and is not comparable with those published for years 1996–1999.

total GDP value in state formed 182.4%, in Riga – 177.1%, in Liepaja – 11.4%, Rezekne – 107.1%, but average GDP per capita in Jurmala, Jelgava and Dagavpils did not reach state's average value (see Table 21 and Figure 24).

Analyzing GDP changes in relation to the average state value in four-year period it can be seen that only the indicator of Vidzeme region has grown by percentage yearly, while in other regions it has fluctuated. In 2001, significant growth of GDP in comparison to the previous year was observed in Latgale region. The value of GDP in relation to the average state value per capita increased from 48.7% to 58.2%. In 2002, GDP in relation to the average state value in Riga region has grown by 6.3 percent points (137.5% in 2001, 143.8% in 2002). Compared to year 2002, in 2003 GDP volume per capita in relation to the average state value has decreased only in Riga region, whereas in other four regions it has increased.

In 2003, GDP growth compared to 2000 was 37.3% on average. The fastest GDP growth per capita was in Vidzeme region – 46.1% (calculating in actual prices). The same indicator in Latgale region was 45.5%, in Riga region – 38.4%, in Zemgale region – 33.6% and 24.4% in Kurzeme region.

Structure of GDP is characterized by information about total added value per line of business activity. Changes in structure over time enables to follow achievements in economy branches.

Planning region	2000	2001	2002	2003
<b>Riga region</b>	<b>139.1</b>	<b>137.5</b>	<b>143.8</b>	<b>140.2</b>
incl. Riga	172.8	170.6	181.5	177.1
Jurmala	60.2	65.2	51.4	45.5
<b>Vidzeme region</b>	<b>56.3</b>	<b>55.6</b>	<b>57.9</b>	<b>59.9</b>
<b>Kurzeme region</b>	<b>96.8</b>	<b>93.0</b>	<b>82.9</b>	<b>87.7</b>
incl. Liepaja	98.4	98.3	86.3	111.4
Ventspils	278.9	221.6	169.1	182.4
<b>Zemgale region</b>	<b>58.9</b>	<b>57.3</b>	<b>55.7</b>	<b>57.3</b>
incl. Jelgava	77.7	73.7	66.5	66.5
<b>Latgale region</b>	<b>48.7</b>	<b>58.2</b>	<b>48.3</b>	<b>51.6</b>
incl. Dagavpils	63.0	92.9	63.9	65.9
Rezekne	68.5	79.7	78.3	107.1
<b>Average in Latvia</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Table 21. Gross Domestic Product per capita in planning regions 2000–2003, as percentage to average in the country.

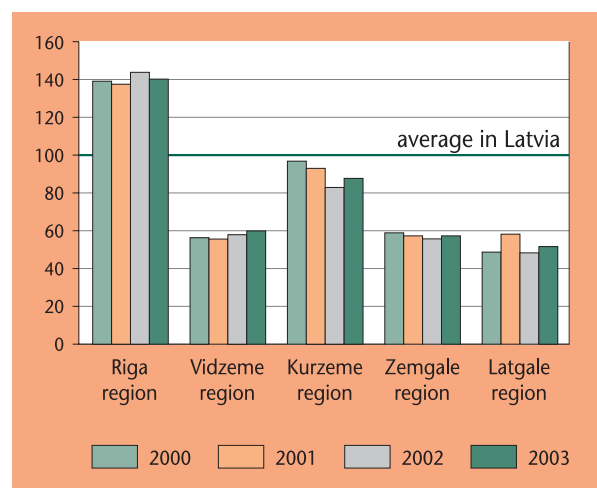


Figure 24. Dynamics of Gross Domestic Product per capita in planning regions 2000–2003, as percentage to average in the country.

The largest share of total added value in Kurzeme region in 2003 is formed by transportation, storage and communications (24.2%). Comparatively considerable share is presented also by processing industry, wholesale and retail trade, maintenance and repair of automobiles, motorcycles, individual items, and household equipment (14.3%).

Increased share of processing industry (from 15.2% to 18.5%) as well as share of wholesale and retail trade, maintenance and repair of automobiles, motorcycles, individual items, and household equipment (from 11.1% to 14.3%) has increased in 4 year period in Kurzeme region. Share of education (from 4.9% to 5.6%) and agriculture, hunting and forestry (from 6.8% to 5.7%) in total added value has increased, while proportion of transportation, storage and communications has decreased from 26.5% in 2000 to 24.2% in 2003.

The biggest contribution of total added value in Latgale region in 2003 was made by wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects, and household equipment (17.0%). The above mentioned lines of activity are followed by processing industry (14.6%), transport, storage and communications (11.6%), as well as agriculture, hunting and forestry (7.0%).

Compared to year 2000, in Latgale region considerably increased share of processing industry (from 9.6% to 14.6%) and share of wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects and household equipment (from 10.5% to 17.0%), whereas decreased share of transportation, storage and communications (from 16.0% to 11.6%). The share of education in total added value has also decreased from 9.7% to 9.2%).

The biggest contribution in 2003 to total added value in Riga region was made by wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects, and household equipment (19.4%). Significant share is also produced by real estate operations, rental, computer services, science and other commercial services (17.8%), transportation, storage and communications (16.0%), as well as processing industry (11.3%).

Comparing years 2000 and 2003 in Riga region, it has to be noted that biggest change in structure of total added value was produced by increase of share of transportation, storage and communications (from 12.6% to 16.0%) and respective decrease of share of processing industry (from 13.6% to 11.3%). Share of education has increased from 4.1% to 4.6%. Share of agriculture, hunting and forestry in Riga region generates only 1.0% of total added value, which is the smallest share among all regions.

In 2003 in Vidzeme region the share of processing industry (19.6%) was the largest contributor to added value. Share of wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects, and household equipment (15.4%) in total added value was also rather significant. Agriculture, hunting and forestry contributes 11.9%, transportation, storage and communications – 7.0%, education – 9% to total added value.

Compared to year 2000 in Vidzeme region, share of both processing industry increased (by 1.5 percent points), as well as share of wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects, and household equipment (by 0.5 percent points), whereas the share of education has decreased (by 0.5 percent points).

Structure of total added value in Zemgale region is rather different. Compared to other regions, Zemgale region stands out in terms of its share of of agriculture, hunting and forestry



(in 2003 – 16.1%), however it has decreased in four year period (in 2000 – 17.9%). Share of processing industry is also quite significant (in 2003 – 16.0%), as well as share of wholesale and retail trade, maintenance of automobiles, motorcycles, individual effects and household equipment (13.3%). Transportation, storage and communications contribute to a share of 6.1% of total added value, which is by 2.0 percent points less than that of year 2000. Share of education contributes to 8.5% (in 2000 – 8.4%) of the total added value.

The structure of Latvia's Gross Domestic Product corresponds to that of developed European countries. Rapid economic development was observed in the past few years, however such development had also brought along a risk – population stratification. One of core factors which enhances the impact of social stratification is the inflation. Last year inflation on average grew till 6.2%. Analysts expect rapid price increase associated with inflation rate.

GDP growth was caused by rapid growth of domestic demand, as wages were raised faster than inflation, besides amount of given out loans continues to grow, in addition to the fact that increasing incoming financial resources from EU widely affect economical processes in the country. GDP growth is ensured by increasing trade, real estate operations, financial services, transport and communications. On the other hand, growth in production sector is lagging behind the total economic development. This questions the sustainability of Latvia's economy, because development based mainly on commerce and domestic services, can not be sustained in the long run. Development must be balanced by innovative and export-able manufacturing industries.

During the four year period, in terms of GDP per capita, Kurzeme region preserved the second place right after Riga region, mainly due to contribution of city of Ventspils. Despite yearly decrease of contribution of Ventspils to state's total GDP, it still considerably exceeds state's average indicator.

Stratification of population indirectly is reflected by regional differences. In the period of 2000 till 2003 the disparities among regions in terms of produced GDP per capita have slightly decreased. In 2000, the GDP per capita in Riga planning region exceeded the indicator of Latgale region 2.9 times, in 2002 – 3.0 times, but in 2003 – 2.7 times. Nevertheless, majority of state's economic activities are still concentrated in Riga, therefore the largest share of country's GDP is still produced by Riga region.

### Non-financial investments

Non-financial investments include long-term nonmaterial investments, apartment houses, other buildings and structures, long-term plantations, technological machineries and equipment, other capital assets and inventory, as well as up building of capital assets and the expenses of unfinished construction objects. Inflow of investments is one of the best indicators to evaluate potential of state's economic development.

The amount of non-financial investments in the state was 888.0 Ls per capita on average (including individual building in actual prices) in 2004. In Riga region this indicator (1 190.0 Ls) was higher than the state average, but in other four regions – considerably lower. The lowest amount of non-financial investments were Latgale region – 389.2 Ls, which is 2.3 times less

Planning region	1999	2000	2001	2002	2003	2004
<b>Riga region</b>	<b>517.7</b>	<b>670.6</b>	<b>733.5</b>	<b>766.5</b>	<b>885.5</b>	<b>1190.9</b>
incl. Riga	577.1	782.3	864.6	884.3	1011.0	1326.5
Jurmala	289.2	319.5	283.8	340.9	589.7	727.1
<b>Vidzeme region</b>	<b>186.1</b>	<b>219.2</b>	<b>289.2</b>	<b>365.6</b>	<b>387.2</b>	<b>597.7</b>
<b>Kurzeme region</b>	<b>451.9</b>	<b>507.8</b>	<b>496.7</b>	<b>546.7</b>	<b>620.7</b>	<b>851.7</b>
incl. Liepaja	259.9	349.3	504.0	565.6	640.6	919.2
Ventspils	1915.8	2123.0	1565.8	1238.4	1475.2	1677.6
<b>Zemgale region</b>	<b>190.6</b>	<b>202.1</b>	<b>219.8</b>	<b>405.0</b>	<b>439.3</b>	<b>588.8</b>
incl. Jelgava	238.5	187.5	191.1	278.3	472.1	484.2
<b>Latgale region</b>	<b>169.3</b>	<b>189.7</b>	<b>208.1</b>	<b>268.7</b>	<b>329.1</b>	<b>389.2</b>
incl. Daugavpils	214.6	219.3	377.4	312.6	396.5	401.6
Rezekne	261.2	173.2	139.3	267.4	373.4	471.5
<b>Average in Latvia</b>	<b>376.4</b>	<b>464.2</b>	<b>505.0</b>	<b>568.3</b>	<b>652.0</b>	<b>880.2</b>

Table 22. Non-financial investment per capita in planning regions 1999–2004, Ls.

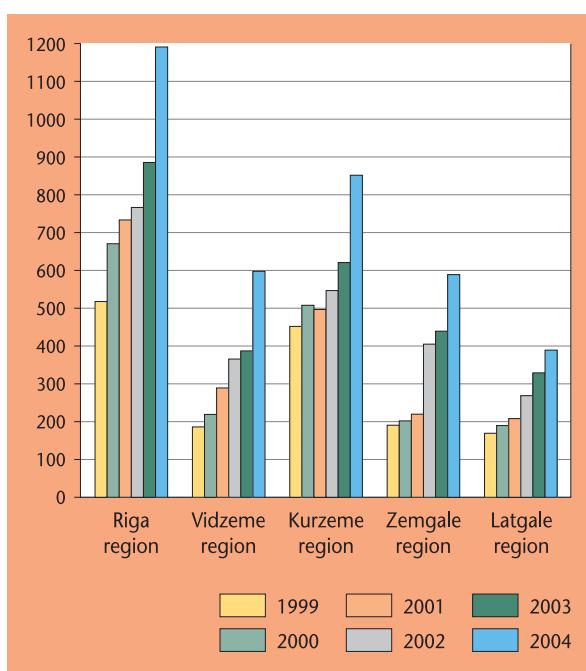


Figure 25. Dynamics of non-financial investment per capita in planning regions 1999–2004, Ls.

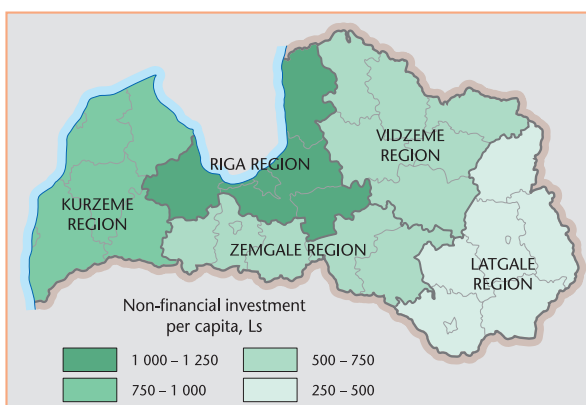


Figure 26. Non-financial investment per capita in planning regions in 2004.

than the state average and 3.1 times less than in Riga region (see Table 22 and Figures 25 and 26).

In the period of 1999–2004, differences in the increase of non-financial investments in regions can be observed. The most

considerable increase of non-financial investments in absolute numbers was observed in Riga region – more than 650 Ls per capita, besides indicator of non-financial investments in Riga region is the highest among regions. In Kurzeme, Vidzeme and Zemgale region similar increase was observed – about 400 Ls in each, whereas the smallest increase was observed in Latgale region – slightly above 200 Ls per capita. Considering value of non-financial investments in 1999, according to their growth share regions can be arranged as follows: Vidzeme region (220%), Zemgale region (210%), Riga and Latgale regions (130%) and Kurzeme region (90%). During this period, yearly average of non-financial investments per capita was about 800 Ls in Riga region, about 600 Ls in Kurzeme region, about 350 Ls in Vidzeme and Zemgale regions each and about 200 Ls in Latgale region. In Riga and Kurzeme regions given indicators are higher than state's average (circa 580 Ls).

During shorter period, in year 2004, compared to year 2003, the amount of non-financial investments per capita increased mostly in Riga region (by 300 Ls), which is followed by Vidzeme and Kurzeme region (by 200 Ls), Zemgale region (by 150 Ls) and Latgale region (by 60 Ls).

Analyzing the cities of state importance over the period of six years, it is observed that the biggest amount of non-financial investments per capita was in Ventspils and Riga. Comparing years 2004 and 1999, non-financial investments per capita decreased by 238.2 Ls in Ventspils, but increased by 749.4 Ls in Riga. In terms of increase of non-financial investments per capita, other cities of state importance could be arranged as follows: Liepāja – 659.3 Ls, Jūrmala – 437.9 Ls, Jelgava – 245.7 Ls, Rezekne – 210.2 Ls, Daugavpils – 187.0 Ls. In 2004, among all cities of state importance, the biggest amount of non-financial investments per capita was in Ventspils, despite decrease of amount compared to that at the turn of the century – 1 677.6 Ls. In Riga this indicator was 1 326.5 Ls. The smallest amount of non-financial investments per capita in 2004 was in Daugavpils – 401.6 Ls.

Regional disparities during this period have fluctuated – they increased (during the years 2000 and 2001), and decreased (during the years 2002 and 2003), whereas in year 2004 they remained constant, same as in 1999. The highest indicator of non-financial investments per capita in 2004 (Riga region – 1 190.9 Ls) exceeded the lowest indicator 3.1 times (Latgale region – 389.2 Ls).

The volume of non-financial investment had increased in all planning regions, yet regional disparities were still preserved. Insufficient financial capacity, especially in education and science, had failed to ensure either structurally and regionally effective economy or social development in the country. It would be necessary to draw special attention to regionally focused financial investment policy to promote balanced development opportunities in every region and to take advantage of specifics of development potential of all regions.

### Economically active enterprises

The number of economically active enterprises and business companies includes enterprises and business companies (except farming and fishing enterprises), which were engaged in production or rendered services regardless of their activity – whether they were active during the whole period or just a part of it. In 2004, there were 51.440 economically active enterprises

and business companies in Latvia, while number of farming and fishing enterprises reached 13.850.

During period from 1999 till 2004, the number of economically active enterprises and business companies in the country increased by 13.8 thousand or 36.7%. In Riga planning region their number had increased by 49.7%, but in other regions – by 11–16% (Zemgale region – by 15.8%, Kurzeme region – by 14.7%, Vidzeme region – by 12.0% and Latgale region – by 11.3%).

Comparing data of years 2003 and 2004, number of economically active enterprises and business companies in Riga region had increased by 5 296, in Kurzeme region – by 298, Zemgale region – by 203, Latgale region – by 178 and Vidzeme region – by 165 units.

Share of economically active enterprises and business companies in differs quite a lot in planning regions. Riga region in 2004 region had the share of 70.2% from total number of economically active enterprises and business companies in the country, Kurzeme region, respectively – 9.1%, Latgale region – 7.5%, Vidzeme and Zemgale region – 6.6% each. Compared to 1999, in 2004 the share of total enterprises in the country had increased by 6.1% in Riga region, in other regions – decreased by 1–2% per each.

Riga region is standing out in terms of number of economically active enterprises and business companies per 1 000 inhabitants, leaving other regions way behind. In 2004, there were 32.9 economically active enterprises and business companies per 1 000 inhabitants in Riga region, while in other regions – from 10 till 15 enterprises.

During period from 1999 till 2004, number of economically active enterprises and business companies in the country had increased by 6.5 enterprises on average, including: by 11.4 in Riga region, only by 2.4 in Kurzeme region, by 2.0 in Vidzeme region, by 1.8 in Zemgale region and by 1.6 enterprises in Latgale region. Regional differences, in terms of number of economically active enterprises and business companies per 1 000 inhabitants have increased yearly. In 1999 number of economically active enterprises per 1 000 inhabitants in Riga 2.4 times exceeded the that indicator of Latgale region, while in 2004 it was already 3.1 times higher. Over the six-year period growth rate of economically active enterprises was 7 times higher in Riga region than that of Latgale region (see Table 23 and Figures 27 and 28).

In last few years statistics offered by the Register of Enterprises reveals positive trends in dynamics of registering enter-

Planning region	1999	2000	2001	2002	2003	2004
Riga region	21.5	24.8	24.5	26.0	28.0	32.9
incl. Riga	25.6	30.2	29.6	31.6	34.5	41.0
Jurmala	15.0	16.0	16.1	16.1	16.6	17.5
Vidzeme region	11.8	12.4	12.0	12.2	13.0	13.8
Kurzeme region	12.7	13.6	13.0	13.5	14.0	15.1
incl. Liepāja	14.6	16.2	15.8	16.8	17.6	20.2
Ventspils	18.8	19.5	17.9	17.9	18.7	22.3
Zemgale region	10.0	10.6	10.2	10.5	11.0	11.8
incl. Jelgava	13.7	14.3	13.7	14.6	15.6	16.6
Latgale region	9.0	9.7	9.2	9.6	10.0	10.6
incl. Daugavpils	12.8	13.7	12.8	13.8	14.5	15.3
Rezekne	14.4	15.4	15.2	15.9	16.2	17.6
<b>Average in Latvia</b>	<b>15.8</b>	<b>17.8</b>	<b>17.3</b>	<b>18.2</b>	<b>19.5</b>	<b>22.3</b>

Table 23. Economically active enterprises and business companies per 1 000 population in planning regions 1999–2004.

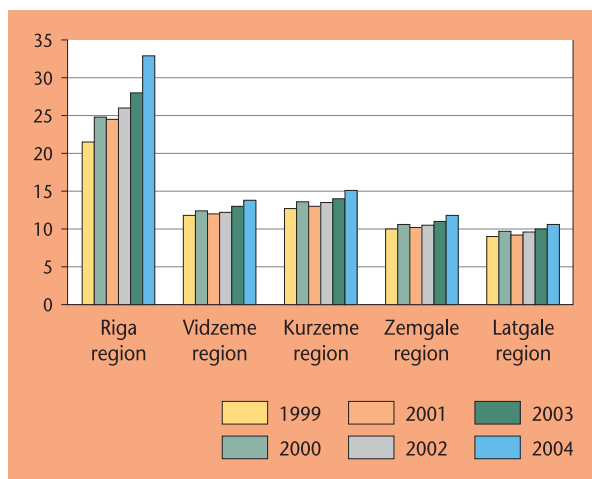


Figure 27. Dynamics of economically active enterprises and business companies per 1 000 population in planning regions 1999–2004.



Figure 28. Economically active enterprises and business companies per 1 000 population in planning regions in 2004.

prises. In 2005, 11,965 enterprises were registered in Latvia, of which 68.5% – in Riga region (8 203 enterprises). In terms of increase of registered enterprises, planning regions can be arranged as follows: Vidzeme region (1 086 enterprises), Kurzeme region (1 003), Zemgale region (904) and Latgale region (769). In terms of number of enterprises that have ceased their operation, Riga region is followed by Latgale region, Zemgale region, Kurzeme region and Vidzeme region. Latgale region stands out among planning regions not only by the smallest number of registered enterprises, but also by the largest number of liquidated enterprises. (see Tables 24 and 25).

Economically active enterprises and business companies according to their form of ownership are classified according to their affiliation to the private or to the social sector. The social sector business companies and enterprises comprise those with the state or local government capital share over 50%.

In terms of division of economically active enterprises and business companies according to their form of ownership, the private sector share has gradually increased in the country from 97.5% in 2001, 97.6% in 2002 and 97.9% in 2003 to 98.5% in 2004.

Among regions, the highest private sector share – 99.0% was in Riga region, which is followed by Kurzeme region (97.8%), Latgale region (97.6%), Vidzeme region (97.1%) and Zemgale region (96.5%). Compared to 2003, in year 2004 the share of private sector increased in all regions by 0.4–1.0 per cent point on average, yet the highest growth was observed in Zemgale and Latgale regions (see Table 26).

Planning region	2000	2001	2002	2003	2004	2005
Riga region	5 693	5 326	4 605	5 363	7 021	8 203
Vidzeme region	895	748	639	780	1 011	1 086
Kurzeme region	866	781	687	805	976	1 003
Zemgale region	704	685	586	869	1 164	904
Latgale region	784	629	530	642	856	769
<b>Total in Latvia</b>	<b>8 942</b>	<b>8 169</b>	<b>7 047</b>	<b>8 459</b>	<b>11 028</b>	<b>11 965</b>

Table 24. Number of registered enterprises and business companies in planning regions 2000–2005 (LURSOFT data).

Planning region	2000	2001	2002	2003	2004	2005
Riga region	1 344	1 157	1 413	1 396	2 217	3 509
Vidzeme region	365	376	425	367	562	1 076
Kurzeme region	151	271	298	292	700	1 182
Zemgale region	366	287	250	349	678	1 354
Latgale region	376	417	413	630	735	1 570
<b>Total in Latvia</b>	<b>2 602</b>	<b>2 508</b>	<b>2 799</b>	<b>3 034</b>	<b>4 892</b>	<b>8 691</b>

Table 25. Number of enterprises and business companies that have ceased their operation in planning regions 2000–2005 (LURSOFT data).

Planning region	Private sector	Public sector
Riga region	99.0	1.0
Vidzeme region	97.1	2.9
Kurzeme region	97.8	2.2
Zemgale region	96.5	3.5
Latgale region	97.6	2.4
<b>Average in Latvia</b>	<b>98.5</b>	<b>1.5</b>

Table 26. Economically active enterprises and business companies by form of ownership in planning regions in 2004, %.

Economically active enterprises and business companies according to the number of employees are divided into four groups:

- micro enterprises – with the number of employees up to 9,
- small enterprises – with the number of employees from 10 to 49,
- medium enterprises – with the number of employees from 50 to 249,
- large enterprises – with the number of employees over 249.

In 2004, there were 51,440 economically active enterprises in Latvia, of which 51,143 or 99.4% complied with the category of the small and medium-sized enterprises (SME), with regard to the number of employees. In country in general and

Planning region	Number*	By size groups, %			
		Micro	Small	Medium	Large
Riga region	36,099	78.7	17.3	3.4	0.6
Vidzeme region	3 394	73.6	21.9	4.0	0.5
Kurzeme region	4 687	74.1	21.0	4.4	0.5
Zemgale region	3 396	73.4	21.1	4.9	0.7
Latgale region	3 864	74.3	21.0	4.0	0.7
<b>Total in Latvia</b>	<b>51,440</b>	<b>77.3</b>	<b>18.5</b>	<b>3.7</b>	<b>0.6</b>

Table 27. Economically active enterprises and business companies by size groups in 2004.

\* Enterprises and business companies grouped according to their actual office location.

Planning region	Total	Micro	Small	Medium	Large
Riga region	32.9	25.9	5.7	1.1	0.2
Vidzeme region	13.8	10.2	3.0	0.6	0.1
Kurzeme region	15.1	11.2	3.2	0.7	0.1
Zemgale region	11.8	8.6	2.5	0.6	0.1
Latgale region	10.6	7.9	2.2	0.4	0.1
<b>Average in Latvia</b>	<b>22.3</b>	<b>17.2</b>	<b>4.1</b>	<b>0.8</b>	<b>0.1</b>

Table 28. Economically active enterprises and business companies by size groups per 1 000 population in 2004.

in four regions 95% and more of all economically active enterprises and business companies consisted of micro and small-sized enterprises with the exception of Zemgale region, where their respective share was slightly below than 94.4%.

Micro-sized enterprises form the largest part of total number of enterprises in the country (77.3%) and in regions separately. In 2004, the biggest share of micro-sized enterprises was in Riga region (78.7%).

Share of small-sized enterprises in state was 18.5% on average, which was similar to the indicator of Riga region (17.3%). Share of small-sized enterprises in other four regions is larger – 21–22%.

In 2004, the number of medium-sized enterprises in Latvia was 1 893 or 3.7%, while large enterprises made just 0.6% (297 enterprises) of total number of economically active enterprises and business companies (see Table 27).

Calculating per 1 000 inhabitants, in 2004, the largest number of economically active enterprises and business companies with the number of employees less than 249 (micro, small and medium sized enterprises) was in Riga region – 32.7, followed by Kurzeme region – 15.0, Vidzeme region – 13.8, Zemgale region – 11.7 and Latgale planning region – 10.5. The state average was 22.2 enterprises (see Table 28).

From 1999 till 2004, significant increase of micro and small-sized enterprises calculating per 1 000 inhabitants was observed in Riga region – by 11.4 enterprises, and in descending order as follows: in Kurzeme region – by 2.4, in Vidzeme region – by 2.0, in Zemgale region – by 1.8, in Latgale region – by 1.6.

Planning region	2000	2001	2002	2003	2004*
Riga region	400.7	409.1	416.0	435.0	462.4
Vidzeme region	61.2	62.1	62.0	62.4	64.3
Kurzeme region	86.1	85.5	86.6	87.1	90.9
Zemgale region	65.7	65.9	66.7	68.6	69.6
Latgale region	91.2	89.5	91.1	91.6	94.2
<b>Total in Latvia</b>	<b>705.3</b>	<b>712.4</b>	<b>722.5</b>	<b>744.7</b>	<b>781.4</b>

Table 29. Number of employed at the main job in planning regions at the end of 2000–2004 (by actual place of work), thsd pers.

Planning region	2000	2001	2002	2003	2004*
Riga region	64.9	66.4	66.9	68.3	69.8
Vidzeme region	53.6	54.6	55.7	56.2	58.3
Kurzeme region	59.6	60.7	60.6	62.0	63.2
Zemgale region	51.7	53.1	54.0	55.5	56.7
Latgale region	46.2	46.5	47.1	47.4	51.3
<b>Average in Latvia</b>	<b>59.6</b>	<b>60.9</b>	<b>61.5</b>	<b>62.8</b>	<b>64.7</b>

Table 30. Number of employed at the main job in private sector in planning regions at the end of 2000–2004 (by actual place of work), %.

\* Average per year.

At the end of 2004 there were 781.4 thsd persons employed at the main job (by actual place of work), which is by 76.1 thsd or by 10.8% more than at the end of 2000. The highest number of employed was in Riga region (462.4 thsd or 59.2% from total number of employed in the country), which is followed by Latgale region (12.1%), Kurzeme region (11.6%), Zemgale region (8.9%) and Vidzeme region (8.2%). The most rapid growth of number of employed is observed in Riga region. Latgale region, which is second, according number of employed, has the smallest increase in number of employed among all planning regions of Latvia (see Table 29).

In 2004, the number of employed in private sector was on average 505.6 thsd, which makes 64.7% of total number of employed. Highest share of employed in private sector was observed in Riga region – 69.8%, whereas the lowest in Latgale region – 51.3%. Planning regions, according to number of employed in private sector arrange themselves in descending order as follows: Riga region, Kurzeme region, Vidzeme region, Zemgale region and Latgale region (see Table 30).

Due to increasing number of economically active enterprises and business companies in private sector, the number of persons employed in private sectors has also increased. From 2000–2004, the increase of share of number of employed in private sector was as follows: in Zemgale and Latgale region – by 5.0 percent points for each, Riga region – by 4.9, Vidzeme region – by 4.7, Kurzeme region – by 3.6 percent points. State's average indicator for number of employed in private sector has increased by 5.1 percent points during given period.

Entrepreneurial activity in Latvia is increasing if measured by number of new enterprises. During the six-year period, share of small enterprises has increased in all regions throughout the country. Large scale enterprises, on the other hand, had preserved stable share. Numeric increase of registered enterprises was due to several factors: national economy growth, opportunity to receive financing from EU structural funds, as well as improvement of business environment, findings of new business niches and other factors. In order to assess the entrepreneurial activity, information about lines of activities of new enterprises is insufficient as Commercial Operations Law allows not to specify business activities.

Entrepreneurial activity in Latvia is not sufficiently high yet. Business development is still limited by relatively low purchasing capacity of inhabitants, small number of residents in municipalities and by increase of competition in the market. By creating business-friendly environment, stimulating the development of human resources, favoring new entrepreneurial initiatives and by reducing the general risk, Latvia has a great potential for growth. The increase of entrepreneurial activity is greatly determined by the state and EU development policy altogether, as well as by the access to resources, special support measures and the stability of their implementation.

Development of private sector and its prevalence over public sector is an indication of increase of inhabitants' economic activities and improvement of business environment. However, there is a need for further analysis of economically active enterprises in terms of their form of ownership and by kind of economic activity.



## Personal income tax

The amount of personal income tax, calculated on average per capita, is one of the indicators, which indirectly characterizes the population income and standard of living. It also provides overview of general development opportunities of territories in question, as personal income tax is one of the major income sources both for the state and for local governments. Local governments are particularly interested that the income tax be paid in the largest amount possible, because these payments form the largest share of the budget income of local governments. Until 2004, 71.6% of the paid personal income tax amount had been transferred to the budget of local governments. In 2005 they received 73%, but starting of January 1, 2006, local governments will receive 75% of the total amount of personal income tax. The changes in tax allotment were introduced in order to compensate local government budget income cut downs due to rise of the non-taxable minimum revenue.

The total amount of collected personal income tax increases by 10–12% a year, and its share of the total income in the state ranges from 40 to 45% (in 2004 – 42.1%).

From 1999 till 2004 the total of personal income tax has doubled in Vidzeme and Zemgale regions, whereas in Riga, Latgale and Kurzeme regions it has risen 1.6–1.8 times.

Personal income tax payments of Riga region made 61.0% of the state's total in 2004, apparently more than in all four regions together. In other regions this indicator is rather similar: personal income tax payment share of Kurzeme region was 11.3%, of Zemgale region – 10.1%, of Latgale region – 9.4% and of Vidzeme region – 8.2%. Regions compared by personal income tax share in the state and observing changes within 6 years, the given indicator characterizes the difference of development rate. The total of personal income tax in Kurzeme and Latgale regions decreased (accordingly by 1.8 and 0.5 percent points), but in Zemgale and Vidzeme regions it increased the most (respectively by 1.2 and 0.8 percent points).

In terms of the paid amount of personal income tax per capita per year, Riga region is the leader. In 2004, in Riga region the amount of income tax per capita was in average 172.6 Ls. Inhabitants of Latgale region paid 2.2 times less or 79.9 Ls, but inhabitants of Vidzeme, Kurzeme and Zemgale regions – approximately 110 Ls.

Planning region	1999	2000	2001	2002	2003	2004
<b>Riga region</b>	<b>93.3</b>	<b>101.6</b>	<b>114.3</b>	<b>127.2</b>	<b>148.0</b>	<b>172.6</b>
incl. Riga	104.2	112.6	126.1	139.6	160.3	186.8
Jurmala	76.7	86.7	101.6	111.6	139.7	160.9
rest of region	68.5	76.6	87.6	100.0	120.1	141.2
<b>Vidzeme region</b>	<b>49.3</b>	<b>53.3</b>	<b>62.5</b>	<b>70.3</b>	<b>85.0</b>	<b>103.4</b>
<b>Kurzeme region</b>	<b>70.3</b>	<b>74.2</b>	<b>75.4</b>	<b>83.1</b>	<b>96.5</b>	<b>113.3</b>
incl. Liepāja	76.7	84.4	82.9	92.0	106.8	127.0
Ventspils	155.3	151.3	149.5	149.7	160.7	174.7
rest of region	47.5	51.4	54.2	63.0	76.1	91.7
<b>Zemgale region</b>	<b>52.5</b>	<b>59.2</b>	<b>65.0</b>	<b>76.1</b>	<b>91.0</b>	<b>109.2</b>
incl. Jelgava	76.3	85.1	88.4	105.0	120.7	144.8
rest of region	45.9	51.9	58.1	67.7	82.2	98.6
<b>Latgale region</b>	<b>44.1</b>	<b>47.1</b>	<b>48.8</b>	<b>55.8</b>	<b>66.1</b>	<b>79.9</b>
incl. Daugavpils	61.4	67.2	60.8	73.4	82.6	99.4
Rezekne	75.1	69.8	80.3	85.2	100.9	124.1
rest of region	30.1	33.2	37.6	41.9	51.9	62.5
<b>Average in Latvia</b>	<b>72.5</b>	<b>78.6</b>	<b>86.8</b>	<b>97.2</b>	<b>114.1</b>	<b>134.7</b>

Table 31. Personal income tax per person in planning regions 1999–2004, Ls.

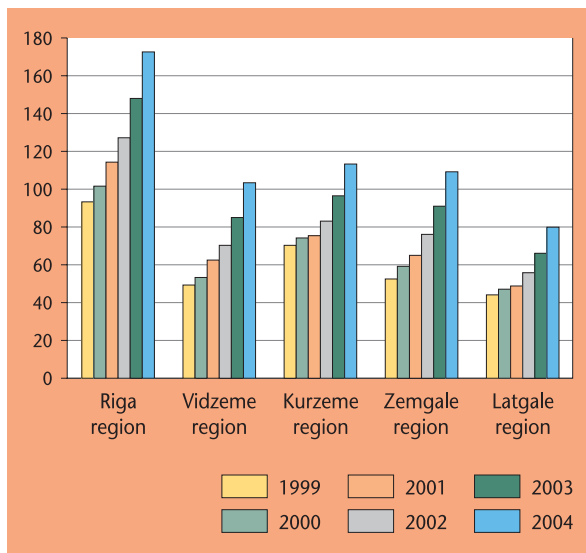


Figure 29. Dynamics of personal income tax per person in planning regions in 1999–2004, Ls.

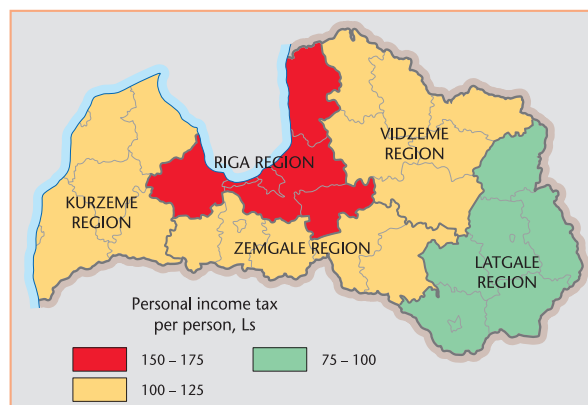


Figure 30. Personal income tax per person in planning regions in 2004.

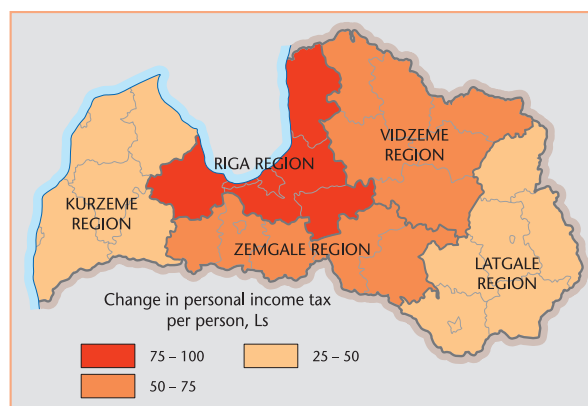


Figure 31. Change in personal income tax per person in planning regions 1999–2004.

The amount of personal income tax per capita has increased in all regions within 6 years, but mostly in Vidzeme and Zemgale regions – by 110%. The next is Riga region with an increase by 85%, Latgale region by 81.2%, Kurzeme region – by 61.1%. The amount of personal income tax paid per capita in Riga region considerably exceeds the state average, while other regions are lagging behind (see Table 31 and Figures 29, 30 and 31).

Riga and Ventspils have significantly increased the total values of given indicator for both Riga and Kurzeme regions. In



2004, the amount of personal income tax in Riga was 186.8 Ls per capita, and 174.7 Ls in Ventspils. The share of other cities of state importance has not been this vivid in the total indicator structure of the regions.

The personal income tax per capita in other parts of Riga planning region, except cities of state importance (Riga and Jurmala), exceeds the state average level as well, and this is due to the contribution of Riga district. In 2004, the number of inhabitants had increased greatly and respectively also the personal income tax paid according to declared place of residence. Analyzing other planning regions and excluding cities of state importance, a trend can be observed that the amount of personal income tax in all four regions is even more lagging behind the state average indicator, mostly in Latgale region, comparing year 2004 to 2003.

During six-year period, regional disparities had been preserved in terms of the amount of personal income tax, moreover, a trend of growing disparities is observed. In 1999, the personal income tax per capita in Riga region was 2.1 times higher than that of Latgale region, whereas in 2004 it was 2.2 times higher.

The differences in personal income tax amount among regions are rather great. The average amount of personal income tax per capita in Riga region is approximately 130% of the state average indicator, in other regions – 60-85%. During the last six years, the amount of personal income tax per capita in the regions of Latgale and Kurzeme has decreased, if expressed as a percentage of mean state's indicator value. However, this does not necessarily mean that in Latgale and in Kurzeme region economic activity growth is not observed – it had merely been slower than in other regions.

Latgale region is the poorest region not only in Latvia, but also it is the poorest among all regions of 25 countries of the European Union. The regions of Zemgale and Vidzeme are the second and the third poorest regions in the European Union.

The personal income tax per capita, which indirectly characterizes the population living standard, reflects the stratification in terms of welfare in different territories, reveals growing disparities in terms of regional standpoint. They are related to disparities of entrepreneurial activity, differences in potential of various economy branches in territories and to socio-geographical conditions. The differentiation of personal income tax is characterized by town – countryside, city and other town level differences. Average region indicators are influenced by proportion of big cities and possibility to affect residents' link with cities as a work place center. Significant precondition for reduction of territorial disparities in the coming years would be daily mobility of population. Regional policy can make preconditions for overall improvement of inhabitants' living standard and for decrease of social disparities in territories by development of economically sound accessibility infrastructure.

## Unemployment

Unemployment is one of the most dramatic socio-economic challenges in the country, therefore, unemployment rate is an important indicator for evaluation of territory development. Unemployment rate indicates the number of the unemployed,

registered at the State Employment Agency, as a share of the number of working-age population, expressed in percentage. This technique is used to calculate unemployed rate for administrative territories on the level of local governments (for cities, towns, counties, rural municipalities and districts), moreover, unemployment rate calculated by this method is applied in the calculations of territory development index\*. The drawback of this indicator is that the number of unregistered unemployed is not covered. Unemployment has to be evaluated in connection with the number of economically active enterprises, population changes and the social infrastructure of regions.

There were 90.800 registered unemployed persons in Latvia at the end of 2004, which is almost by 19 thsd or 17% less than at the end of 1999, yet by 249 unemployed persons more than at the end of 2003. The largest number of unemployed at the end of 2004 was in Latgale region – 28.195, followed by Riga region – 27.810. The number of unemployed has been smaller in the other regions – 13.262 in Kurzeme region, 11.658 in Zemgale region and 9 875 in Vidzeme region.

In 2004, compared to 1999, the absolute number of registered unemployed has decreased in all regions, however, compared to 2003, the amount of unemployed has increased in Riga and Latgale regions.

Planning region	2000	2001	2002	2003	2004	2005
<b>Riga region</b>	<b>5.0</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>
incl. Riga	4.7	3.7	3.6	3.6	3.4	3.6
Jurmala	6.7	5.9	6.6	6.6	5.9	6.0
<b>Vidzeme region</b>	<b>7.5</b>	<b>6.3</b>	<b>6.5</b>	<b>6.2</b>	<b>6.7</b>	<b>6.5</b>
incl. Valmiera	7.0	6.0	6.4	6.0	5.3	4.9
<b>Kurzeme region</b>	<b>9.0</b>	<b>7.2</b>	<b>7.0</b>	<b>6.9</b>	<b>7.2</b>	<b>6.8</b>
incl. Liepaja	13.0	10.8	10.0	9.7	9.2	8.0
Ventspils	7.2	6.1	5.7	5.7	5.8	5.2
<b>Zemgale regions</b>	<b>8.9</b>	<b>7.6</b>	<b>7.4</b>	<b>6.6</b>	<b>6.7</b>	<b>6.4</b>
incl. Jelgava	8.3	7.8	6.7	5.5	5.2	4.8
<b>Latgale region</b>	<b>14.6</b>	<b>13.3</b>	<b>12.7</b>	<b>11.9</b>	<b>12.2</b>	<b>12.2</b>
incl. Daugavpils	10.9	9.9	8.3	7.6	6.8	7.2
Rezekne	13.5	11.8	11.4	10.6	9.7	9.9
<b>Average in Latvia</b>	<b>7.8</b>	<b>6.5</b>	<b>6.4</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>

Table 32. Unemployment rate in planning regions at the beginning of 2000–2005, %.

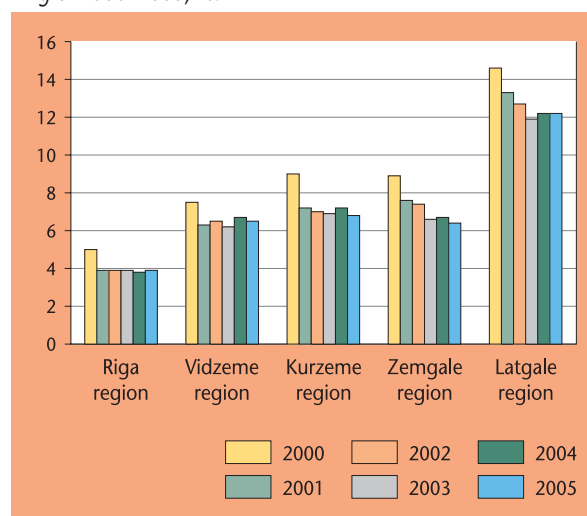


Figure 32. Dynamics of unemployment rate in planning regions at the beginning of 2000–2005, %.

\* Into the yearly data compilations of Central Statistical Bureau, unemployment rate for cities, towns, districts and statistical regions is calculated as a share of unemployed of total number of economically active residents. Since the number of economically active residents is smaller than the number of working-age population, respectively, according to calculation technique used in this present survey, the unemployment rate is lower than that reflected in statistical publications.

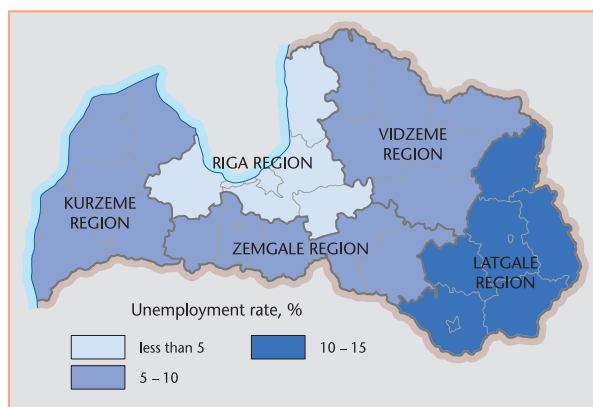


Figure 33. Unemployment rate in planning regions at the beginning of 2005.

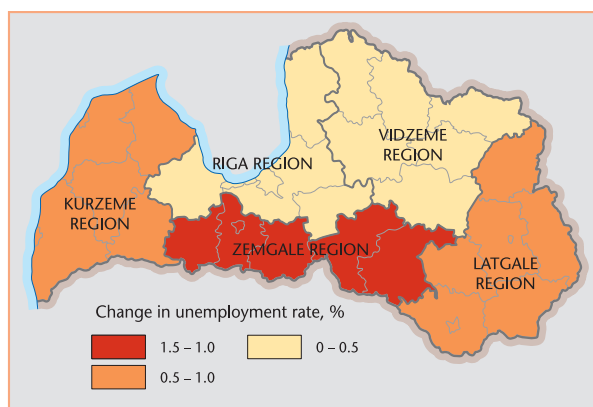


Figure 34. Change in unemployment rate in planning regions at the beginning of 2005 compared to the average at the beginning of 2000-2004.

At the beginning of 2005, the unemployment rate in the country was 6.2% – less than at the beginning of 2000 (7.8%). At the beginning of 2005, the highest unemployment rate was in Latgale planning region (12.2% – almost two times higher than the state average), and the lowest in Riga planning region (3.9% – 1.6 times lower than the state average). The unemployment rate in Kurzeme, Zemgale and Vidzeme planning regions was slightly higher than the state average (see Table 32 and Figures 32 and 33).

The unemployment rate in planning regions has fluctuated slightly over the years. Evaluating the dynamics of the unemployment rate changes within six-year period, it can be observed that the unemployment rate in all regions at the beginning 2005 in comparison to the beginning of 2000 has decreased. In comparison to the beginning of 2004, unemployment rate has increased only in Riga region – by 0.1 percent point, in Latgale region unemployment rate remained unchanged, but in regions of Vidzeme, Kurzeme and Zemgale it has decreased a little in the range from 0.1–0.5 percent points.

Among all planning regions, Latgale region had the highest unemployment rate during six year period. Regional disparities had increased during this period: the unemployment rate in Latgale region at the beginning of 2000 was 2.9 times higher than in Riga region, but at the beginning of 2005 – already 3.1 times higher.

Comparing unemployment rate at the beginning of 2005 to the average of the five-year period (beginning of 2000–2004), the highest decrease in unemployment rate was observed in Zemgale region (by 0.8 percent points) and in Latgale region (by

Planning region	2001	2002	2003	2004
Riga region	60.3	61.9	62.2	62.6
Vidzeme region	58.8	59.7	57.9	57.9
Kurzeme region	58.8	61.1	61.1	60.8
Zemgale region	58.8	59.9	59.7	60.9
Latgale region	52.8	53.6	53.4	54.0
<b>Average in Latvia</b>	<b>57.4</b>	<b>58.7</b>	<b>58.5</b>	<b>59.0</b>

Table 33. Share of registered unemployed females in total number of registered unemployed persons in planning regions at the end of 2001–2004.

0.7 percent points). Unemployment had also decreased in Riga region and in Kurzeme region (by 0.3 percent points in each), but in Vidzeme region unemployment rate had remained unchanged. Unemployment rate in the country had decreased in average by 0.4 percent points (see Figure 34).

More than a half of the registered unemployed persons are women (59%). Within six year period, the share of unemployed female had increased in the regions of Riga, Kurzeme, Zemgale and Latgale, whereas it had slightly decreased only in Vidzeme region. Of all regions, the highest number of unemployed women at the end of 2004 was registered in Riga region, and the smallest number – in Latgale region (see Table 33).

Unemployed persons are characterized by either low educational level or lack of necessary skills and experience required for labor market.

### Territory development index

For purposes of numeric description and comparison of socio-economic development of regions in Latvia, a specific territory development index is used. Development index of planning regions is calculated on a yearly basis since 1999.

Although close interconnection is observed among different basic indicators characterizing development of regions, yet there may be circumstances, as there often are, that in terms

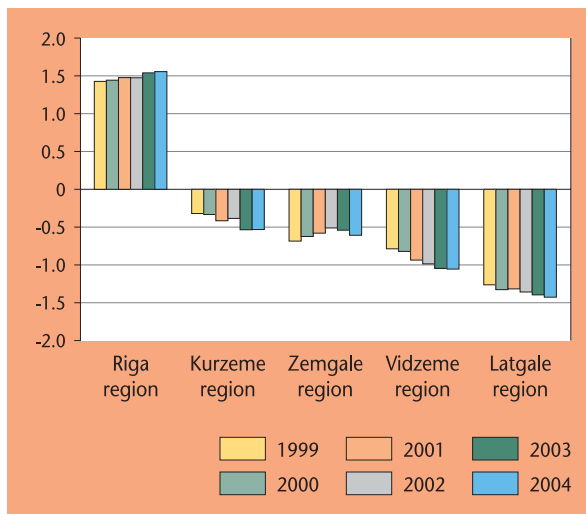


Figure 35. Dynamics of development index in planning regions 1999–2004.

Planning region	1999	2000	2001	2002	2003	2004
Riga region	1.427	1.443	1.477	1.475	1.540	1.556
Kurzeme region	-0.320	-0.333	-0.416	-0.385	-0.535	-0.532
Zemgale region	-0.685	-0.624	-0.580	-0.511	-0.541	-0.608
Vidzeme region	-0.787	-0.821	-0.936	-0.986	-1.046	-1.055
Latgale region	-1.263	-1.327	-1.317	-1.358	-1.396	-1.427

Table 34. Development index in planning regions 1999–2004.

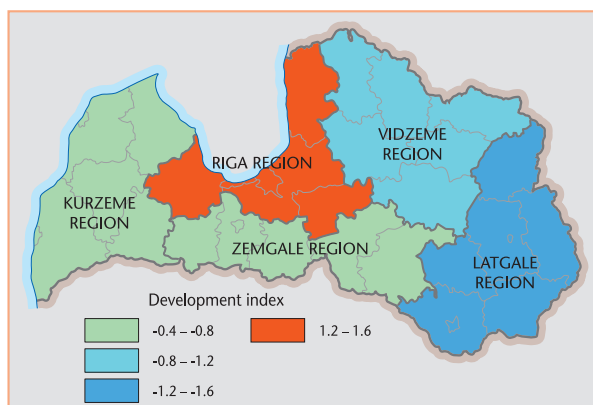


Figure 36. Development index in planning regions in 2004.

of a given specific indicator higher values are reflected by one regions, whereas according to different indicator – other region stands out. Therefore, quite useful and preferable is a synthetic indicator (index) of development, which encompasses given basic indicators.

Development index compares developmental level of regions in the given year, however it does not reflect the process of development, namely, how respective development level was achieved.

In terms of development index, Riga region has been a clear leader since 1999, leaving other regions behind with a development index of 1.556 by data of year 2004, whereas all other regions had various negative numbers (see Table 34 and Figures 35 and 36).

Eight indicators are used to calculate development index and in seven of them Riga region takes a stable first place in the reporting period. Only regarding indicator “resident population change”, Zemgale region takes the first place leaving Riga region as second. This high position of Riga region in the table of ranks is due to the city of Riga as well as thanks to the amount of Gross Domestic Product per capita.

Quite different picture is portrayed for Latgale region, which ranks as number five according to six indicators out of eight. Only in terms of indicators of “demographic burden”

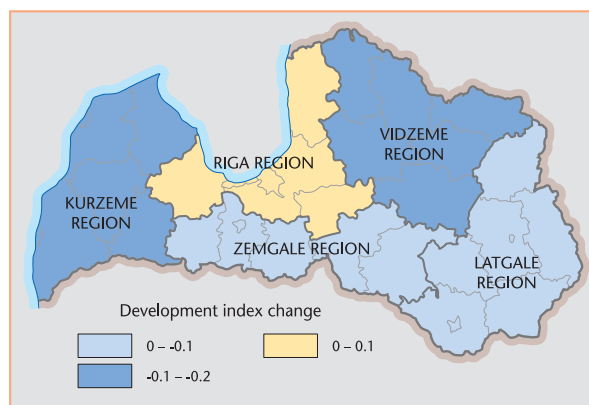


Figure 37. Development index change in planning regions in 2004 compared to the average of 1999–2003.

and “population density” it takes the third place. The lagging behind of the region is due to very high unemployment rate, which is the cause of the low living standard – it is reflected by the amount of paid income tax, as well as by weak economic activity and by low amount of GDP per capita. Value of development index according to data of 2004 is -1.427.

According to the data of 2004, the second place in the table of ranks was taken by Kurzeme region with development index value being a comparatively small negative figure (-0.532), third place – by Zemgale region with a slightly smaller value of development index (-0.608). Vidzeme planning region was in the fourth place with a development index of -1.055.

The socio-economic disparities among the planning regions had slightly increased during the six-year period. If the development index of Riga planning region is compared to the lowest – the index of Latgale planning region – the difference in 1999 was 2.609, in 2002 – 2.833, and 2.982 in 2004. By comparing the average development index value over the five previous years to the indicator value of 2004, it is observed that development index increased only in Riga region, whereas decreased in other four regions (see Figure 37).

Regional differences are significant and are due to miscellaneous factors, including GDP per capita, unemployment rate, amount of personal income tax etc. parameters, which are included into calculation of development index. Dynamics of the development index during six-year period reflects growing disparities among planning regions.

During 1999–2004, in terms of level of economic development, disparities among planning regions increased by almost every indicator. Among the regions of Latvia, Riga region stands out particularly. Its development is highly influenced by the capital Riga. 85% of the GDP of Riga planning region was in 2003 produced by capital city inhabitants (67% of the number of inhabitants in Riga region). Riga region in 2004 concentrated 74% of all non-financial investments of Riga planning region, 83% of the region's economically active enterprises and business companies. 72% of personal income tax in Riga region was paid by the inhabitants of Riga city.

In 1999, number of economically active enterprises per 1 000 inhabitants was 2.4 times higher in Riga region than

that in Latgale region, whereas in 2004 this indicator was already 3.1 times higher. Personal income tax per capita in Riga region exceeded that of Latgale region by 2.1 times in 1999 and by 2.2 times in 2004. Unemployment rate decreases more rapidly in Riga region, as well as personal income grows more faster in Riga region compared to other regions, especially Latgale region. Unemployment rate is comparatively high, yet trend of decrease is observed. The highest unemployment rate was still observed in Latgale, while in Riga region it was the lowest. Unemployment rate in 2000 in Latgale region was 2.9 times higher than that in Riga region, whereas at the beginning of 2005 – 3.1 times higher. Disparities in terms of amount of non-financial investments per capita after a slight decrease in 2000 to 2003 had increased, and in 2004 reached the level of the year 1999. Disparities in terms of Gross Domestic Product per capita had also slightly decreased, yet still remain high (indicators value of Riga planning region exceeded the value of Latgale region indicator 2.9 times in 2000 and 2.7 times in 2003).

# DEVELOPMENT OF TERRITORIES IN LATVIA AND IN PLANNING REGIONS

Development of respective local government territory is a precondition for regional development. Emergence of regional disparities and development changes occur at certain given locations. This chapter of the survey deals with comparative overview of territories of local governments within the group of rural municipalities and the group of cities and towns of Latvia by applying the basic development indicators, also selected for calculation of development index. This provides the opportunity to obtain the rank of given local municipality, as well as development move of given local government compared to other local governments in the group. Inter-comparison of territories of local governments reveal regional development trends in Latvia either towards increasing disparities or towards leveling.

Since 2004, development boards of Planning regions approve specially supportable territories, taking into account territory development index. After completion of support measures, it would be advisable for each planning region to conti-

nue monitoring of development in the region from a territorial standpoint – evaluate effectiveness of given support measures and prepare recommendations for new support measures in the territories, that specifically are in need of such. For purposes of the above mentioned task, a development index (development index of territories of a region) for each local government in the respective planning region is calculated by the following technique – all local governments of a respective planning regions are united in a single group. Four basic development indicators, which are common for all groups are selected for calculation of index for cities, towns, rural municipalities and counties, namely – unemployment rate, personal income tax per capita, level of demographic burden and resident population change. Average values attributed to the region of a given indicator form the basis for calculation of index. Values of territory development index of territories of region can also be useful for purposes of drafting development planning documents.

## DESCRIPTION OF LOCAL GOVERNMENT GROUPS

### DESCRIPTION OF CITIES AND TOWNS

There are 77 cities and towns in Latvia with a very different number of inhabitants among which there are 7 cities of state importance, 20 larger towns – centers of districts, whereas the rest of towns can be regarded as small-sized towns compared to the above mentioned cities and towns.

There are towns that have adjacent rural areas – Ape, Staicele, Valdemarpils, Akniste and others, in total 19 towns\*. As of January 1, 2005 the number of cities and towns included 17 towns, which form the centers of counties – Ogre, Kandava, Livani, Durbe and others. Data on counties and towns with rural areas include all the adjacent territories, including also rural areas, therefore often such data cannot be separated from the descriptive indicators of the towns in question.

For the comparison of the development of urban territories, indicators of the development index calculation were applied. The development index of towns is calculated on the basis of four indicators – unemployment rate, the amount of personal income tax per capita, level of demographic burden resident population change.

#### Population change

At the beginning of 2000, the number of inhabitants living in cities and towns of Latvia was 1.681.600, whereas at the beginning of 2005 the number decreased to 1.627.100 inhabitants. Consequently, the number of inhabitants of cities and towns has decreased in total by 54.5 thsd or 3.2% over the five-year period. The decrease has been considerably slower during the reporting period than in the period from 1995 to the beginning of 2000 when the number of inhabitants in the urban territories decreased by 4.7%.

Over the period from the beginning of 2000 to the beginning of 2005, the number of inhabitants has increased in 13 towns including 6 counties that comprise a town. The largest population increase in absolute numbers was observed in Jelgava (by 2.8 thsd) and in Tukums (by 0.9 thsd). Taking into ac-

count the number of inhabitants at the beginning of 2000 and expressing the changes of it in percentage, it can be seen that the largest population increase has been observed in the county of Ikskile (by 11.3%), in the county of Lielvarde and in Baldone with rural area (by 5.8% in each), as well as in Saulkrasti with rural area (by 5.2%).

Meanwhile, over the last five years the population has decreased in 64 towns. The largest population decrease in absolute numbers has been observed in the largest cities: in Riga – by 34.7 thsd, in Daugavpils – by 4.8 thsd, in Liepaja – by 3.4 thsd, in Rezekne – by 2.9 thsd.

The largest population decrease expressed in percentage compared to the beginning of 2000 has been observed in Strenči (by 10.6%) and in the county of Durbe (by 10.5%). The population decrease of 5 to 10% has been identified in 26 towns, while in 36 towns the population decreased by less than 5% (see Figures 38, 39 and 57).

The population decrease in Riga has substantially influenced the decrease of the total number and share of population of all cities and towns of Latvia. The demographic development of Riga actually takes place outside its administrative borders. The-

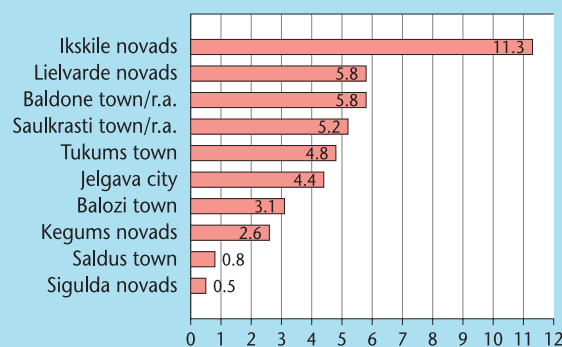


Figure 38. Towns by largest population increase from 2000 till beginning of 2005, %.

\* county towns with rural areas are not included.



before the current trend is expected to increase, namely part of labor force works in the capital city but lives outside of it.

### Demographic burden

Demographic burden in cities and towns was in average 547.2 children and retirement-aged inhabitants per 1 000 working-age inhabitants at the beginning of 2005. Compared to the beginning of 2000 its level has decreased by 15.8% (at the beginning of 2000 – 649.8). The demographic burden in cities and towns is slightly lower than the state's total demographic burden level, which was 565.0 at the beginning of 2005.

In the accounting period, the highest demographic burden level was reached at the beginning of 2000 in Jaunjelgava with rural area where there were 1 275.5 children and pension-aged inhabitants per 1 000 working-age inhabitants. At the beginning of 2001 the highest demographic burden was in Pavilosta – 943.9. During next years Ligatne, Mazsalaca with rural area, Staicele with rural area, Varaklani, and since the beginning of 2004 also the county of Saka, which included Pavilosta ranged among the towns with the highest demographic burden.

Towns of Riga region – Balozi, Olaine, the county of Salaspils and Vangazi have been among those with the lowest demographic burden during the six-year period among all towns. At the beginning of 2005 Balvi town is also noted for a low demographic burden.

Among cities of state importance, the highest demographic burden level at the beginning of 2005 was registered in Liepaja – 579.8, the lowest in Daugavpils – 508.2. Among the larger cities, the most rapid decrease of the demographic burden indicator during the accounting period has been observed in Jurmala – by 119.9 and in Daugavpils – by 97.2.

Among counties, the highest demographic burden has been observed in the county of Salaspils and the county of Aizkraukle, while the lowest demographic burden in the county of Saka and the county of Sabile.

In the period from 2000 till the beginning of 2005, a decrease of the demographic burden has been observed in 75 of the 77 urban territories. The most rapid decrease of the demographic burden has taken place in Jaunjelgava with rural area – by 50.7%, in Cesvaine with rural area – by 33.5%, in the county of Durbe – by 33.1% and Grobina – by 31.3%. Demographic burden has increased only in two towns – in Cesis by 10.9% and in Ainazi with rural area – by 0.2%.

Demographic processes in the country influence also the age structure of population in cities and towns. At the beginning of 2005 the share of children and teenagers was considerably lower than the share of pension-age inhabitants in the

total urban population (13.9% and 21.5%, respectively). Relatively more children under 14 live in rural areas (17.0%).

At the beginning of 2000, the number of children and teenagers was 1.4 times lower than the number of pension-age inhabitants but at the beginning of 2005 – 1.5 times lower. In the period from 2000 till the beginning of 2005 the share of children and teenagers decreased by 2.5 per cent points (from 16.4% to 13.9%) whereas the ratio of working-age inhabitants has increased by 4.0 percent points (from 60.6% to 64.6%).

The level of demographic burden in local governments at the beginning of 2005 is given in Figure 58.

### Personal income tax

In 2004, the personal income tax per capita in towns was in average 156.5 Ls which is by 74 Ls more than in parishes and almost 22 Ls more than the average level in Latvia. Over the six-year period from 1999 till 2004 the amount of personal income tax per 1 inhabitant has increased in all towns, growing in total by 71.4 Ls or by 83.9%.

Riga with its high share of population and economic activity greatly determines the amount of personal income tax and its distribution in the urban group. In 2004, 14 of 77 urban territories exceeded the average level of urban personal income tax of Latvia (in 2003 – 12 urban territories).

Among the larger cities, also referred to as cities of state importance, Ventspils is a stable leader in terms of the amount of personal income tax per 1 inhabitant over the five-year period, but in 2004 it ranked only as the second after Riga. In 2004, the average indicator of all cities and towns was exceeded by 3 of 7 larger cities – also Jurmala in addition to two above mentioned. Among the cities, the largest (in Riga) and the smallest (in Daugavpils) amount of personal income tax per 1 inhabitant differed 1.9 times in 2004.

Over the six-year period there is not an even increase of personal income tax observed in the larger cities. Among the cities of state importance the highest increase of personal income tax amount per person has been identified in Jurmala – by 88.5 Ls (from 72.3 Ls in 1999 to 160.9 Ls in 2004), in Riga – by 85.4 Ls (from 101.4 to 186.8 Ls) and in Jelgava – by 76.2 Ls (from 68.6 to 144.8 Ls). A rather small increase was registered in Daugavpils – by 37.5 Ls (from 61.9 Ls to 99.4 Ls), however, the smallest increase of personal income tax among the cities was in Ventspils – from 147.0 Ls in 1999 to 174.7 Ls in 2004, thus only by 27.7 Ls. It should be noted that this is the third weakest indicator of increase in the whole group of 77 towns and cities.

In terms of the personal income tax, the major differences and changes during the six-year period were registered in small and medium sized towns. In these territories, the amount of tax and the dynamics of its increase depend on the functional correlations among towns, as well as on their economic structure, which is often subject to changes in connection with the expansion of separate large enterprises, among other factors.

In 2004, in the town group, the highest amount of personal income tax per 1 inhabitant was registered in Balozi, reaching 194.0 Ls (by 7.2 Ls more than in Riga and by 19.3 Ls more than in Ventspils). The county of Ilkskile (183.9 Ls) has also ranged among the first three leading areas. Over the six-year period the county of Aizkraukle, Dobeles, the county of Salaspils, since 2001 also Valmiera, and since 2002 the county of Sigulda keep stable leading positions in terms of the amount of personal income tax per 1 inhabitant (see Figures 40 and 59).

The lowest amount of personal income tax per 1 inhabitant in 2004 has been observed in Subate with rural area (45.7 Ls),

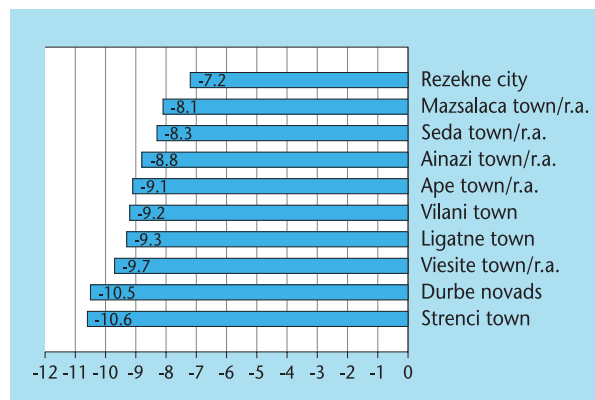


Figure 39. Towns by largest population decrease from 2000 till beginning of 2005, %.

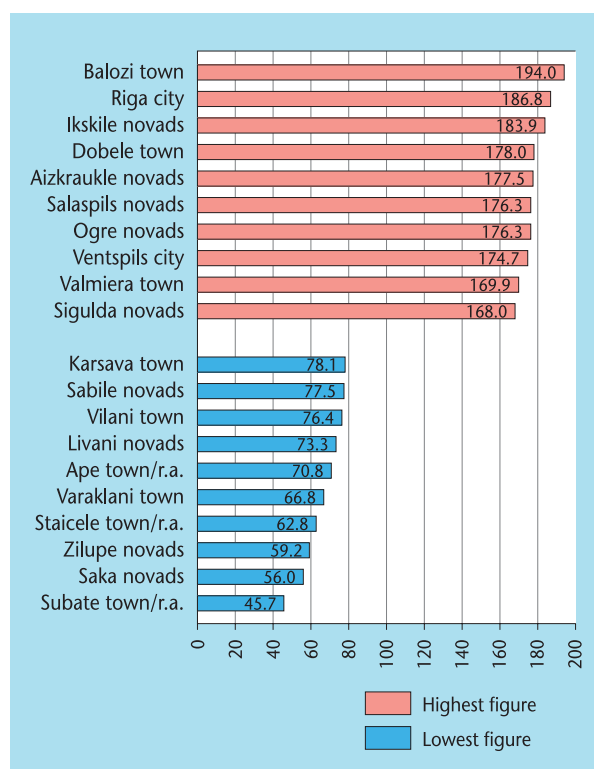


Figure 40. Cities and towns by largest and smallest personal income tax per person in 2004, Ls.

the county of Saka (56.0 Ls), the county of Zīlupe (59.2 Ls) and Staiķele with rural area (62.8 Ls). In terms of personal income tax per 1 inhabitant over the whole accounting period Subate with rural area, the county of Zīlupe, Staiķele with rural area, Ape with rural area, since 2001 Varakļāni and since 2002 also the county of Saka range among the towns with the lowest personal income tax level.

During the period of 1999–2004 within the group of small and medium-size towns, a rather fast (more than 100 Ls) and stable growth of personal income tax per 1 inhabitant has been observed in three municipalities: in the county of Ikšķile – by 110.8 Ls, in the county of Ogre – by 109.3 Ls and in Balozi – by 106.7 Ls. A considerable growth of tax amount has been achieved in Dobele as well – by 95.0 Ls, in the county of Salaspils – by 93.3 Ls and in Valmiera – by 86.2 Ls. In the period of accounting, the least increase of personal income tax was registered in the county of Saka – by 16.2 Ls, in Subate with rural area – by 23.4 Ls, in the county of Zīlupe – by 30.4 Ls (see Figure 60).

A considerable increase of tax amount has been registered over the six-year period in several towns, which in 1999 were among the towns with the lowest payments of personal income tax per 1 inhabitant. These territories include: the county of Līvāni (in 1999 – 21.8 Ls, in 2004 – 73.3 Ls), the county of Sabīle (27.6 Ls and 77.5 Ls respectively), Staiķele with rural area (19.8 Ls and 62.8 Ls) and Ape with rural area (23.0 and 70.8 Ls).

### Unemployment rate

Over the six-year period the unemployment rate in the group of cities and towns has decreased from 7.1% at the beginning of 2000 to 5.5% at the beginning of 2005. The unemployment rate in the group of cities and towns is considerably lower than the average rate in the country (7.8% and 6.2%, respectively).

At the beginning of 2005, the towns with the lowest unemployment rate were: the county of Ikšķile – 2.3%, Baldone with

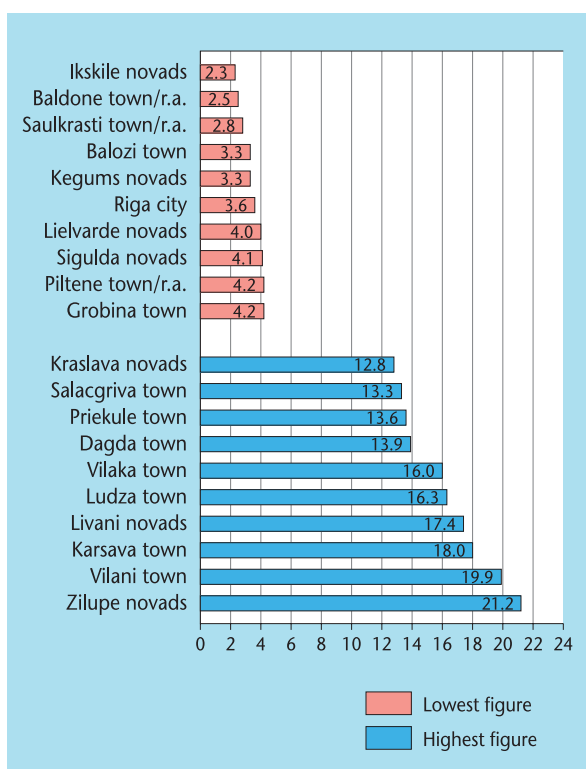


Figure 41. Cities and towns by largest and smallest unemployment rate at the beginning of 2005, %.

rural area – 2.5% and Saulkrasti with rural area – 2.8%. Meanwhile at the beginning of 2005 the highest unemployment rate – three and even more times higher than average in towns, was registered in the county of Zīlupe – 21.2%, in Vilāni – 19.9%, in Karsava – 18.0%, in the county of Līvāni – 16.3% and in Ludza – 16.3% (see Figures 41 and 61). Among all towns, the highest unemployment rate in the reporting period has been registered in the county of Līvāni at the beginning of 2000 – 25.9%.

In the six-year period, the decrease of the average unemployment rate indicator in the group of cities and towns has been mainly influenced by the large cities. In Liepāja unemployment has decreased by 5.0 percent points, in Daugavpils – by 3.7 and Rēzekne – by 3.6 percent points. It should be noted that this indicator has been influenced also by certain small and medium-size urban territories in which a rapid decrease of the unemployment rate has been observed – in the county of Līvāni from the beginning of 2000 till the beginning of 2005 unemployment has decreased by 8.5, in Valdermarpils with rural area – by 5.4, in Cēsvaine with rural area – by 4.3 and in the county of Aizkraukle – by 3.7 percent points (see Figure 62).

Despite the fact that, in general, unemployment rate in cities and towns has decreased, it has however increased in 20 towns during the reporting period. The most rapid growth of unemployment rate was observed in the county of Zīlupe – by 6.8, in Salacgrīva with rural area – by 3.5, in Sēda with rural area and in Kuldīga – by 3.3 and in Aināzi with rural area – by 3.1 percent points.

The disparities among cities and towns with the highest and the lowest unemployment rate indicators have been maintained on a very high level during the six-year period – by 9.2 times.

### Territory development index

According to the data of 2004, 12 towns from Rīga region, 2 towns from Zemgale region and 1 town from Kurzeme region have ranked among 15 towns with the highest development

index. Divided by districts, the fifteen strongest towns range as follows: 7 towns from Riga district, 4 – from Ogre district, 1 – from Aizkraukle district and 3 cities of state importance – Jelgava, Ventspils and Riga. Excluding Ventspils and the county of Aizkraukle, all other towns from the leading fifteen are towns which are under direct influence of Riga. The first two leading towns in the group of towns and cities are Balozi and the county of Ikskile, which by their development index (1.682 and 1.528) leave the county of Salaspils (0.795) behind.

According to the development index, the leading cities rank as follows in the table of ranks: Jelgava – 6th place, Ventspils – 8th and Riga – 9th place. Jelgava has achieved so high position in the ranking table for the first time, mainly due to the rapid growth of permanent residents over the last five years – by 4.4%.

In several urban territories belonging to the zone of influence of Riga, the territory development index has been rather high in the past, but has decreased over the last few years. Among these towns are Olaine, which dropped from the 3rd place in 1999 to the 10th place in the ranking table in 2004, Vangazi – from the 4th to the 12th place, Saulkrasti with rural area – from the 5th to 14th place and Baldone with rural area – from the 7th to the 11th place. Baldone with rural area has achieved its relatively high position in the ranking table similar to Jelgava – mainly due to the fact that the population has increased by 5.8% over the five-year period, so there is high so called territory attraction index. Such attraction index has influenced the development index of the capital city because meanwhile Riga has lost 4.5% of its inhabitants (all cities and towns have lost 3.2% on average).

Along with the increase of the development index value the county of Ogre has moved from the 22nd place in the rating table in 1999 to the 4th place in the ranking table in 2004, the county of Ikskile – from the 13th to the 2nd place, and Balozi – from the 6th to the 1st place. The territory development index value has rapidly increased also in Jaunjelgava with rural area, Valdemarpils with rural area and Cēsīne with rural area.

The county of Salaspils had taken the first place in the ranking table from 2000 to 2003 but in 2004 it dropped to the 3rd place. The development index has significantly decreased in Ventspils, which was in the 1st place in the ranking table in 1999, in 2000 – in the 2nd, and in 2004 – only in the 8th place. Among cities, Ventspils had been a leader for four years but was overrun by Riga in 2003 and by Jelgava in 2004.

During the six-year period the highest development index decrease among the town group has been registered in Talsi and Cēsis – Talsi has dropped from the 14th to the 25th place, but Cēsis from the 11th to the 21st place in the total ranking table of towns of Latvia. Among the small and medium-size town group, Ape with rural area has dropped from the 42nd to the 71st place, Aināzi with rural area – from the 9th to the 48th place.

A group of 15 less developed towns include 7 towns from Latgale region, 4 towns from Vidzeme region, 2 towns from Zemgale region and one town from each – Riga and Kurzeme region. The division of weaker towns by districts is more even compared to a group of the leading fifteen towns – the group of weaker towns represent towns from 13 districts of Latvia.

The lowest positions in the ranking table go to Karsava (77th) and Vilāni (76th) – the only urban territories whose development index is below -3 (-3.046 and -3.003, respectively).

During the six-year period, constantly, the lowest development index values among the town group have been

found for Vilāka, Vilāni and Varaklāni, since 2000 – for the county of Zilupe and Karsava, since 2002 – for Subate with rural area and since 2003 – Ape with rural area. These towns can be considered as territories with a very low development index, besides most often their development index values are decreasing year by year.

Evaluating the growth of the development index over a shorter period of time – in 2003 and 2004, it can be seen that 10 towns have achieved an increase of positive index (by increasing the existing positive index), 20 towns – in the range of negative indices (by decreasing the existing negative index), and only Jelgava alone has changed the development index mark from negative to positive. The development index has decreased in 46 towns. Towns whose development index mark has changed from positive to negative should be particularly noted. Such towns include Jaunjelgava with rural area, Smiltene, Saldus and Bauska.

According to the data of 2004, 18 towns, which comprise less than one third of all towns and cities of Latvia, have a positive development index (21 towns according to the data of 2003). A division of urban territories in positive and negative index ranges is, however, to a great extent influenced by Riga, and taking into account that the development index value of Riga is positive, most of the territories have negative indices.

The development index values of cities and towns from 1999 to 2004 can be found in the Annex to this edition, index values according to the data of 2004 – in Figure 63 but changes of the development index in 2004 compared to the average index value of 1999 to 2003 – in Figure 64.

There is a general correlation between the population of urban territories and development index value. Towns are quite different when the number of inhabitants is concerned – in 52 urban territories the number of inhabitants is less than 10 thsd, in 14 – from 10 to 20 thsd, in 4 – from 20 to 30 thsd, in 6 – from 30 to 120 thsd inhabitants. Riga is a clear leader with its number of inhabitants exceeding 700 thsd.

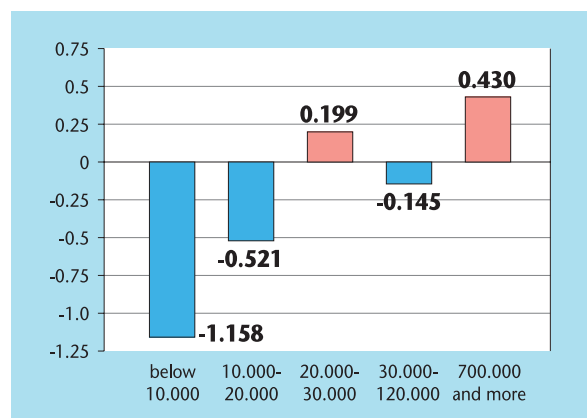


Figure 42. Correlation between city and town population and development index in 2004.

The average development index with the highest negative value is present in urban groups with the smallest number of inhabitants: less than 10 thsd inhabitants and from 10 to 20 thsd inhabitants comprising in total 66 towns or 86% of all towns in Latvia. In the urban group with the number of 30 to 120 thousand inhabitants the negative average development index is determined by the negative development index values in such larger cities like Rēzekne, Līvāji and Daugavpils.

A positive development index can be observed in two urban groups. The first group with the number of 20 to 30 thousand

inhabitants features a positive average development index due to the high development index values of Valmiera, the county of Ogre and county of Salaspils. The second group with the

number of 700 thousand and more inhabitants includes only Riga, which has a positive development index (see Figure 42).

The territory development index of cities and towns is an integrated indicator, which reveals general differences in the development level of territories. For purposes of evaluation of development of each territory in question, the development index may serve as supplementary comparative indicator. A more specific research of territories by application of qualitative indicators is necessary for the causal relationship analysis. In the evaluation of territorial development, the role and importance of each component used in the calculation of each separate index has to be taken into account.

During the reporting period, several towns of Latvia experienced positive changes in terms of socio-economic indicators, such as, unemployment rate and personal income tax. These processes vary in their speed in different towns, therefore changing index and attributed ranks in the overall evaluation table.

An indicator, which needs to be analyzed comprehensively and which reflects development in general, is the personal income tax per capita. In terms of this indicator, a great disparity is observed among towns. According to this indicator, town with low paid amounts of personal income tax often lag behind rural territories.

Average unemployment rate decreases in towns in general, yet challenges of regional development are reflected by critical values of the indicator, for instance, high unemployment rate is preserved in towns of Latgale region. Unemployment rate, amount of personal income tax, partly also demographic burden reflect structural challenges in territories in general, especially in small and medium size towns.

Demographic crisis in the country results in decrease of population and increase of demographic burden, especially in small and medium size towns. Increase of demographic burden, however is not directly reflected by statistical indicators, as retirement age is being extended gradually.

The index value is not directly related only to number of inhabitants. Nevertheless, the general regularity is such that the level of socio-economic development is lower in small sized local governments, whereas it is higher in the larger local governments. At the same time it must be considered that the average development index of small town group has been more variable over the five-year period in comparison to larger towns.

## DESCRIPTION OF RURAL AREAS

In 1999, there were 481 territories of rural municipalities in Latvia, whereas at the beginning of 2005 their number was 453. During the period from 1999 till 2005, a part of the territories belonging to the former rural municipalities have been included into territories of 12 counties with towns as a centre, and the statistics regarding these territories are aggregated in the group of urban territories. Another part of the former rural municipalities territories are now united into 6 new counties.

In terms of population, rural municipalities of Latvia are small – 1.5 thsd inhabitants in average lived in one rural municipality in the beginning of 2005. Municipalities with the number of inhabitants less than 1 thsd (190 municipalities) form 42% of all rural municipalities in Latvia, municipalities with the number of inhabitants from 1 to 2 thsd (186 municipalities) form 41% of the total rural municipalities. The number of inhabitants in 43 municipalities ranges from 2 to 3 thsd. There are comparatively large rural local governments with the number of inhabitants from 3 to 4 thsd and from 4 to 5 thsd – each 11 such municipalities. There are 12 municipalities with the number of inhabitants exceeding 5 thsd, they form only 3% of all rural municipalities and rural counties in the country.

More than half of the whole countryside population (59%) or almost each fifth inhabitant of the country (17% of the state total population) lives in these small municipalities with the number of inhabitants less than 2 thsd. Only 13% of the total rural population or 4% of the state total population live in relatively large municipalities whose number of inhabitants exceeds 5 thsd.

In the description of rural municipal territories there is a common feature – the basic indicators are very variable in small rural municipalities every year while in larger territories they remain relatively more stable.

The development index for rural territories is calculated on the basis of 6 indicators – unemployment rate, the amount of personal income tax per capita, demographic burden level, resident population change, population density and the average cadastral value of land. In the survey, rural municipalities and rural counties are compared with regard to the development index values and their changes, as well as 4 separate indicators, in order to characterize the dynamics of development more precisely – population change, demographic burden, personal income tax and unemployment rate.

### Population change

At the beginning of 2000, there were 698.3 thsd inhabitants living in rural territories of Latvia, whereas at the beginning of 2005 the number was 679.4 thsd. Thus, in the period from 2000 to 2005 the number of inhabitants in rural municipalities and rural counties decreased by almost 20 thsd or 2.7%. The pace of this decrease has slowed slightly compared to the period of 1995 to 2000, when the number of rural inhabitants decreased by 3.3%. However, compared to the last five years, it should be noted that the pace of the population decrease has increase again – during the period of 1999 to 2004 rural areas lost 1.8% inhabitants.

Over the period of 2000 to 2005 the decrease of rural population was lower than the decrease of urban population (rural – by 2.7%, urban – by 3.2%). The changes in the number of inhabitants in rural municipalities and rural counties over this period are depicted in Figure 57.

There are 69 rural municipal territories (15% of the total number of rural municipalities) where the number of inhabitants has increased from 2000 to the beginning of 2005. The most significant increase of population has taken place in ru-



ral municipalities of Riga district: in Garkalne rural municipality – by 42.7%, in Sala rural municipality – by 23.3%, in Carnikava rural municipality – by 17.3%. The population has considerably increased in rural municipalities of Rezekne district: in Griskani rural municipality – by 15.2% and in Ozolaine rural municipality – by 13.1%. A population increase of more than 10% has been also observed in rural municipalities of Tukums district: in Lapmežciems rural municipality – by 15.7% and Engure rural municipality – by 11.0%, as well as in Svete rural municipality of Jelgava district – by 11.1%.

In 384 rural municipalities, which form 85% of the total number of rural municipalities in Latvia, the population has decreased. The most rapid decrease over the five-year period has been observed in Kuprava rural municipality of Balvi district – by 29.0%, in Ukri rural municipality of Dobele district – by 21.1% and in Embute rural municipality of Liepāja district – by 19.4% (see Figure 43).

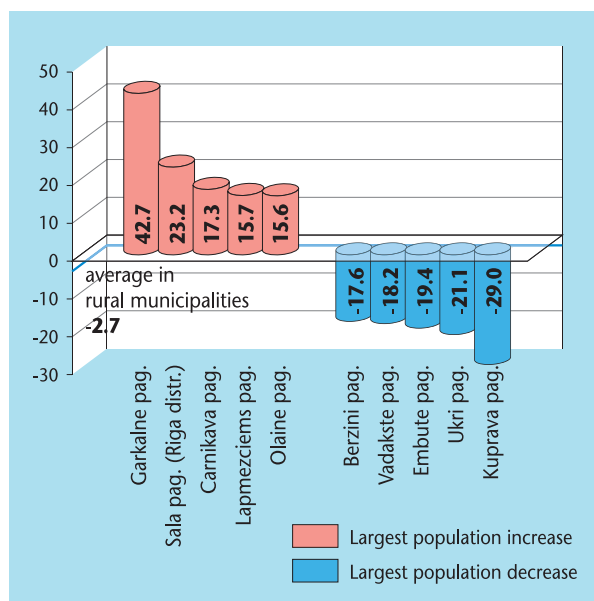


Figure 43. Highest and lowest indicator values for population change in rural municipalities at the beginning of 2000–2005, %.

From 2000 to the beginning of 2005 the population has decreased in all rural municipalities of Cēsis, Gulbene, Jekabpils, Ludza, Madona, Preiļi, Saldus and Ventspils districts. The population in Riga district has decreased only in two rural municipalities.

### Demographic burden

In the beginning of 2000, the demographic burden in rural territories was 793.1 in average, whereas 609.2 at the beginning of 2005. Demographic burden has decreased by 23.2% in average. In rural municipalities and rural counties this indicator is considerably higher than the state average demographic burden, which was 565.0 at the beginning of 2005.

The lowest demographic burden indicators in the rural municipalities group at the beginning of 2005 were found in Gailisi rural municipality of Bauska district (434.7 people per 1 000 working-age inhabitants) and in Saldus rural municipality of Saldus district (437.6). A favorable demographic situation can be observed in rural municipalities of Riga district: in Adazi rural municipality (451.2), in Olaine rural municipality (468.4), in Sala rural municipality (475.0) and in the county of Ropazi (487.4). Less than 500 children and pension-age inhabitants per 1 000 working-age inhabitants are also observed in Serene

rural municipality of Aizkraukle district, Zīras rural municipality of Ventspils district, Valmiera rural municipality of Valmiera district, Nīgrande rural municipality of Saldus district, Lazduleja rural municipality and Berzkalne rural municipality of Balvi district, and Garsene rural municipality of Jekabpils district.

A demographic burden level of more than 800 children and pension-age inhabitants per 1 000 working-age inhabitants in the beginning of 2005 can be observed in 14 rural municipalities. The highest demographic burden level in general is observed in the rural municipalities of Latgale region, where it reflects a complicated social situation, which is actually also represented by other basic indicators – high unemployment rate and low level of welfare, which is in turn revealed by low amounts of personal income tax per capita – these are characteristics of given territories. The highest demographic burden indicator in the rural municipalities group during the reporting period was observed in Tilza rural municipality of Balvi district at the beginning of 2000 – 1 567.8. At the beginning of 2005, the highest demographic burden was reached in Varaklani rural municipality of Madona district – 887.7. Demographic burden exceeding 850 children and pension-age inhabitants per 1 000 working-age inhabitants has been also observed in Sauna rural municipality and the county of Varkava of Preiļi district, as well as in

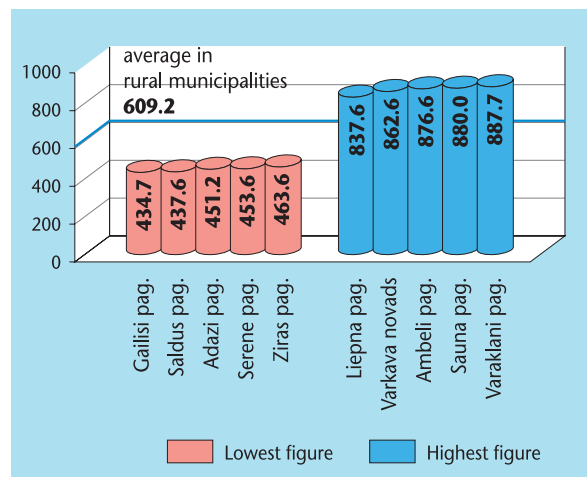


Figure 44. Highest and lowest indicator values for demographic burden in rural municipalities at the beginning of 2005.

Ambeli rural municipality of Daugavpils district (see Figure 44).

The demographic burden indicators at the beginning of 2005 are given in Figure 58.

The demographic burden level during the period of 2000 to the beginning of 2005 has increased only in five rural municipalities – in Zvirgzdēne rural municipality of Ludza district, where it has increased from 671.7 to 782.7 or by 16.5%, in Kuprava rural municipality of Balvi district – by 7.6%, in Sala rural municipality of Riga district – by 4.5%, in Kurmēne rural municipality of Aizkraukle district – by 3.8% and in Nītaure rural municipality of Cēsis district – by 1.4%. Demographic burden in the other rural municipalities has decreased. A very fast decrease has taken place in Garkalne rural municipality of Riga district – from 1 140.8 in 2000 to 567.8 in 2005 or by 50.2%, in Tilza rural municipality of Balvi district – by 48.2%, in Mersrags rural municipality of Talsi district – by 44.9%, in Zīlāiskalns rural municipality of Valmiera district – by 38.5%.

### Personal income tax

In 2004 the average amount of personal income tax per capita in rural territories was 82.3 Ls, which is by 44.3 Ls more than

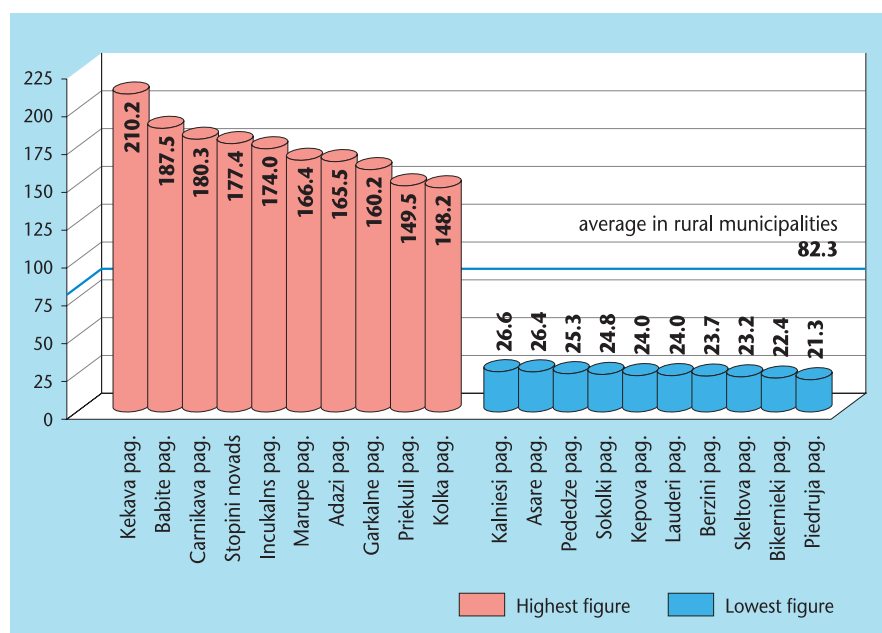


Figure 45. Highest and lowest indicator values for personal income tax per person in rural municipalities in 2004, Ls.

in 1999 (38.0 Ls). However, this indicator is still considerably lower than the average indicator for cities and towns (156.5 Ls in 2004 and 85.1 Ls in 1999). The amount of personal income tax per 1 inhabitant in rural territories of Latvia in 2004 is at the same level as it was for cities and towns in 1999.

The amount of personal income tax per person in 2004 is given in Figure 59.

In average, the highest amounts of personal income tax per 1 inhabitant are found in rural municipalities of Riga district. In 2002, Incukalna rural municipality ranked as the first in the table of ranks of rural municipalities in terms of paid personal income tax – 175 Ls. The highest indicator in 2003 and 2004 was observed in Kekava rural municipality – 183.9 Ls and 210.2 Ls, respectively. Among the territories of other districts, Priekule rural municipality of Cēsis district and Kolka rural municipality of Talsi district stand out for larger amounts of personal income tax payments (see Figure 45).

In 2004, 85 rural municipalities of Latgale region, 22 rural municipalities of Vidzeme region, 13 rural municipalities of Kurzeme and Zemgale region and only 3 rural municipalities of Riga region ranked among the rural territories where the amount of personal income tax payment per 1 inhabitant was less than 50 Ls. 358 rural municipalities and rural counties or 79% of the total number of rural municipalities did not reach the average level of the given indicator for the rural municipalities group.

The indicator of the lowest personal income per 1 inhabitant is found in all districts of Latgale region. The lowest indicators in the rural municipalities group in 2004 were registered in Piedruja rural municipality of Kraslava district – 21.3 Ls and Bikernieki rural municipality of Daugavpils district – 22.4 Ls. The level of 25 Ls per 1 inhabitant per year was not reached in Skeltova, Berzīni and Kepova rural municipalities of Kraslava district, Lauderi rural municipality of Ludza district, as well as in Sokolki rural municipality of Rezekne district.

A significant rise of personal income tax payments per 1 inhabitant (more than 100 Ls a year) over the period of 1999 to 2004 has been observed in rural municipalities of Riga district: Incukalna rural municipality – by 116.5 Ls, in Babīte rural municipality – by 103.4 Ls and in Kekava rural municipality – by 101.6 Ls. In other rural municipalities the amount of increase is

rather different – from 1.4 Ls to 90.8 Ls. Comparing the indicators in 1999 and 2004 in three rural municipalities, the amount of personal income tax per 1 inhabitant has decreased – in Iļe rural municipality of Talsi district – by 18.3 Ls, in Graveri rural municipality of Kraslava district – by 13.0 Ls and in Jurkalne rural municipality of Ventspils district – by 7.0 Ls. If the value of personal income tax per 1 inhabitant in 2004 is compared to the average level of tax payments in 1999–2003, it can be observed that a negative trend has taken place only in Graveri rural municipality of Kraslava district (see Figure 60).

Evaluating the changes of the personal income tax per 1 inhabitant over the two-year period (in 2003 and 2004) an increase of the value of given indicator can be observed almost in all rural municipalities and rural counties, the growth level varies from 0.5 Ls to 39.1 Ls. The amount of the paid personal income tax has decreased in three rural municipalities – in Jurkalne rural municipality of Ventspils district, Vecsaliena rural municipality of Daugavpils district and Priekule rural municipality of Liepāja district – by 1.5–4.5 per 1 inhabitant.

Piedruja rural municipality had the lowest amount of the paid personal income tax per 1 inhabitant in 2004, yet, during six-year period it has increased by 11.9 Ls, while in Kekava rural municipality, which had the highest amount of the paid personal income tax per 1 inhabitant in 2004, the increase in the respective period of time was 101.6 Ls.

The highest and lowest indicator values for personal income tax per person in rural municipalities differed 10 times in 2004 but in 1999 the difference was even 32 times! The welfare level in rural municipalities of Latvia, though, is growing slower than in cities and towns.

### Unemployment rate

During the six-year period, the highest unemployment rate in the rural territories of Latvia was registered in the beginning of 2000 – in average 8.9%. From 2001 to 2003 the unemployment rate in rural areas decreased on the whole, while at the beginning of 2004 the unemployment rate had increased again, nearly reaching the level of the beginning of 2000. In the beginning of 2005, the unemployment rate in rural municipalities of Latvia was in average 7.9%. Comparing the indicator values of 2005 and 2000, the decrease of unemployment by 1.0 percent point can be observed, whereas comparing 2005 with 2004 – only by 0.1 percent point. In the period of 2000–2004, the average unemployment rate in rural municipalities of Latvia was by 1.5 to 1.8 percent points higher than in the cities and towns, while in 2005, already by 2.5 percent points higher.

Unemployment rate in rural municipalities in the beginning of 2005 is given in Figure 61 but changes in the unemployment rate at the beginning of 2005 compared to the average indicator value of 2000 to the beginning of 2004 – in Figure 62.

Significant disparities exist among rural municipalities in terms of unemployment level. The lowest unemployment rate

at the beginning of 2005 was registered in Palsmane rural municipality of Valka district – 1.8% and Laubere rural municipality of Ogre district – 1.9%. The registered unemployment level in other 13 rural municipalities did not exceed 3.0%.

In rural territory group, a high unemployment rate along with the lowest personal income tax payments is characteristic to rural municipalities of Latgale region. An extremely high unemployment rate – 37.0% which is 4.7 times higher than the average level of all rural municipalities, was registered in Goliseva rural municipality of Ludza district at the beginning of 2005. Compared to the beginning of 2004, unemployment rate in this rural municipality has increased by another 2.7 percent points. Nearly as high unemployment rate has been observed also in Sokolki rural municipality of Rezekne district – 35.4% and in Balinava rural municipality of Balvi district – 31.1% (see Figure 46).

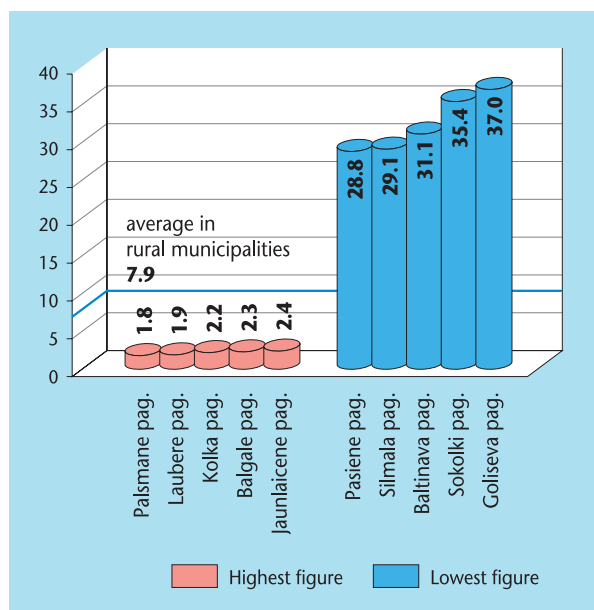


Figure 46. Highest and lowest indicator values for unemployment rate in rural municipalities at the beginning of 2005, %.

The disparities between the highest and the lowest unemployment rate indicator value in the rural municipalities group have diminished over the period. In the beginning of 2000, the difference in the unemployment rate between More rural municipality of Cesis district and Balinava rural municipality of Balvi district was 72 times, whereas at the beginning of 2005, the difference between Goliseva rural municipality of Ludza district and Palsmane rural municipality of Valka district was 20.5 times. Such diminishing of disparities happens mainly as a result of an increasing lower unemployment level which was 0.5% in the beginning of 2000 in rural municipalities of Latvia but reached 1.8% in the beginning of 2005. Meanwhile, the highest unemployment level over this period of time has decreased only from 39.0% to 37.0%.

In the period from 2000 till the beginning of 2005, the unemployment rate has decreased in 282 rural municipalities or 62.3% of all rural territories in the country. In 11 rural municipalities the unemployment rate has decreased by more than 10 percent points where some of them had had a very high unemployment rate in the beginning of 2000, exceeding 20 and even 30%. Here the leaders in decreasing unemployment are Tilza rural municipality of Balvi district and Kolka rural municipality of Talsi district – the registered unemployment has decreased by more than 15 percent points in both territories.

In the period of reporting, the increase of unemployment in rural territories reaches even 11.7 percent points. The largest growth of unemployment rate has been registered in Istra rural municipality of Ludza district. Unemployment has increased by more than 10 percent points also in Goliseva rural municipality of Ludza district, namely, by 11.5 percent points, by 10.4 percent points in Pilda rural municipality of Ludza district, and by 10.4 percent points in Gudenieki rural municipality of Kuldiga district.

### Territory development index

18 municipalities of Riga region, 7 municipalities of Zemgale region, 3 municipalities of Kurzeme region and 2 municipalities of Vidzeme region have ranked among the top 30 rural municipalities and rural counties with the highest development index value according to the data of 2004. No rural municipalities of Latgale region are among the best ranking local rural governments.

The first seven places in the ranking table are taken by the municipalities of Riga district. According to the data of 2004, the highest development index values are registered in the rural municipalities that are located close to the capital city in the perspective borders of Riga – in the county of Stopini (3.883) and Marupe rural municipality of Riga district (3.213). The highest rank in the ranking table from municipalities of other districts goes to the county of Ozolnieki of Jelgava district.

A group of 30 rural municipalities and rural counties with the lowest development index value according to the data of 2004 include 28 rural municipalities of Latgale region and one rural municipality from each – Vidzeme and Zemgale regions. This group does not include any rural municipality from Riga and Kurzeme regions.

The development index values of the group of rural municipalities from 1999 to 2004 can be found in the Annex, index values according to the data of 2004 – in Figure 65 but changes of the development index in 2004 compared to the average index value of 1999 to 2003 – in Figure 66.

In terms of changes of the development index values, several groups of rural municipal can be distinguished – rural municipalities and rural counties whose development index over the entire period of accounting is only positive, rural municipalities and rural counties whose development index is only negative, and rural municipalities and rural counties whose development index mark has changed.

Considering those rural municipalities whose development index over the entire period of accounting is positive, it can be observed that these rural municipalities and counties are stable and comparatively well developed. In 2004 this group included 120 municipalities – each third of all rural territories in the country. More than half of all rural municipalities and rural counties of Latvia – 262 or 58% of rural municipalities represent the group of different changes of the negative values of the development index over the entire period of 1999 to 2004.

It is important to note those municipalities where positive changes have taken place, changing the development index mark from negative to positive. There are 28 such rural municipalities in total. A significant rise of development index value can be observed in Livberze rural municipality of Jelgava district, in Gaujiena rural municipality of Aluksne district, in Ozolaine rural municipality of Rezekne district, and in Viesatas rural municipality of Tukums district. The development index of 8 rural municipalities was negative over the entire period of 1999 to

2003 and turned positive only in 2004. The most striking examples are Marsneni rural municipality of Cesis district, Palsmane rural municipality of Valka district, and Jaunlaicene rural municipality of Aluksne district.

The development index of 43 rural municipalities has changed from positive to negative value. These rural municipalities rank among those which have faced changes to the opposite – negative side. The highest decrease of the development index value has been registered in Nitaure rural municipality of Cesis district, in Ziguri rural municipality of Balvi district, in Evele rural municipality of Valka district, and in Rudbarzi rural municipality of Kuldiga district. Gibuli rural municipality of Talsi district, Viesturi rural municipality of Bauska district, Krape rural municipality of Ogre district and Berzaune rural municipality of Madona district can be mentioned among rural municipalities which had a positive development index for five years, but it turned negative in 2004.

Among rural counties, only counties of Latgale region have negative development index values: the development index of the county of Varkava of Preili district is -1.059, of the county of Rieбини of Preili district – -0.910 and of the county of Cibla of Ludza district – -0.680.

Stable leaders in the total ranking table of rural municipalities are the rural municipalities and rural counties of Riga district. Over the period of accounting, the highest increase of the development index value has been observed in Garkalne rural municipality – by 1.034 and in Carnikava rural municipality – by 0.818. Garkalne rural municipality has moved from the 8th to 4th place in the ranking table, but Carnikava rural municipality – from the 6th to 3rd place. A significant rise of development index value has taken place also in Incukalns rural municipality which has moved from the 18th to the 10th place in the ranking table, in Olaine rural municipality which has moved from the 17th to the 11th place and in Sala rural municipality which has moved from the 14th to the 9th place.

There have been great positive changes in the development of particular territories in all districts. Rapid development is characteristic to rural municipalities of Jelgava and Valmiera districts. Over the six-year period Gluda rural municipality of Jelgava district has moved from the 119th to the 28th place, Livberze rural municipality – from the 212th to the 50th place, Svete rural municipality – from the 65th to the 18th place, Zilaiskalns rural municipality of Valmiera district – from the 375th to the 155th place, Vecate rural municipality – from the 435th to the 225th place. The development index increase in Dobeles rural municipality of Dobeles district shifted its position in the total ranking table from the 372nd to the 200th place, Zeltini rural municipality of Aluksne district – from the 325th to the 157th place, Marsneni rural municipality of Cesis district – from the 301st to the 133rd place.

Positive changes of the development index values have been registered also in many rural municipalities of Latgale region. Over the period of 1999 to 2004 the negative development index has considerably improved in Jersika rural municipality of Preili district, in Deksaresh rural municipality of Rzekne district and in Vectilza rural municipality of Balvi district. Jersika rural municipality moved from the 468th to the 350th place in the ranking table, Deksaresh rural municipality – from the 452nd to the 347th place, Vectilza rural municipality – from the 465th to the 372nd place.

Negative changes are characteristic to those rural territories where the development index values have decreased. Over the six-year period, the development index has decreased by more

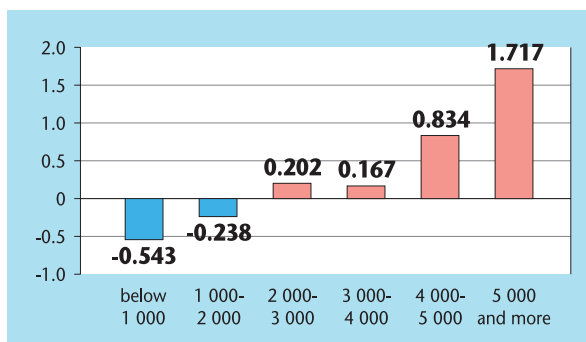


Figure 47. Correlation between rural municipality population and development index in 2004.

than 0.5 units in 23 municipalities. The highest decrease of the development index value over the period has been registered in Kuprava rural municipality of Balvi district by 1.135, in Istra rural municipality of Ludza district – by 0.862 and Jumurda rural municipality of Madona district – by 0.803. The changes of the development index of Kuprava rural municipality take place in the range of positive values but those of Istra and Jumurda rural municipalities – in the range of negative values. Given rural municipalities in question moved in the ranking table of rural territories from the 9th to the 91st place, from the 322nd to the 431st and from the 278th to the 406th place, respectively.

Nitaure rural municipality of Cesis district has fallen from the 34th place in the ranking table in 1999 to the 199th place in 2004, changing the development index mark from a positive to a negative, Auri rural municipality of Dobeles district – from the 10th to the 35th place reducing the positive development index value. The development index has substantially decreased in several rural municipalities of Kuldiga district, for instance, Rudbarzi rural municipality has fallen from the 168th to the 327th place in the ranking table, Rumba rural municipality – from 45th to the 161st place, Varme rural municipality – from the 108th to the 232nd place, Ivande rural municipality – from the 98th to the 216th place and Laidi rural municipality – from the 248th to the 344th place.

According to the data of 2004, there are no rural territory with a positive development index in Ludza, Krslava and Preili districts, and only one or two such municipalities can be found in Aluksne, Balvi, Gulbene and Kuldiga districts.

For the whole six-year period separate rural municipalities have kept a stable position among the territories with the lowest development index value – these are Baltinava, Vecumi, Susaji, Briezuciems and Krisjani rural municipalities of Balvi district, Goliseva and Salnava rural municipalities of Ludza district, Skeltova, Indra and Kepova rural municipalities of Krslava district, and Ambeli rural municipalities of Daugavpils district.

Research and analysis of rural municipalities provide justification for a need of developing larger municipalities in terms of population because the level of social and economic development in the smaller municipalities is lower while higher in larger municipalities (see Figure 47).

In rural municipalities with up to 1 000 inhabitants, the average territory development index is -0.543, while in municipalities with the number of inhabitants from 1 000 to 2 000, the average index value is -0.238. The average territory development index value is positive in all groups of rural municipalities and rural counties with the number of inhabitants of 2 000 and more, but the highest average territory development index (1.717) is found in the largest rural municipalities with the number of inhabitants of 5 000 and more.



Rural local governments are small in size – at the beginning of 2005, the average number of population was 1.5 thsd inhabitants. Local rural governments with population less than 1 000 (190 local governments) and local governments with population of 1 000-2 000 inhabitants (186 local governments) form together 83% of all rural municipalities. Development indicators of small size rural municipalities need to be evaluated in association with other territories, mainly in connection with development of neighboring areas, because each separate territory does not characterize economic and social processes that take place on a larger territorial scale. Often causes of changes of some basic development indicators of territories are understood only by a closer analysis of local circumstances and relations to neighboring territories.

Development index of rural municipalities in Latvia as an integrated indicator reflects general development changes. Rural municipalities that for the whole period have had a positive development index are stable and strong rural municipalities in terms of their growth. In most cases, these are large rural municipalities. It is obvious that large rural municipalities in terms of their population have better opportunities for development, great variety of economic structure and possibility to ensure more balanced development in changing business environment and market conditions.

In rural municipalities, there is a close connection between the size of municipality in terms of population and the value of the development index. The general rule is that small size rural municipalities have lower socio economic development level, whereas larger rural municipalities – higher development level. Rural municipalities that have population of less than 1 thsd, also have the lowest average development index, whereas rural local governments with highest development index are often large rural municipalities with population of 5 thsd and more.

During the past six years, the number of rural municipalities with positive development index had decreased. In 1999, there were 175 rural municipalities or 36.4% of total rural municipalities with positive development index, whereas in 2004, the respective number was 148 or 32.7%. However, it must be noted that the interval between the highest and the lowest value of the development index has decreased, which reflects changes towards positive development in rural areas.

In general this also reflects the diminishing of disparities in terms of territory development level.

In evaluation of rural territories, the level of personal income tax payments per 1 inhabitant has to be analyzed according to the location of the given territory as well, especially in relation vicinity of towns and cities. The proximity of cities, especially Riga, is of great importance in the creation of income volume, which also provides working possibilities for the inhabitants of rural territories. The increasing population mobility during the recent years is probably one of the most substantial conditions, which increases the payment levels of personal income tax per 1 inhabitant, and enables cohesion in those rural municipalities whose development is favored by a good accessibility of cities and towns.

There are great disparities among the inhabitants of rural municipalities in terms of welfare, and the increase of income is slow. Since 2004, a slight trend of leveling of difference in the amount of tax payments is observed – in 2004 the largest amount of personal income tax per one inhabitant was 10 times higher in the rural municipality having the first position in the table of ranks, compared to rural municipality with the lowest value of this indicator. In 2003, this number was 13 times higher. The highest amounts of income are constantly registered in the rural municipalities of Riga district and the lowest – in the rural territories of Latgale region.

Unemployment rate indicator fluctuates in small size rural municipalities per year, as socio economic conditions and associated business activity in small size rural areas are determined by even slight changes in business environment. The average unemployment rate in rural territories decreases on the whole, however, during six year period it had increased in almost every third rural municipality. Constantly high unemployment rate is maintained in Latgale. In separate territories of other regions, high unemployment rate most often is due to structural economic problems in specific areas, where the development of separate enterprises is essential. During six year period, the gap between the highest and the lowest unemployment level value has diminished, namely, the disparities among territories become less dramatic.

In general, rural areas are characterized by decrease of demographic burden, which nevertheless is slower than average in the country and unfortunately still remains quite high.

## DESCRIPTION OF TERRITORIES OF LOCAL GOVERNMENTS OF PLANNING REGIONS

For description of territorial differences within the boundaries of planning region as for individual territory group, a development index has been calculated for each planning region as for a separate group. Calculations are made by using data of years 2003 and 2004 about region's towns, counties and rural municipalities as one undivided group. Average value of given indicator in every planning region is used as a comparison basis for the calculations of each planning region's development index. The calculation of development index is made by using 4 basic development indicators: unemployment rate, personal income tax per capita, demographic burden and population change within five-year term, which are available for town group and for rural municipality group.

For each planning region, analysis is made of key indicator values, which are used for calculation of region's development index. Territorial differences within each region are analyzed for

town group and rural municipality group separately by comparison of territories. Basic development indicators for towns and for rural municipalities are compared against average indicator values in the country in the respective town or rural municipality group.

In this present report, certain territories are identified in each planning region that stand out among other territories with highest or lowest values of a specific indicator. They characterize the largest contrasts in the town – and rural municipalities groups of the region, for instance, the highest or the lowest unemployment rate, the largest or smallest amount of personal income tax per capita, differences in the demographic situation and other.

The territory development index for local government territories of planning regions are shown in figures and tables. The tables also portray the rank of given territory in question.

## KURZEME PLANNING REGION

### Unemployment rate

Unemployment rate in towns of Kurzeme region at the beginning of year 2005 was 7% on average – higher than in towns and cities in country in general (5.5%). Unemployment rate in rural municipalities of Kurzeme region was 6.5% on average – accordingly lower than in rural municipalities all over the country (7.9%).

The lowest unemployment rate – 4.2% in each – among all towns of Kurzeme region is highlighted by Piltene with rural area, Grobina and Saldus. High unemployment rate is observed in towns of Priekule – 13.2% and Aizpute – 10.8%.

Rural municipality group includes 12 small rural municipalities, in which unemployment rate in general was lower than the lowest indicator in the town group of Kurzeme region. At the beginning of 2005, the lowest unemployment rate in rural municipalities of Kurzeme region was 2.2% – in Kolka rural municipality, and 2.3% in Balgale rural municipality of Talsi district, as well as 3.1% in Jaunlutrini – rural municipality of Saldus district. The highest unemployment rate was in Vainode (14.7%) and Kaleti (13.5%) – rural municipalities of Liepaja district, the same 13.5% for Gudenieki – rural municipality of Kuldiga district.

Difference between the lowest and the highest unemployment rate at the beginning of 2005 was 3.2 times in towns of Kurzeme region, but in rural municipalities – 6.7 times (at the beginning of 2004 – accordingly 3.9 and 5.9 times).

### Personal income tax

Average personal income tax amount per capita in towns of Kurzeme region in year 2004 was 132.5 Ls, whereas in rural municipalities given indicator was lower – 76.3 Ls, which is even lower than in towns and rural municipalities in average in the country – accordingly 156.5 Ls and 82.3 Ls. In Kurzeme region, the average amount of personal income tax per capita together for towns and rural municipalities in total was 113.3 Ls, which was unachieved by 87 local governments of the region – 9 towns and counties and 78 rural municipalities – in total 88% of local authorities in the region.

In 2004, the highest amount of personal income tax per capita in town group in Kurzeme region was observed in Ventspils – 174.7 Ls, Grobina – 154.8 Ls and Liepaja – 127.0 Ls, whereas in the group of rural municipalities in Kurzeme region this figure was accordingly highest in Kolka rural municipality of Talsi district – 148.2 Ls, in Targale rural municipality of Ventspils district – 124.2 Ls, as well as in Virbi rural municipality of Talsi district – 124.1 Ls. The lowest payments of personal income tax per capita in town group are observed in the county of Saka – 56.0 Ls, and in the county of Sabile – 77.5 Ls, whereas in rural areas – in Turlava rural municipality of Kuldiga district – 32.3 Ls, and in Skede rural municipality of Saldus district – 34.4 Ls.

Growth of personal income in Kurzeme region is uneven. In terms of material welfare there is a constant growth in material welfare inequality among inhabitants, namely stratification of society takes place. Difference between the largest and the smallest paid amount of personal income tax per capita in year 2004 was 3.1 times – in towns and cities of Kurzeme region, but 4.6 times – in rural municipalities of Kurzeme planning region (according to data of 2003 – 3.0 and 4.8 times).

### Demographic burden

Level of demographic burden in towns and cities of Kurzeme planning region is a little bit higher than in the average of towns and cities of the country. At the beginning of 2005, there were 584.5 children and senior citizens per 1 000 working age population in average, more than in cities and towns together in the country – 547.2. In rural municipalities of Kurzeme planning region, demographic burden level in average was similar to the level of all Latvia's rural counties and rural municipalities – respectively 610.2 and 609.2.

In town group in Kurzeme planning region, the lowest demographic burden level was observed in Piltene town with rural area (507.4) and in Ventspils (539.8). The highest demographic burden level was recorded in the county of Saka (780.5) and in Aizpute town (686.2).

Among rural territories, the lowest demographic burden level was in Saldus (437.6) and Nigrande rural municipalities, both are located in Saldus district. Also low demographic burden indicator – 463.5 was recorded in Ziras rural municipality of Ventspils district. Vainode (753.0) and Kazdanga (727.4) rural municipalities in Liepaja district highlighted the highest demographic burden level in the group of rural municipalities. Also a high-level mark was achieved in Zana rural municipality of Saldus district – 721.2.

The difference between the highest and lowest demographic burden levels in the town group in Kurzeme planning region was 1.5 times, in the group of rural municipalities – 1.7 times (according to data at the beginning of year 2004 – 1.6 and 1.7 times, respectively).

### Population change

The number of population in the Kurzeme planning region from the beginning of the year 2000 till the beginning of year 2005 has decreased in average by 3.6%, whereas in the country – by 3.1%. Negative changes in number of population in Kurzeme planning region are a bit slower in towns than in rural municipalities. Comparing these figures with those of available about all country, it is obvious, that the average population decrease rate in towns in Kurzeme planning region (3.0%) is slightly slower than average in the country – 3.2%, whereas in rural territories of the region the number of inhabitants decreased faster (4.8%) than average in rural municipalities in country – 2.7%.

During five year period, out of 16 towns in the town group in Kurzeme planning region, population increased only in two towns – in Saldus town by 0.8%, and in Ventspils city by 0.2%, and one county – the county of Saka – by 0.2%. Positive population changes in rural areas was observed just in 8 out of 83 rural municipalities of the region – most positive increase was recorded in Pelci and Padure rural municipalities of Kuldiga district – by 6.8 and 2.7%, as well as in Medze rural municipality of Liepaja district – by 2.6%.

Greatest population decrease in the town group was in the county of Durbe – by 10.5% and county of Sabile – by 7.1%. Population decrease was recorded in 75 rural municipalities (90% of rural municipalities in Kurzeme region), of which 9 rural municipalities exceeded the margin of 10%. Most notable decrease of the number of inhabitants, with a decrease of one fifth, was observed in Embute rural municipality of Liepaja district – by 19.4% and in Vadakste rural municipality of Saldus

City, town, county, rural municipality	District	Development index		Rank	
		2003	2004	2003	2004
Ventspils city	-	0.959	1.159	4	1
Kolka pagasts	Talsi	1.247	1.126	1	2
Saldus pagasts	Saldus	1.202	0.983	2	3
Pelci pagasts	Kuldīga	0.819	0.916	7	4
Laidze pagasts	Talsi	0.933	0.845	5	5
Grobina town	Liepāja	0.455	0.819	13	6
Saldus town	Saldus	0.790	0.696	8	7
Piltene town/r.a.	Ventspils	0.431	0.609	14	8
Targale pagasts	Ventspils	0.762	0.511	9	9
Talsi town	Talsi	0.382	0.473	17	10
Varve pagasts	Ventspils	1.006	0.457	3	11
Lube pagasts	Talsi	0.125	0.368	27	12
Medze pagasts	Liepāja	0.107	0.328	28	13
Zirni pagasts	Saldus	0.215	0.231	25	14
Grobina pagasts	Liepāja	0.365	0.217	18	15
Nica pagasts	Liepāja	-0.028	0.207	36	16
Roja pagasts	Talsi	0.333	0.193	19	17
Pope pagasts	Ventspils	0.611	0.168	10	18
Zīras pagasts	Ventspils	0.894	0.143	6	19
Novadnieki pagasts	Saldus	0.596	0.138	11	20
Mersrags pagasts	Talsi	-0.166	0.130	46	21
Kurmale pagasts	Kuldīga	0.273	0.118	22	22
Ugale pagasts	Ventspils	0.313	0.068	20	23
Nigrande pagasts	Saldus	0.500	0.043	12	24
Uzava pagasts	Ventspils	0.251	-0.006	23	25
Zlekas pagasts	Ventspils	0.309	-0.009	21	26
Liepāja city	-	-0.268	-0.014	50	27
Lutrini pagasts	Saldus	0.428	-0.039	15	28
Jaunlutrini pagasts	Saldus	0.057	-0.046	32	29
Broceni novads	Saldus	0.151	-0.155	26	30
Ezere pagasts	Saldus	0.387	-0.157	16	31
Puze pagasts	Ventspils	0.232	-0.181	24	32
Vandzene pagasts	Talsi	-0.165	-0.207	45	33
Padure pagasts	Kuldīga	-0.020	-0.217	35	34
Otānki pagasts	Liepāja	-0.242	-0.220	49	35
Gibuli pagasts	Talsi	0.030	-0.223	34	36
Libāgi pagasts	Talsi	0.095	-0.237	29	37
Valdemārpils town/r.a.	Talsi	0.090	-0.247	30	38
Kursīsi pagasts	Saldus	-0.052	-0.271	39	39
Kulciems pagasts	Talsi	-1.101	-0.304	85	40
Edole pagasts	Kuldīga	-0.109	-0.315	42	41
Dundaga pagasts	Talsi	-0.154	-0.315	43	42
Vergale pagasts	Liepāja	-0.387	-0.321	56	43
Usma pagasts	Ventspils	-0.040	-0.335	38	44
Balgale pagasts	Talsi	-0.604	-0.354	71	45
Gramzda pagasts	Liepāja	-0.429	-0.356	61	46
Zvarde pagasts	Saldus	0.064	-0.362	31	47
Lauciene pagasts	Talsi	-0.404	-0.369	58	48
Rumba pagasts	Kuldīga	-0.413	-0.409	60	49
Valdgale pagasts	Talsi	-0.335	-0.484	53	50
Kuldīga town	Kuldīga	-0.040	-0.486	37	51
Vēcpils pagasts	Liepāja	-0.383	-0.499	55	52
Stende town	Talsi	-0.238	-0.517	48	53
Gaiki pagasts	Saldus	-0.171	-0.532	47	54
Snepele pagasts	Kuldīga	-0.109	-0.539	41	55
Pampali pagasts	Saldus	-0.478	-0.637	64	56
Virbi pagasts	Talsi	0.038	-0.663	33	57
Strazde pagasts	Talsi	-0.164	-0.665	44	58
Jurkalne pagasts	Ventspils	-0.453	-0.672	62	59
Varme pagasts	Kuldīga	-0.086	-0.682	40	60
Zana pagasts	Saldus	-0.757	-0.695	78	61
Alsunga pagasts	Kuldīga	-0.468	-0.696	63	62
Gavieze pagasts	Liepāja	-0.484	-0.708	65	63
Ance pagasts	Ventspils	-0.377	-0.745	54	64
Ivande pagasts	Kuldīga	-0.390	-0.766	57	65
Kalvene pagasts	Liepāja	-0.518	-0.772	66	66
Saka novads	Liepāja	-	-0.822	-	67
Rucava pagasts	Liepāja	-0.812	-0.842	80	68
Lāza pagasts	Liepāja	-0.550	-0.857	67	69
Skrunda town/r.a.	Kuldīga	-0.411	-0.859	59	70
Durbe novads	Liepāja	-0.610	-0.862	72	71
Kabile pagasts	Kuldīga	-0.680	-0.881	75	72
Ive pagasts	Talsi	-0.604	-0.921	70	73
Sabīle novads	Talsi	-1.134	-0.921	87	74
Aizpute pagasts	Liepāja	-0.900	-0.991	82	75
Skede pagasts	Saldus	-0.322	-1.003	51	76
Rūba pagasts	Saldus	-0.588	-1.054	69	77
Aizpute town	Liepāja	-0.751	-1.080	77	78
Rēnda pagasts	Kuldīga	-0.334	-1.115	52	79
Nīkrāce pagasts	Kuldīga	-1.091	-1.195	84	80
Dunalka pagasts	Liepāja	-0.978	-1.198	83	81
Bunka pagasts	Liepāja	-1.196	-1.215	89	82
Cirava pagasts	Liepāja	-0.581	-1.238	68	83
Virga pagasts	Liepāja	-1.390	-1.258	95	84
Vadākste pagasts	Saldus	-0.666	-1.316	73	85
Ranki pagasts	Kuldīga	-1.456	-1.358	96	86
Priekule town	Liepāja	-1.378	-1.377	92	87
Jaunauce pagasts	Saldus	-0.714	-1.380	76	88
Dunika pagasts	Liepāja	-1.152	-1.408	88	89
Priekule pagasts	Liepāja	-1.273	-1.471	91	90
Kazdanga pagasts	Liepāja	-1.388	-1.503	94	91
Turlava pagasts	Kuldīga	-0.800	-1.504	79	92
Embute pagasts	Liepāja	-1.864	-1.599	99	93
Laidi pagasts	Kuldīga	-1.268	-1.689	90	94
Rudbarzi pagasts	Kuldīga	-0.893	-1.691	81	95
Barta pagasts	Liepāja	-1.380	-1.727	93	96
Kaļeti pagasts	Liepāja	-1.699	-1.809	98	97
Gudenieki pagasts	Kuldīga	-1.498	-1.957	97	98
Vainode pagasts	Liepāja	-1.934	-2.126	100	99

Table 35. Development index and rank of cities, towns, counties and rural municipalities in Kurzeme planning region in 2003 and 2004.

district – by 18.2%. Population decrease by more than 16% was recorded in Pampali and Jaunauce rural municipalities – both in Saldus district.

### Territory development index

According to data of 2004, the highest development index in Kurzeme planning region was for city of Ventspils – 1.159. The first five municipalities with highest development index include also Kolka and Laidze rural municipalities of Talsi district, Saldus rural municipality of Saldus district and Pelci rural municipality of Kuldīga district. Municipality of Grobina is 2nd highest by development index value in town group, which is 6th position in the table of ranks. In general, 24 out of 99 or every fourth local municipality in Kurzeme region has positive development index value.

Local authorities with negative development index form 76% from the total number of municipalities in Kurzeme region. Within the boundaries of Kurzeme region, the lowest development index was recorded in rural municipalities of Liepāja district and Kuldīga district. According to data of 2004, the last position with negative value of -2.126 belongs to Vainode rural municipality of Liepāja district. Also at the bottom of ranking table are Gudenieki and Rudbarzi rural municipalities of Kuldīga district, and Kaļeti and Barta rural municipalities of Liepāja district. City of Liepāja with a comparatively small negative index value holds 27th position in the ranking table. From all towns and cities in Kurzeme region, the lowest index value is calculated for town of Priekule (see Table 35 and Figure 48).

Analysis of development index change in municipalities – climbs and drops in the table of ranks, reveals also territories

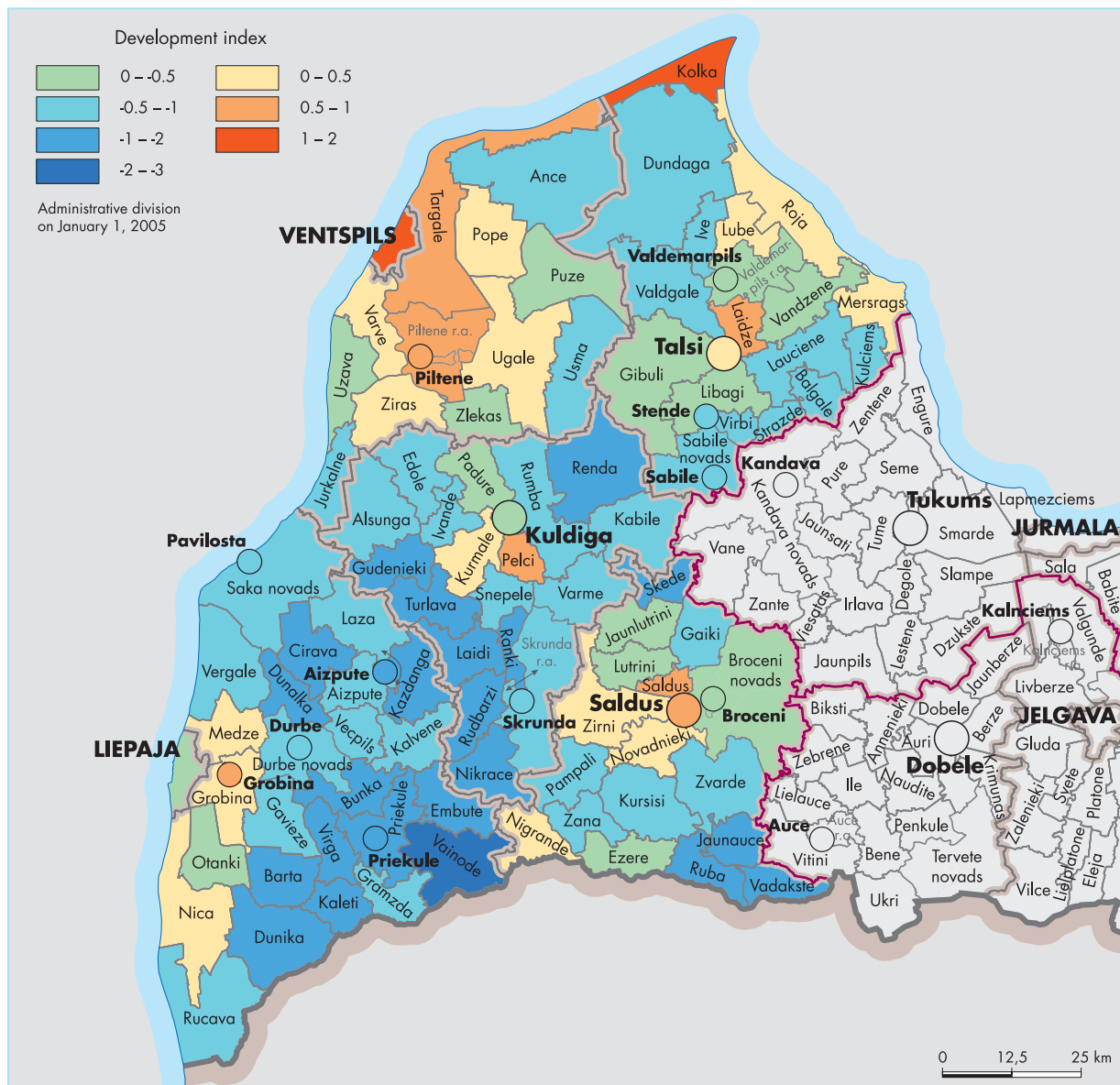


Figure 48. Development index of cities, towns, counties and rural municipalities in Kurzeme planning region in 2004.

which undergo rapid development, territories which did not have any major shift in their development, and territories, which reflect a trend of decline, compared to other areas. Comparison of data of 2003 development index to data of 2004 reveals a drastic and remarkable growth of development index for Kuldīga rural municipality of Talsi district – a respective climb from 85th to 40th position. Also as a positive examples are Grobina town with its climb from 13th to 6th place, Liepāja city – from 50th to 27th position, Mersrags rural municipality (from 46th to 21st place) and Balgale rural municipality (from 71st to 45th place) of Talsi district.

Territories with the development index change from negative to positive are the territories to be outlined particularly – in Kurzeme planning region there are two such territories – Nica

rural municipality of Liepāja district and Mersrags rural municipality of Talsi district. Unfortunately, more often the case is just the opposite – positive index changes to negative index value, and here there are more local authorities to note – 12 municipalities, including rural municipalities of following districts – Saldus, Talsi, and Ventspils districts.

Among territories with rapid decline of index value, Zīras rural municipality of Ventspils district needs to be noted by a drop from 6th place to 19th, Virbi rural municipality of Talsi district – from 33th to the 57th position, Skede rural municipality of Saldus district – a drop from 51st to 76th place, as well as Renda (from 52nd to 79th), Turlava (from 79th to 92nd), and Rudbarzi (from 81st to 95th) rural municipalities from Kuldīga district.



## LATGALE PLANNING REGION

### Unemployment rate

Unemployment rate in towns of Latgale region at the beginning of 2005 was 10% in average, in rural municipalities – 15.9%. Figures in Latgale region are almost twice as high as the average in the country – in towns (5.5%) and rural municipalities (7.9%).

Among towns and cities of Latgale region with unemployment rate lower than average in town group in the region were only three towns – Daugavpils (7.2%), Balvi (9.8%) and Rezekne (9.9%). For other towns of the region unemployment rate indicator was in the range between the 10.4 to 21.2%. The highest unemployment rate was recorded in the county of Zilupe (21.2%). Slightly lower value was in Vilani – 19.9% and Karsava – 18.0%.

In rural municipality group at the beginning of 2005 the lowest unemployment rate was in Rudzati rural municipality of Preiļi district – 5.2%, Vecsaliena – 7.2% and Naujene – 7.4% rural municipalities, both located in Daugavpils district. The highest unemployment rate among rural municipalities was in Goliseva rural municipality of Ludza district – 37.0%, Sokolki rural municipality of Rezekne district – 35.4% and in Baltinava rural municipality of Balvi district – 31.1%. In total – in 99 rural municipalities and rural counties (83% of all rural authorities in the region) unemployment rate was higher than 10%, in 45 of the above – the rate was above 15%.

During a year, the most rapid decrease of unemployment rate in the town group in Latgale region was dated in the county of Preiļi of Preiļi district – by 2.8 percent points, whereas in the group of rural municipalities same trend was observed in Vecsaliena rural municipality of Daugavpils district – by 4.9 %, in Krisjani rural municipality of Balvi district – by 4.7 %, and in Kepova rural municipality of Kraslava district – by 4.6% percent points.

Difference between the highest and lowest unemployment rate in the town group at the beginning of the year 2005 in Latgale region was 2.9 times (at the beginning of 2003 – 3.2 times), whereas in rural municipalities of the region – difference of 7.1 times was observed (at the beginning of 2003 – 5.2 times).

### Personal income tax

In towns and in rural municipalities of Latgale region the personal income tax payment amount per capita is considerably smaller than in other planning regions and in the country. The average personal income tax per capita in towns in 2004 was 100.7 Ls, whereas in rural municipalities – 47.8 Ls (average in the country in towns and in rural municipalities is respectively – 156.5 Ls and 82.3 Ls).

Personal income tax payments per capita in region exceeding the average in the group was only observed in Rezekne, Balvi and Ludza, in 11 remaining towns including Daugavpils city, the value was lower than average in towns of the region. In Daugavpils city in 2004, the indicator value was 99.4 Ls – the lowest among cities of state importance. In 2004 in towns of Latgale planning region the highest personal income tax payments were made in Rezekne – 124.1 Ls and Balvi – 116.6 Ls, whereas the lowest in Subate town with rural municipality – 45.7 Ls, and the county of Zilupe – 59.2 Ls.

According to data of 2004, in terms of personal income tax payment amounts per capita, 82 rural municipalities of the region or 70% failed to reach the average indicator value for

rural municipalities group of the region. The smallest amount of personal income tax was paid in Piedruja rural municipality of Kraslava district – 21.3 Ls, Bikernieki rural municipality of Daugavpils district – 22.4 Ls and Skeltova rural municipality of Kraslava district – 23.2 Ls.

There were only two rural municipalities of all rural municipalities in Latgale region, where inhabitants made higher personal income tax payments than average value for rural municipality group on Latvia – it was observed in Ziguri rural municipality of Balvi district – 99.2 Ls per capita and in Veremi rural municipality of Rezekne district – 89.7 Ls per person. With respect to personal income tax payments, it must be noted that the amount paid by one third of rural municipalities in Latgale region barely makes one half of state's rural municipalities average indicator value.

Amounts of personal income tax payments increased almost in every rural municipality in Latgale region, however this did not happen according to a certain pattern. Comparing data of 2004 to data of 2003, fastest increase in personal income tax payments per capita were observed in Rezekne city – by 23.2 Ls, in Balvi town – by 20.5 Ls, in Veremi rural municipality of Rezekne district – by 21.8 Ls, in Pustumcova rural municipality of Ludza district – by 19.5 Ls and in Berzgale rural municipality of Rezekne district by 18.9 Ls. In 16 rural municipalities the personal income tax payments have increased from 0.5 to 5 Ls per person, whereas observation of a decrease by 2.2 Ls per capita was made in Vecsaliena rural municipality of Daugavpils district.

Difference between the largest and smallest paid amount of personal income tax per capita in the group of towns in Latgale region has decreased from 4.8 times in year 2003 to 2.7 times in 2004, whereas in rural municipalities from 6.0 times and 4.7 times, respectively.

### Demographic burden

Evaluating demographic burden in Latgale region, there are considerable differences observed between towns and rural municipalities. Demographic burden is lower by 140 persons in town group compared to the group of rural municipalities.

In the beginning of the 2005 there were 524.6 children and pension-age persons per 1 000 working-age population. Comparing this information to data about towns in other planning regions, it is observed that this is the lowest indicator, therefore also lower than average in the country (547.2). In the group of rural municipalities, situation is on the contrary – in Latgale planning region the demographic burden level was the highest compared to other planning regions – 663.4, which was also higher than average demographic burden level in rural municipalities in the country – 609.2 persons.

In the town group, the lowest demographic burden level at the beginning of 2005 in Latgale planning region was in Balvi town – 496.9, in Daugavpils city – 508.2, whereas the highest in Karsava town – 704.1 and in Subate town with rural area – 678.6.

In the group of rural municipalities in Latgale planning region among those with the lowest demographic burden level were 2 rural municipalities in Balvi district – in Lazduleja rural municipality with 479.2 children and retirement age persons per 1 000 working-age persons and in Berzkalne rural municipality with 483.0, respectively. The highest value of demographic burden indicators are observed in Sauna rural municipality

City, town, county, rural municipality	District	Development index		Rank	
		2003	2004	2003	2004
Griskani pagasts	Rezekne	0.922	1.148	3	1
Ozolaine pagasts	Rezekne	1.467	0.866	1	2
Daugavpils city	-	0.622	0.568	5	3
Naujene pagasts	Daugavpils	0.553	0.542	6	4
Veremi pagasts	Rezekne	0.745	0.539	4	5
Lauceša pagasts	Daugavpils	0.506	0.480	7	6
Balvi town	Balvi	0.138	0.339	21	7
Preiļi novads	Preiļi	0.265	0.330	13	8
Ozolmuiža pagasts	Rezekne	0.957	0.310	2	9
Rezekne city	-	0.183	0.266	16	10
Kalkune pagasts	Daugavpils	0.387	0.236	8	11
Lendzi pagasts	Rezekne	0.181	0.213	17	12
Kraslava novads	Kraslava	-0.018	0.183	28	13
Malinova pagasts	Daugavpils	-0.185	0.129	37	14
Berzgaļe pagasts	Rezekne	0.258	0.128	14	15
Balvi pagasts	Balvi	0.144	0.116	20	16
Demene pagasts	Daugavpils	0.022	0.107	24	17
Tabore pagasts	Daugavpils	0.166	0.080	18	18
Vēcsaliena pagasts	Daugavpils	-0.437	0.067	59	19
Cirma pagasts	Ludza	-0.435	0.056	58	20
Dubna pagasts	Daugavpils	-0.124	0.037	32	21
Medumi pagasts	Daugavpils	-0.399	-0.059	54	22
Aglona pagasts	Preiļi	0.333	-0.100	9	23
Audriņi pagasts	Rezekne	0.205	-0.108	15	24
Rudzāti pagasts	Preiļi	0.306	-0.111	11	25
Nīcgaļe pagasts	Daugavpils	-0.382	-0.117	52	26
Bērzkāle pagasts	Balvi	0.326	-0.120	10	27
Dēkšāres pagasts	Rezekne	-0.148	-0.121	35	28
Ludza town	Ludza	-0.257	-0.127	45	29
Ezernieki pagasts	Kraslava	0.081	-0.129	23	30
Pūsmucova pagasts	Ludza	-0.397	-0.139	53	31
Stolterova pagasts	Rezekne	-0.462	-0.141	62	32
Kālupe pagasts	Daugavpils	-0.517	-0.153	72	33
Ilukste novads	Daugavpils	-0.466	-0.166	64	34
Nāgļi pagasts	Rezekne	-0.415	-0.170	57	35
Līksna pagasts	Daugavpils	-0.137	-0.171	33	36
Jersika pagasts	Preiļi	0.304	-0.194	12	37
Dagda town	Kraslava	-0.957	-0.196	111	38
Dviete pagasts	Daugavpils	-0.455	-0.205	61	39
Lazduleja pagasts	Balvi	0.160	-0.261	19	40
Konstantinova pag.	Kraslava	-0.205	-0.262	42	41
Līvāni novads	Preiļi	-0.363	-0.283	51	42
Zvirgzdene pagasts	Ludza	-0.473	-0.315	65	43
Mērdzene pagasts	Ludza	-0.403	-0.316	55	44
Vīski pagasts	Daugavpils	-0.328	-0.319	48	45
Kubuli pagasts	Balvi	-0.123	-0.322	31	46
Subāte town/r.a.	Daugavpils	-0.859	-0.323	99	47
Rikava pagasts	Rezekne	-0.489	-0.338	69	48
Saliena pagasts	Daugavpils	-0.510	-0.342	71	49
Dagda pagasts	Kraslava	0.135	-0.344	22	50
Vēstīza pagasts	Balvi	-0.651	-0.359	86	51
Skrudāliena pagasts	Daugavpils	-0.498	-0.362	70	52
Zīlupe novads	Ludza	-0.909	-0.368	102	53
Eglaine pagasts	Daugavpils	-0.634	-0.396	85	54
Kaplava pagasts	Kraslava	-0.194	-0.397	41	55
Malta pagasts	Rezekne	-0.146	-0.412	34	56
Vīlāni pagasts	Rezekne	-0.250	-0.425	43	57
Ilzeskalns pagasts	Rezekne	-0.266	-0.456	46	58
Vīlaka town	Balvi	-0.857	-0.469	98	59
Bīkernieki pagasts	Daugavpils	-0.478	-0.523	67	60
Zīguri pagasts	Balvi	0.014	-0.536	25	61
Svete pagasts	Daugavpils	-0.651	-0.539	87	62
Cībla novads	Ludza	-0.447	-0.541	60	63
Peleci pagasts	Preiļi	-0.522	-0.544	73	64
Luznava pagasts	Rezekne	-0.742	-0.549	91	65
Drīcani pagasts	Rezekne	-0.463	-0.550	63	66
Sakstagāls pagasts	Rezekne	-0.288	-0.563	47	67
Skaune pagasts	Kraslava	-0.022	-0.570	29	68
Rugāji pagasts	Balvi	-0.192	-0.576	39	69
Isnāuda pagasts	Ludza	-0.191	-0.579	38	70
Blonti pagasts	Ludza	-0.991	-0.581	113	71
Cornāja pagasts	Rezekne	-0.026	-0.620	30	72
Nirza pagasts	Ludza	-1.397	-0.629	132	73
Kaunāta pagasts	Rezekne	-0.413	-0.643	56	74
Mezvidi pagasts	Ludza	-1.355	-0.647	129	75
Skilbeni pagasts	Balvi	-0.167	-0.650	36	76
Berzīni pagasts	Kraslava	-0.530	-0.653	76	77
Riebiņi novads	Preiļi	-	-0.664	-	78
Pūreni pagasts	Ludza	-0.529	-0.666	75	79
Vīksna pagasts	Balvi	-0.567	-0.670	80	80
Nuksi pagasts	Ludza	-0.698	-0.705	90	81
Kastulīna pagasts	Kraslava	-0.558	-0.712	79	82
Vabole pagasts	Daugavpils	-0.878	-0.729	100	83
Vīlāni town	Rezekne	-1.127	-0.774	117	84
Andzēli pagasts	Kraslava	-0.192	-0.774	40	85
Karsava town	Ludza	-0.948	-0.780	110	86
Varkava pagasts	Preiļi	-0.573	-0.784	81	87
Kombuli pagasts	Kraslava	-0.544	-0.807	78	88
Gaigalava pagasts	Rezekne	-0.474	-0.810	66	89
Udrisi pagasts	Kraslava	-0.251	-0.822	44	90
Auleja pagasts	Kraslava	-0.801	-0.844	95	91
Varkava novads	Preiļi	-0.654	-0.865	88	92
Robežnieki pagasts	Kraslava	-0.906	-0.868	101	93
Sauna pagasts	Preiļi	0.006	-0.894	26	94
Lauderi pagasts	Ludza	-0.840	-0.972	97	95
Andrupene pagasts	Kraslava	-0.612	-0.982	82	96
Sutri pagasts	Preiļi	-0.340	-0.992	49	97
Kantīnieki pagasts	Rezekne	-0.927	-0.997	106	98
Nautreni pagasts	Rezekne	-0.989	-0.998	112	99
Rundēni pagasts	Ludza	-1.223	-1.004	121	100
Piedruja pagasts	Kraslava	-0.760	-1.034	92	101
Graveri pagasts	Kraslava	-0.936	-1.047	108	102
Svarīni pagasts	Kraslava	-0.622	-1.078	84	103
Tilza pagasts	Balvi	-1.652	-1.084	136	104
Sīmalpa pagasts	Rezekne	-1.236	-1.103	122	105
Izvalta pagasts	Kraslava	-0.930	-1.110	107	106
Skaista pagasts	Kraslava	-0.813	-1.117	96	107
Krišjāni pagasts	Balvi	-1.099	-1.137	115	108
Feimāni pagasts	Rezekne	-1.146	-1.140	119	109
Ambeli pagasts	Daugavpils	-1.967	-1.145	139	110
Sokolki pagasts	Rezekne	-0.532	-1.163	77	111
Bērziņi pagasts	Balvi	-0.919	-1.192	105	112
Pūša pagasts	Rezekne	-1.397	-1.204	131	113
Pīlda pagasts	Ludza	-1.124	-1.212	116	114
Kepova pagasts	Kraslava	-1.298	-1.218	125	115
Lazdukalns pagasts	Balvi	-0.916	-1.218	104	116
Makonkalns pagasts	Rezekne	-1.395	-1.227	130	117
Istra pagasts	Ludza	-0.940	-1.232	109	118
Asune pagasts	Kraslava	-0.688	-1.234	89	119
Kalniesi pagasts	Kraslava	-0.613	-1.278	83	120
Struzāni pagasts	Rezekne	-1.283	-1.297	124	121
Indra pagasts	Kraslava	-0.912	-1.302	103	122
Briežučiems pagasts	Balvi	-1.311	-1.306	126	123
Salnava pagasts	Ludza	-1.535	-1.361	135	124
Brīgi pagasts	Ludza	-0.483	-1.380	68	125
Malnava pagasts	Ludza	-1.345	-1.382	128	126
Pasiene pagasts	Ludza	-1.311	-1.384	127	127
Susāji pagasts	Balvi	-1.281	-1.396	123	128
Medneva pagasts	Balvi	-1.076	-1.424	114	129
Vecumi pagasts	Balvi	-1.491	-1.587	133	130
Golīseva pagasts	Ludza	-1.207	-1.591	120	131
Skeltova pagasts	Kraslava	-1.508	-1.651	134	132
Baltinava pagasts	Balvi	-1.928	-1.796	138	133
Kuprava pagasts	Balvi	-1.797	-1.882	137	134

Table 36. Development index and rank of cities, towns, counties and rural municipalities in Latgale planning region in 2003 and 2004.

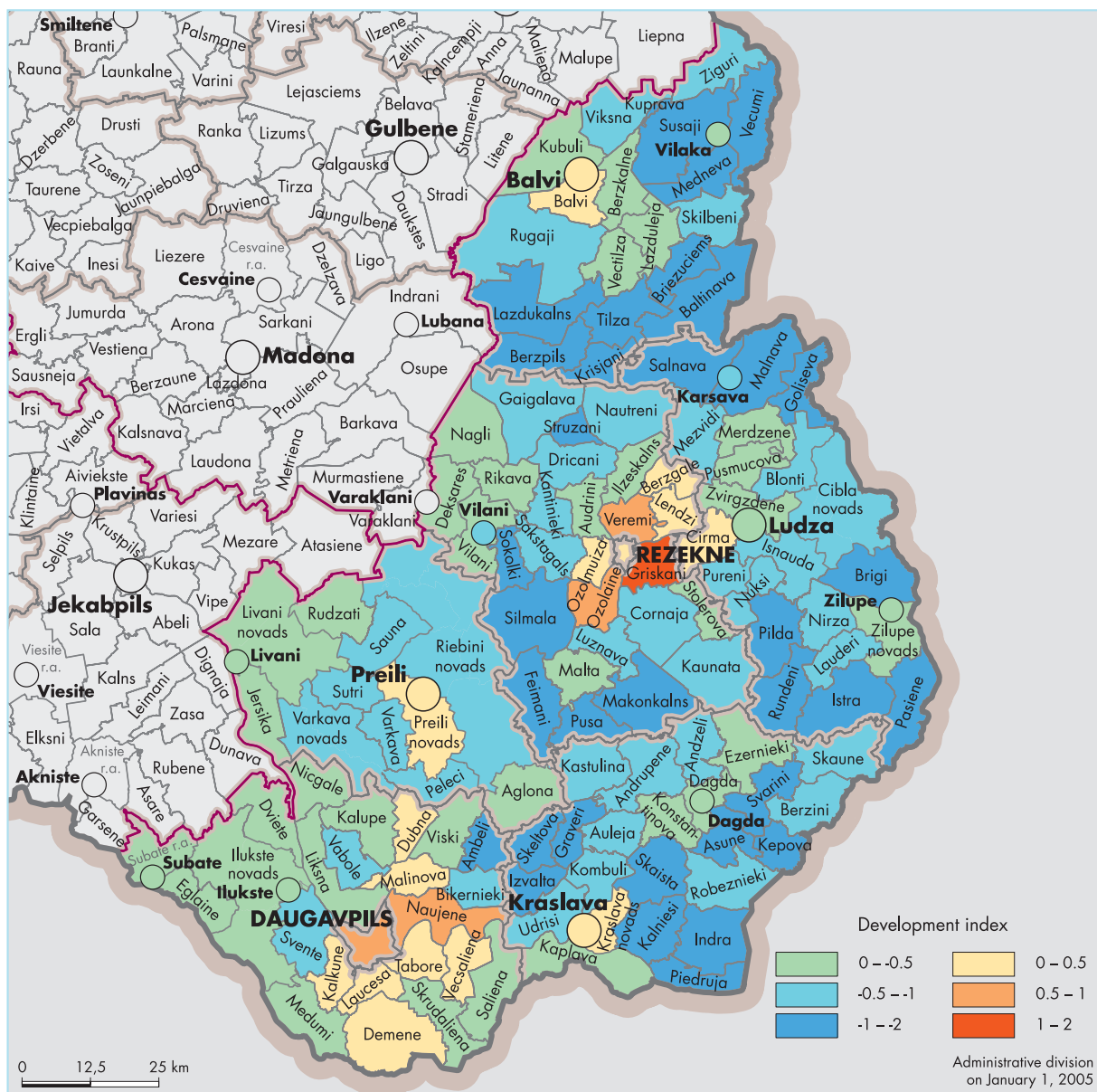


Figure 49. Development index of cities, towns, counties and rural municipalities in Latgale planning region in 2004.

of Preili district – 880.0, Ambeli rural municipality in Daugavpils district – 875.6 and the county of Varkava of Preili district – 862.6.

The difference between the highest and the lowest demographic burden figure in Latgale region at the beginning of the year 2005 (similar as at the beginning in the year 2004) in town group was 1.4 times and in rural municipality group – 1.8 times.

### Population change

Population decrease – by 5.4% – from the beginning of year 2000 till beginning of the year 2005 in Latgale planning region happened twice as fast as in the country in average, namely 3.6%. In the town group of Latgale planning region, the number of inhabitants decreased in average by 5.2%, whereas population decrease in rural municipality group was by 5.7%. The average in the country for town group and rural municipalities group is – 3.2% and 2.7%, respectively.

During the period of 2000–2005 there is no town or city in Latgale planning region with a population increase, whereas population had increased in 8 rural municipalities – from 3 (Bal-

vi rural municipality in Balvi district) to more than 200 people (Griskani rural municipality – to 266 people or by 15.2% and Ozolaine rural municipality – to 226 or by 13.1% – both rural municipalities are located in Rezekne district).

In the town group in Latgale region, the most striking population decrease was recorded in Vilani town – by 9.2%, in city of Rezekne – by 7.2%. The greatest population decrease among rural municipalities in Latgale planning region was observed in Kuprava rural municipality of Balvi district – by 29%, which is almost by one third of population of given municipality. Significant population decrease was observed in Berzini rural municipality – by 17.6% and Kepova rural municipality – by 17.1% – both located in Kraslava district, also in Malnava rural municipality – by 16.8%. During period of five years, population decrease was observed in 93% of rural municipalities in Latgale region.

### Territory development index

First two positions in table of ranks in Latgale planning region according to data of 2004 were held by 2 rural municipalities in Rezekne district – Griskani rural municipality (deve-



lopment index 1.148) and Ozolaine rural municipality (0.866). It must be noted, however that population increase in given municipalities played a significant role in calculation of development index. Such relatively impressive population increase in both rural municipalities was the highest in Latgale region during the time period from year 2000–2005. City of Daugavpils holds the 3rd position, but the second city of state importance in the region – Rēzekne – the 10th position. Balvi town hold 7th position according to its development index. 21 (out of 134) local authorities in Latgale planning region have positive development index values – that is only 16% of all cities and towns, rural municipalities and counties in Latgale region.

Lowest development index values were dated in rural municipalities in Balvi and Ludza districts. The last position according to data of 2004 in Latgale region is held by Kuprava rural municipality of Balvi district (development index of -1.882). At the bottom in ranking table there is also Baltinava and Vecumi rural municipalities both located in Balvi district, Skeltova rural municipality of Krāslava district, as well as Goliseva rural municipality of Ludza district. The lowest development index among towns is in Karsava town (see Table 36 and Figure 49).

Among territories, whose development index has improved significantly according to comparison of year 2003 data with

that of 2004, one needs to mention Balvi town – from 21st to 7th position, Dagda town – from 111th to 38th position, Nirza rural municipality – from 132nd to 73rd and Mezvidi rural municipality – from 129th to 75th position – both situated in Ludza district, as well as Ambelu rural municipality of Daugavpils district – from 139th to 110th position.

Five local authorities of Latgale planning region have reflected the development index change from negative to positive – these are the county of Krāslava, Cirma rural municipality of Ludza district, Malinova rural municipality, Vecsaliena rural municipality and Dubna rural municipality – all located in Daugavpils district.

Substantial decrease of development index has been observed in Sauna rural municipality in Preiļi district – drop from 26th to 94th position, Sutri rural municipality in Preiļi district – from 49th to 97th, Brigi rural municipality in Ludza district – from 68th to 125th and in Kalnīši rural municipality in Krāslava district – from 83rd to 120th. Rapid drop of development index is also observed in two of the best ten rural municipalities – in Ozolaine and Ozolmuiza rural municipalities of Rēzekne district.

## RIGA PLANNING REGION

### Unemployment rate

Unemployment rate at the beginning of 2005 both in town group and in rural municipality group was in average 3.9%. Riga planning region is the only region among regions in Latvia with the same unemployment rate in towns and rural municipalities. Average unemployment indicators in local governments in the region are notably lower than the same indicator average values in towns and rural municipalities in the country – respectively 5.5% and 7.9%.

In town group in Riga planning region the lowest unemployment rate was registered in Riga and Ogre districts. At the beginning of 2005, the lowest unemployment rate in Riga planning region towns and cities were observed in the county of Ilkšķi (2.3%), Baldone town with rural area (2.5%), and in Saulkrasti town with rural area (2.8%). The highest unemployment rate recorded in towns of Riga planning region was in Limbazi district – in Salacgrīva town with rural area (13.3%), Aināzi town with rural area (10.2%) and in Staicele town with rural area (6.8%).

Among rural municipalities with unemployment rate less than 3% there are 5 rural municipalities from Ogre district and 4 rural municipalities from Riga district. The lowest unemployment rate was in Laubere rural municipality in Ogre district – 1.9%, in Sala rural municipality and Marupe rural municipality – 2.5%, both situated in Riga district. The highest unemployment rate among rural municipalities in Riga planning region was in Limbazi district and in Tukums district. The highest unemployment rate in the region was observed in Zante rural municipality of Tukums district – 14.5% and in Liepupe rural municipality of Limbazi district – 7.3%.

During one year, the difference between the highest and the lowest unemployment rate in Riga region has increased – in town group from 4.1 to 5.8 times, but in rural municipality group – from 6.2 to 7.6 times. Increase of disparities in town group of Riga planning region is mainly provided by climb-

up of the highest unemployment rate value at the beginning of year 2004 from 6.9 to 13.3% at the beginning of 2005, whereas the opposite trend was observed in rural municipality group – improvement of the lowest indicator from 2.5% to 1.9%.

### Personal income tax

Average personal income tax per capita in 2004 in Riga planning region cities and towns was 179.3 Ls (153.9 Ls – in 2003), which is only by 14.6% more than average in town group in the country (156.5 Ls), taking into account the significance of Riga as a capital in calculations for town group.

Average personal income tax payments per person in 2004 in rural municipalities and rural counties was 128.2 Ls (in 2003 – 108.4 Ls) or 1.6 times more than average in rural municipalities in the country (82.3 Ls). The average value of personal income tax in 2004 – 172.6 Ls was greatly contributed by Riga city, Jūrmala city, as well as towns of Riga district and Ogre district. The largest personal income tax payments during year 2004 were made in Baloži – 194.0 Ls, which was the highest value for 2004 among cities and towns of Latvia. The personal income tax amount in Riga was 186.8 Ls. Concerning town group in Riga region, personal income tax amounts below 100 Ls were only paid in Staicele town with rural area, namely – 62.8 Ls, and in the county of Kandava – 78.3 Ls.

The highest amount of personal income tax per capita in 2004 in group of rural municipalities in Riga planning region was observed in Kēkava rural municipality of Riga district – 210.2 Ls. This is the highest value not only for Riga region, but also for all local authorities in Latvia. Personal income tax per capita in 2004 in Riga region Babīte rural municipality reached 187.5 Ls, in Carnikava rural municipality – 180.3 Ls. The lowest amounts of personal income tax in the region were paid in rural municipalities of Limbazi district and of Tukums district – Braslava rural municipality of Limbazi district – 32.2 Ls, Jaunsāti rural



City, town, county, rural municipality	District	Development index		Rank	
		2003	2004	2003	2004
Garkalne pagasts	Rīga	1.679	1.964	1	1
Balozi town	Rīga	0.881	1.388	6	2
Sala pagasts	Rīga	0.443	1.225	11	3
Adazi pagasts	Rīga	1.352	1.174	2	4
Babīte pagasts	Rīga	0.861	1.098	7	5
Ilkskile novads	Ogre	0.720	1.007	8	6
Kekava pagasts	Rīga	1.187	0.984	4	7
Carnikava pagasts	Rīga	1.048	0.874	5	8
Stopiņi novads	Rīga	1.236	0.826	3	9
Marupe pagasts	Rīga	0.021	0.775	17	10
Olaine pagasts	Rīga	0.492	0.510	10	11
Salaspils novads	Rīga	0.660	0.316	9	12
Ropazi novads	Rīga	0.438	0.199	12	13
Rīga city	-	0.180	0.184	14	14
Kegums novads	Ogre	0.062	0.137	15	15
Ogre novads	Ogre	-0.367	0.097	27	16
Baldone town/r.a.	Rīga	0.217	-0.134	13	17
Lielvarde novads	Ogre	-0.025	-0.190	19	18
Sigulda novads	Rīga	-0.026	-0.208	20	19
Saulkrasti town/r.a.	Rīga	-0.138	-0.219	24	20
Incukalna pagasts	Rīga	-0.049	-0.231	22	21
Olaine town	Rīga	-0.182	-0.248	25	22
Vangazi town	Rīga	0.019	-0.294	18	23
Malpils pagasts	Rīga	0.046	-0.344	16	24
Seja pagasts	Rīga	-0.120	-0.360	23	25
Jumprava pagasts	Ogre	-0.510	-0.367	29	26
Engure pagasts	Tukums	-0.438	-0.416	28	27
Laubere pagasts	Ogre	-0.797	-0.428	38	28
Krimulda pagasts	Rīga	-0.708	-0.429	35	29
Daugmale pagasts	Rīga	-0.204	-0.558	26	30
Tukums town	Tukums	-0.706	-0.617	34	31
Lapmežciems pag.	Tukums	-0.028	-0.620	21	32
Jurmala city	-	-0.878	-0.652	40	33
Suntazi pagasts	Ogre	-0.512	-0.686	30	34
Allazi pagasts	Rīga	-0.580	-0.721	32	35
Keipene pagasts	Ogre	-0.676	-0.791	33	36
Limbazi town	Limbazi	-1.045	-0.854	43	37
Slampe pagasts	Tukums	-0.736	-0.935	36	38
Viesātas pagasts	Tukums	-1.239	-1.055	46	39
Smarde pagasts	Tukums	-0.759	-1.105	37	40
Tume pagasts	Tukums	-0.549	-1.133	31	41
Pure pagasts	Tukums	-1.822	-1.276	63	42
Birzgale pagasts	Ogre	-1.474	-1.300	54	43
Ledmane pagasts	Ogre	-0.992	-1.301	41	44
Ledurga pagasts	Limbazi	-1.237	-1.410	45	45
Lestene pagasts	Tukums	-1.303	-1.454	48	46
Skulte pagasts	Limbazi	-1.512	-1.477	56	47
Aloja town/r.a.	Limbazi	-1.301	-1.482	47	48
Vidriži pagasts	Limbazi	-1.444	-1.529	53	49
Jaunpils pagasts	Tukums	-1.476	-1.615	55	50
Mazozoli pagasts	Ogre	-1.016	-1.658	42	51
Madliena pagasts	Ogre	-1.380	-1.683	50	52
Kandava novads	Tukums	-1.594	-1.691	58	53
Brīvzemnieki pagasts	Limbazi	-1.968	-1.712	66	54
Vane pagasts	Tukums	-1.733	-1.757	61	55
Limbazi pagasts	Limbazi	-1.800	-1.771	62	56
Seme pagasts	Tukums	-1.712	-1.783	60	57
Irlava pagasts	Tukums	-1.423	-1.792	51	58
Degole pagasts	Tukums	-2.228	-1.832	70	59
Katvari pagasts	Limbazi	-1.846	-1.837	65	60
Krape pagasts	Ogre	-1.148	-1.862	44	61
Taurupe pagasts	Ogre	-1.340	-1.874	49	62
Mengele pagasts	Ogre	-1.640	-1.908	59	63
Dzūkste pagasts	Tukums	-1.444	-1.981	52	64
Pale pagasts	Limbazi	-1.843	-2.031	64	65
Zentene pagasts	Tukums	-2.178	-2.443	68	66
Jaunsāti pagasts	Tukums	-3.342	-2.502	74	67
Aināzi town/r.a.	Limbazi	-0.800	-2.515	39	68
Liepupe pagasts	Limbazi	-2.096	-2.549	67	69
Umurga pagasts	Limbazi	-2.220	-2.569	69	70
Braslava pagasts	Limbazi	-3.175	-2.712	73	71
Vilkenes pagasts	Limbazi	-2.772	-3.180	71	72
Salacgrīva town/r.a.	Limbazi	-1.581	-3.327	57	73
Staiņele town/r.a.	Limbazi	-2.949	-3.428	72	74
Zante pagasts	Tukums	-5.722	-4.419	75	75

Table 37. Development index and rank of cities, towns, counties and rural municipalities in Riga planning region in 2003 and 2004.

municipality of Tukums district – 45.9 Ls and Degole rural municipality of Tukums district – 49.3 Ls.

In Riga region, 15 of 20 towns are below the average personal income tax payments in Riga region, same is true for 50 of 55 rural municipalities, thus vividly illustrating the disparities among Riga as a capital with a surrounding area and the rest of local authorities in the Riga region.

Disparities in rural municipalities are greater than in towns in Riga region in terms of personal income tax per capita. In 2004, the difference between the highest and the lowest personal income tax payment per capita in rural municipalities in Riga region was 6.5 times, whereas in towns – 3.1 times (in 2003, respectively – 7.0 and 3.4 times).

### Demographic burden

Demographic burden in cities and towns of Riga planning region is lower than average in towns and cities in the country. At the beginning of 2005, in Riga planning region towns there were 538.7 children and senior citizens per 1 000 working age population, whereas in rural municipalities – 560.4 (in Latvia, respectively 547.2 and 609.2).

At the beginning of 2005 in Riga region the lowest demographic burden was observed in local governments of Riga district – in town group – in Balozi town – 409.9, in Olaine town – 484.1 and in the county of Salaspils – 486.6, whereas in ru-

ral municipality group – in Adazi rural municipality – 451.2, in Olaine rural municipality – 468.4 and in Sala rural municipality – 475.0.

Concerning town group of Riga region, the highest demographic burden level was recorded in Staiņele town with rural area – 768.3 and in Saulkrasti town with rural area – 650.1. With respect to rural municipality group of Riga region, the highest demographic burden was observed in Vilkenes rural municipality of Limbazi district – 757.0, in Madliena rural municipality of Ogre district – 707.0 and in Braslava rural municipality of Limbazi district – 694.4.

The “gap” between the highest and the lowest demographic burden level in the town group in Riga region was 1.9 times, whereas in rural municipality group – 1.7 times, remaining at the level of the beginning of year 2004.

### Population change

The number of inhabitants in Riga planning region at the beginning of the year 2000 till the beginning of year 2005 has decreased on average by 2.3%, which is less than in the country during the same time – 3.1%. Average population change in towns in Riga region (-3.4%) was similar to average indicator value in town group for all country (-3.2%), whereas population change in rural municipality group of the Region took place in the positive direction opposite to the trend in the country in

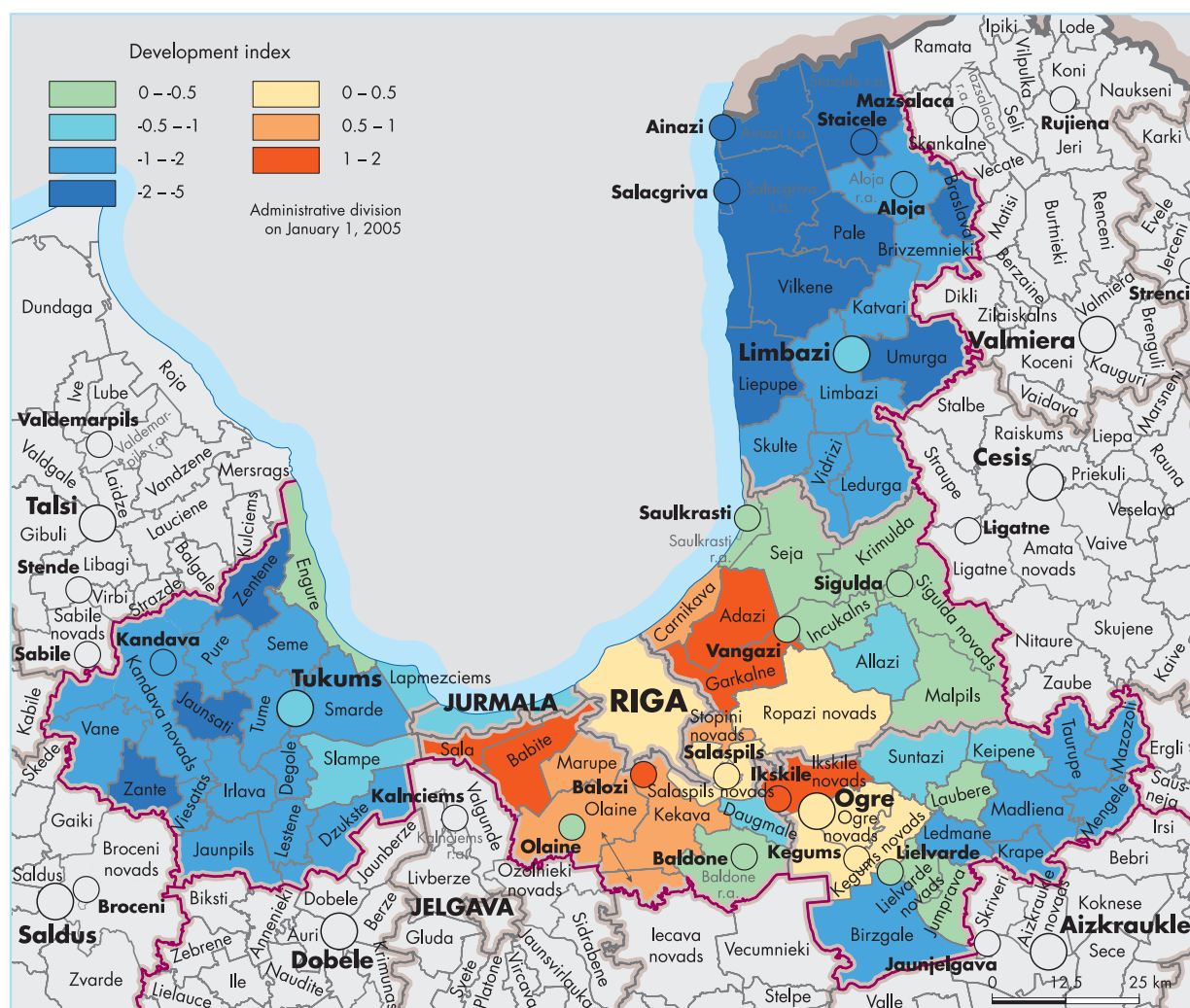


Figure 50. Development index of cities, towns, counties and rural municipalities in Riga planning region in 2004.

general. In the rural municipality group in the country the population had decreased by 2.7% in average during the five year period, whereas in rural municipalities of Riga region the population had dramatically increased – in average by 5.4%.

In the town group of the region, the population growth is observed in 9 towns and counties – growth below 5% in Tukums town, Balozī town, the county of Kegums, the county of Sigulda and the county of Kandava, growth of more than 5% – in the county of Ikšķile by 11.3%, in Baldone town with rural area and in the county of Lielvarde – by 5.8% in each, and in Saulkrasti town with rural area – by 5.2%.

Population increase is observed in approximately 50% of local authorities in rural municipalities group in Riga region – in 26 rural municipalities and rural counties. Growth up to 42.7% is observed in Garkalne rural municipality of Riga district, being the highest population growth in five year period. Significant population growth took place in Sala rural municipality of Riga district – by 23.2%, in Carnikava rural municipality of Riga district – by 17.3%, in Lapmežciems rural municipality of Tukums district – by 15.7%.

Among most attractive territories in Riga region are 18 municipalities in Riga district, 9 – in Tukums district and 4 – each in Ogre, and Limbazi districts.

Population decrease is observed in 11 towns of the region – the most significant decrease was in Ainazi town with rural area – by 8.8%, in Staicele town with rural area – by 6.3% and in Limbazi town – by 5.3%. Population decrease of 4.5% was

also observed in capital city of Riga, which actually greatly influenced the average indicator for the region. With respect to rural areas, the most drastic population decrease was identified in Brivzemnieki rural municipality of Limbazi district – by 17%, in Zentene rural municipality of Tukums district – by 11.7% and in Mazozoli rural municipality of Ogre district – by 11.6%.

### Territory development index

First 15 positions, according to data of 2004 in the table of ranks of Riga planning region were held by 12 local authorities from Riga district, 2 – from Ogre district and Riga itself as a capital city. The last 15 positions were held by 8 local authorities from Limbazi district, 4 – from Tukums district and 3 – from Ogre district.

First place with development index value of 1.964 in the table of ranks is occupied by Garkalne rural municipality of Riga district. It is followed by municipalities of Riga district – Balozī town, Sala rural municipality, Adazi rural municipality and Babīte rural municipality, as well as the county of Ikšķile of Ogre district. Capital city Riga takes 14th place in the table. In general, positive value of the territory development index is for 16 of 75 or 21% of local authorities in Riga planning region.

The last position was held by Zante rural municipality of Tukums district with a development index of -4.419. The negative development index value in the range from -3 to -4 is observed in three local governments of Limbazi district – Staicele town with rural area, Salacgrīva town with rural

area and in Vilkene rural municipality (see Table 37 and Figure 50). Drastically low values of development index compared to that in other planning regions is regarded as extreme values as comparison of local governments in Riga planning region reveal that given territories are extremely different. The greatest impact, of course, is caused by large share of Riga city in the region's indicators.

Comparing year 2003 and 2004, Zante rural municipality in Tukuma district was among territories with most positive development index change, however, no position change took place – it still holds the last position in the table of ranks – 75th place. Among territories with significant change of value of development index and associated climb in table of ranks, one needs to mention the following: Balozi town – from 6th to 2nd place, Sala rural municipality of Riga district – from 11th to 3rd place, Marupe rural municipality of Riga district – from 17th to 10th place, the county of Ogre – from 27th to 16th place, Pure rural municipality of Tukums district – from 63rd to 42nd place and Jaunsati rural municipality of Tukums district – from 74th to 67th place.

Change of development index from negative to positive was observed only in one municipality of Riga planning region – in the county of Ogre, whereas the change from positive to negative occurred in three local authorities of Riga district – in Baldone town with rural area, in Vangazi town and in Malpils rural municipality.

Significant decrease of the development index was observed in both seaside towns of Limbazi district – in Ainazi town with rural area – drop in the table of ranks from 39th to 68th position, and in Salacgriva town with rural area – drop from 57th to 73rd place. Significant decrease of the development index in one year period took place also in Mazozoli rural municipality of Ogre district – drop from 44th to 61st position in the table of ranks, in Krape rural municipality – from 44th to 61st position, and in Taurupe rural municipality – drop from 49th to 62nd place, in Lapmezciems rural municipality of Tukums district – drop from 21st to 32nd place, in Tume rural municipality – from 31st to 41st position and in Dzukste rural municipality – from 52nd to 64th place.

## VIDZEME PLANNING REGION

### Unemployment rate

Unemployment rate in towns of Vidzeme planning region at the beginning of 2005 was in average 6.3%, but in rural municipalities of the region – 6.6%. Compared to the beginning of 2004, unemployment rate had decreased in town and in rural municipalities by 0.2% (at the beginning of year 2004 – 6.5% and 6.8%, respectively). In the town of Vidzeme planning region, average unemployment rate is higher than in towns and cities in the country in general (5.5%), while in the group of rural municipalities it is lower than the average parameter in the country (7.9%).

At the beginning of 2005 the lowest unemployment rate in towns of Vidzeme region was observed in Līgatne – 4.2%, Smiltene – 4.8% and Valmiera – 4.9%, whereas the highest – in Seda with rural area – 12.0% and Varaklani – 11.6%.

The lowest unemployment rate among rural municipalities in Vidzeme region is observed in Palsmane rural municipality of Valka district – 1.8%, Jaunlaicene rural municipality and Vīrsi rural municipality of Alūksne district – 2.4% and 2.7%, while the highest unemployment rate was recorded in Pededze rural municipality of Alūksne district – 20.4%, Osupe and Varaklani rural municipalities of Madona district – 16.3% and 15.8%, respectively.

Difference between the lowest and the highest unemployment rate at the beginning of 2005 was 2.9 times in towns of Vidzeme. With respect to rural municipalities, such difference is even larger – 11.3 times (at the beginning of 2004 – 4.1 and 11.0 times, respectively).

### Personal income tax

At the beginning of 2004, the average personal income tax per person in towns of Vidzeme was 139.8 Ls, whereas in rural municipalities almost half of that – 75.3 Ls in average. Indicator values for Vidzeme region are below the state's average indicator on personal income tax payments per capita in town group and in rural municipality group (respectively, 156.5 and 82.3 Ls). The amount of personal income tax in 2004 in Vidzeme region was 103.4 Ls per capita – this value, however, was

not reached by 5 of 16 towns in the region and 103 of 111 rural municipalities of the region.

The highest personal income tax payments in 2004 per capita was observed in Valmiera town – 169.9 Ls, in Smiltene town – 160.8 Ls and in Cēsis town – 154.6 Ls. Among rural municipalities, the leaders were – Priekule rural municipality of Cēsis district – 149.5 Ls, Valmiera rural municipality of Valmiera district – 129.0 Ls and Kalsnava rural municipality of Madona district – 124.3 Ls.

The lowest personal income tax payment per capita in town group were found in Varaklani – 66.8 Ls and in Ape town with rural area – 70.8 Ls, which is twice as less as average in towns in the region. The lowest personal income tax payment per capita in 2004 in Vidzeme region among rural municipalities was observed in Pededze rural municipality of Alūksne district – 25.3 Ls, in Varaklani rural municipality of Madona district – 34.0 Ls and in Jumurda rural municipality of Madona district – 35.0 Ls. This is 2-3 times less than average in rural municipalities of the region.

### Demographic burden

Demographic burden in Vidzeme planning region is slightly higher average in the country. At the beginning of 2005 in towns of Vidzeme region in average there were 600.4 children and senior citizens per 1 000 working-age population (average in the country in town group – 547.2), whereas in rural municipalities of the region – 622.5 (average in the country in rural municipality group – 609.2).

The lowest burden level in the town group in Vidzeme region at the beginning of 2005 was observed in Valmiera (555.4) and in Gulbene (571.2). The highest demographic burden in town group was observed in Līgatne (788.9) and Mazsala town with rural area (785.3). In these two towns, the demographic burden is the highest among towns in the country.

Among rural territories, the lowest demographic burden was observed in Valmiera rural municipality of Valmiera district (464.2), in Priekule rural municipality of Cēsis district (519.6) and in Stradi rural municipality of Gulbene district – 531.6 chil-



Town, county, rural municipality	District	Development index		Rank	
		2003	2004	2003	2004
Valmiera pagasts	Valmiera	1.534	1.178	1	1
Valmiera town	Valmiera	0.828	1.055	4	2
Priekuli pagasts	Cesis	1.134	0.730	2	3
Cesis town	Cesis	0.632	0.722	5	4
Launkalne pagasts	Valka	0.589	0.677	7	5
Vaidava pagasts	Valmiera	0.597	0.600	6	6
Smiltene town	Valka	0.913	0.540	3	7
Kauguri pagasts	Valmiera	0.518	0.527	8	8
Varini pagasts	Valka	-0.030	0.489	34	9
Palsmane pagasts	Valka	-0.032	0.441	35	10
Branti pagasts	Valka	0.348	0.413	11	11
Jaunlaicene pagasts	Aluksne	-0.290	0.387	60	12
Aluksne town	Aluksne	0.220	0.385	17	13
Amata novads	Cesis	0.517	0.354	9	14
Gaujiena pagasts	Aluksne	0.071	0.338	28	15
Ligatne pagasts	Cesis	0.346	0.311	12	16
Vecpiebalga pagasts	Cesis	0.178	0.300	23	17
Madona town	Madona	0.360	0.296	10	18
Gulbene town	Gulbene	0.153	0.243	24	19
Straupe pagasts	Cesis	0.257	0.223	16	20
Koceni pagasts	Valmiera	0.286	0.183	15	21
Rujiena town	Valmiera	0.188	0.152	21	22
Vīresi pagasts	Aluksne	-0.126	0.150	43	23
Dzērbene pagasts	Cesis	-0.060	0.124	37	24
Zeltīni pagasts	Aluksne	-0.011	0.104	33	25
Marsnēni pagasts	Cesis	-0.366	0.088	65	26
Stalbe pagasts	Cesis	-0.127	0.084	44	27
Rencēni pagasts	Valmiera	0.220	0.071	18	28
Litene pagasts	Gulbene	-0.279	0.054	58	29
Valka town	Valka	0.288	0.040	14	30
Nauksēni pagasts	Valmiera	0.085	0.023	27	31
Jeri pagasts	Valmiera	0.184	0.012	22	32
Veselava pagasts	Cesis	-0.189	0.003	51	33
Bērzaine pagasts	Valmiera	0.189	-0.003	20	34
Vaivē pagasts	Cesis	-0.078	-0.009	39	35
Liepā pagasts	Cesis	0.027	-0.018	32	36
Jaunpiebalga pagasts	Cesis	-0.185	-0.058	49	37
Raiskums pagasts	Cesis	-0.121	-0.067	42	38
Rauna pagasts	Cesis	0.112	-0.078	26	39
Blome pagasts	Valka	-0.218	-0.083	54	40
Lubāna town	Madona	-0.135	-0.088	45	41
Vīlpulka pagasts	Valmiera	0.047	-0.130	31	42
Jaungulbene pagasts	Gulbene	-0.450	-0.141	73	43
Kalsnava pagasts	Madona	-0.196	-0.154	52	44
Lode pagasts	Valmiera	0.065	-0.155	29	45
Brenguli pagasts	Valmiera	0.196	-0.157	19	46
Stradi pagasts	Gulbene	-0.236	-0.205	55	47
Cesvaine town/r.a.	Madona	-0.203	-0.208	53	48
Liezere pagasts	Madona	-0.927	-0.211	99	49
Ergli pagasts	Madona	-0.188	-0.265	50	50
Lazdona pagasts	Madona	-0.063	-0.267	38	51
Sarkani pagasts	Madona	-0.677	-0.272	90	52
Taurene pagasts	Cesis	0.314	-0.274	13	53
Koni pagasts	Valmiera	-0.473	-0.276	76	54
Bērzaine pagasts	Madona	-0.155	-0.276	46	55
Skankalne pagasts	Valmiera	-0.285	-0.294	59	56
Inesi pagasts	Cesis	-0.255	-0.296	56	57
Lizums pagasts	Gulbene	-0.182	-0.303	48	58
Vecate pagasts	Valmiera	-0.369	-0.304	66	59
Plani pagasts	Valka	-0.564	-0.307	85	60
Nitāure pagasts	Cesis	0.048	-0.313	30	61
Vījciems pagasts	Valka	-0.362	-0.321	64	62
Bilskā pagasts	Valka	-0.594	-0.337	88	63
Prauliena pagasts	Madona	-0.437	-0.359	70	64
Zilaiskalns pagasts	Valmiera	-0.445	-0.360	72	65
Matisi pagasts	Valmiera	-0.101	-0.366	41	66
Alsvidi pagasts	Aluksne	-0.456	-0.369	74	67
Strenci town	Valka	-1.113	-0.382	110	68
Jaunanna pagasts	Aluksne	-0.561	-0.382	83	69
Valka pagasts	Valka	-0.258	-0.383	57	70
Daukstes pagasts	Gulbene	-0.525	-0.390	78	71
Smiltene pagasts	Valka	-0.181	-0.397	47	72
Arona pagasts	Madona	-0.336	-0.412	63	73
Ranka pagasts	Gulbene	-0.039	-0.437	36	74
Ziemeļi pagasts	Aluksne	-0.433	-0.450	69	75
Seli pagasts	Valmiera	-0.096	-0.459	40	76
Grundzāle pagasts	Valka	-0.564	-0.478	84	77
Lejasciems pagasts	Gulbene	-0.590	-0.479	87	78
Jaunalksne pagasts	Aluksne	-0.554	-0.490	81	79
Dikļi pagasts	Valmiera	-0.554	-0.520	82	80
Zvartava pagasts	Valka	-0.548	-0.561	79	81
Vēstiena pagasts	Madona	-0.439	-0.563	71	82
Burtņieki pagasts	Valmiera	-0.401	-0.576	67	83
Ligatne town	Cesis	0.137	-0.633	25	84
Kalnēmpīji pagasts	Aluksne	-1.138	-0.665	112	85
Zosēni pagasts	Cesis	-0.856	-0.702	95	86
Tirza pagasts	Gulbene	-0.652	-0.710	89	87
Mazsalaca town/r.a.	Valmiera	-0.768	-0.765	92	88
Belava pagasts	Gulbene	-0.841	-0.793	94	89
Druviena pagasts	Gulbene	-0.549	-0.845	80	90
Metriena pagasts	Madona	-1.041	-0.853	106	91
Trapene pagasts	Aluksne	-0.424	-0.875	68	92
Dzelzava pagasts	Madona	-0.815	-0.921	93	93
Trikata pagasts	Valka	-0.466	-0.930	75	94
Karki pagasts	Valka	-0.921	-0.941	98	95
Īpīki pagasts	Valmiera	-0.877	-0.985	96	96
Sēda town/r.a.	Valka	-0.302	-0.995	61	97
Markalne pagasts	Aluksne	-0.970	-0.995	101	98
Ilzene pagasts	Aluksne	-1.018	-1.011	105	99
Drusti pagasts	Cesis	-0.482	-1.016	77	100
Barkava pagasts	Madona	-1.045	-1.030	108	101
Ergeme pagasts	Valka	-0.768	-1.041	91	102
Maliēna pagasts	Aluksne	-0.946	-1.044	100	103
Veclaicene pagasts	Aluksne	-0.999	-1.089	103	104
Stameriēna pagasts	Gulbene	-0.913	-1.130	97	105
Anna pagasts	Aluksne	-0.585	-1.155	86	106
Skujene pagasts	Cesis	-1.044	-1.156	107	107
Ape town/r.a.	Aluksne	-1.566	-1.182	120	108
Ramata pagasts	Valmiera	-0.308	-1.192	62	109
Jercēni pagasts	Valka	-1.196	-1.220	115	110
Evele pagasts	Valka	-1.170	-1.235	114	111
Mārciēna pagasts	Madona	-1.103	-1.264	109	112
Ligo pagasts	Gulbene	-1.128	-1.297	111	113
Sausnēja pagasts	Madona	-1.292	-1.298	117	114
Kaive pagasts	Cesis	-1.162	-1.352	113	115
Galgauskā pagasts	Gulbene	-1.388	-1.404	118	116
Malupe pagasts	Aluksne	-1.005	-1.429	104	117
Zaube pagasts	Cesis	-0.991	-1.509	102	118
Varaklāni town	Madona	-1.639	-1.526	122	119
Liepna pagasts	Aluksne	-1.437	-1.581	119	120
Murmastiene pagasts	Madona	-1.616	-1.655	121	121
Indrāni pagasts	Madona	-1.233	-1.664	116	122
Laudona pagasts	Madona	-1.660	-1.803	124	123
Jumurda pagasts	Madona	-1.645	-1.989	123	124
Osupe pagasts	Madona	-1.823	-2.054	125	125
Varaklāni pagasts	Madona	-2.359	-2.086	126	126
Pēdēdze pagasts	Aluksne	-2.691	-2.736	127	127

Table 38. Development index and rank of towns, counties and rural municipalities in Vidzeme planning region in 2003 and 2004.



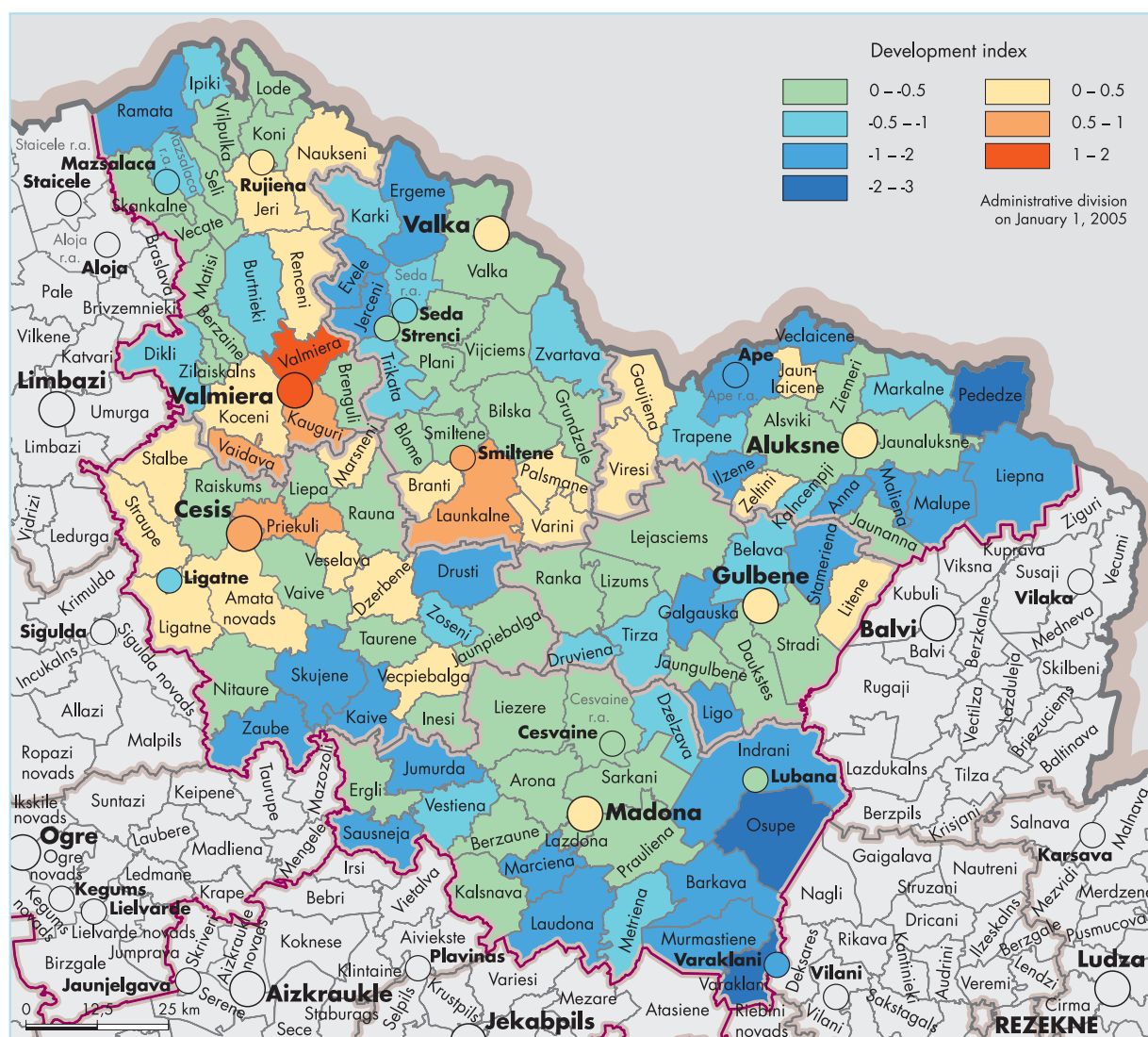


Figure 51. Development index of towns, counties and rural municipalities in Vidzeme planning region in 2004.

dren and senior persons per thousand working-age population. The highest demographic burden was observed in Varaklani rural municipality of Madona district – 887.7, in Liepna rural municipality of Aluksne district – 837.8 and in Kaive rural municipality of Cesis district – 814.2. Demographic burden in Varaklani rural municipality is the highest value of given indicator at the beginning of 2005 in Latvia.

The highest and the lowest demographic burden values at the beginning of 2005 differed by 1.4 times among towns of Vidzeme region, and 1.9 times among rural municipalities of the region.

### Population change

The number of inhabitants in Vidzeme planning region from the beginning of the year 2000 till the beginning of year 2005 has decreased on average by 4.2%, which is more than in the country – 3.1%. Population decrease in rural municipalities of the region took place twice as fast as in towns. Population decrease in towns of the region was 2.6% – this indicator is only slightly better than the average decrease in the country, respectively, 3.2%, whereas in rural municipalities population decrease took place much faster – by 5.4%, significantly exceeding the average indicator of the country – 2.7%.

During five-year period, population had decreased in all towns of Vidzeme and in 92% of the rural municipalities of the

region. Population increase was observed only in 8 rural municipalities of the region, and in one rural municipality the number of population remained unchanged. Highest population increase during five-year period was observed in Varaklani rural municipality of Madona district – increase by 3.0%, in Kauguri rural municipality of Valmiera district – by 2.2%, and in Zvartava rural municipality of Valka district – by 2.1%.

Greatest population decrease from the beginning of 2000–2005 in Vidzeme region in town group was observed in Strenci town – by 10.6% and in Ligatne town – by 9.3%, whereas in the rural municipalities group – in Kalncempji rural municipality of Aluksne district – by 16.5%, in Ipiki rural municipality – by 16.2% and in Jumurda rural municipality of Madona district – by 15.2%.

### Territory development index

First place in the table of ranks, according to development index of 2003 and 2004 is held by Valmiera rural municipality of Valmiera district. Value of development index of Valmiera rural municipality in 2004 was 1.178. In terms of development index of 2004, the first five local authorities include also Valmiera town, Cesis town, Priekuli rural municipality of Cesis district and Launkalne rural municipality of Valka district. In Vidzeme planning region, 33 of 127 or 26% of all local authorities from town group and rural municipalities group have positive development

index value – this is the highest number of local authorities with positive development index among all planning regions.

According to data of 2004, the last position in the table of ranks is held by Pededze rural municipality of Aluksne district – development index value of -2.736. Other lagging behind local authorities are from Madona district – Varaklani, Osupe, Jumurda, Laudona, Indrani and Murmastiene rural municipality. Among towns in Vidzeme region, the lowest development index is observed in Varaklani – in the table of ranks in the region it occupies 119th position (see Table 38 and Figure 51).

In Vidzeme region, compared to other planning region, fluctuation of values of development index during one year period, as well as climbs and drops of towns and rural municipalities had been rather intensive. Comparing data of 2003 to those of 2004, in Vidzeme region, development index growth must be noted in Strenci – most rapid climb in the table of ranks from 110th position to 68th position, Liezere rural municipality of Madona district – from 99th to 49th position, Jaunlaicene rural municipality of Aluksne district – from 60th to 12th position, Varini rural municipality of Valka district – from 34th to 9th position and Palsmane rural municipality of Valka district – from 35th to 10th position, as well as Marsneni rural municipality of Cesis district – from 65th to 26th position.

Change from negative development index to positive during one year is notable in 10 local governments of Vidzeme planning region, including only rural municipalities of following districts – Cesis, Aluksne, Valka, and Gulbene. Almost the same number – 9 rural municipalities – are notable by development index change from positive to negative, according to development index of year 2004 compared to 2003. Only local governments of Cesis district and Valmiera district are among them.

Most significant decrease of the development index during one year was observed in Ramata rural municipality of Valmiera district – drop in the table of ranks from 62nd to 109th position. The cause of such drastic turn is relatively rapid increase of unemployment rate at the rural municipality and substantial decrease of population. Slightly smaller decrease of development index is observed in Ligatne town, however the drop in the table of ranks of this town is even greater – from 25th to 84th position. Among territories with negative development dynamics Seda town with rural area needs to be noted – drop from 61st to 97th position, Taurene rural municipality of Cesis district – drop from 13th to 53rd position, Drusti rural municipality of Cesis district – drop from 77th to 100th position, and Anna rural municipality of Aluksne district – drop from 86th to 106th position.

## ZEMGALE PLANNING REGION

### Unemployment rate

Unemployment rate at the beginning of 2005 in towns of Zemgale region was in average 6.3% – higher than average in town group in the country (5.5%), while in rural municipalities of the region in average – 6.4%, which is lower than the average of rural municipalities in the country (7.9%). Unemployment rate decrease in towns and rural municipalities of the region was by 0.3 percent points in each group. Disparities between unemployment rate in towns and in rural municipalities in Zemgale planning region are insignificant.

The lowest unemployment rate at the beginning of 2005 in town group was observed in Jelgava – 4.8% and Bauska – 6.9%, whereas the highest unemployment rate was observed in Akniste town with rural area – 12.0% and in Viesite town with rural area – 10.7%.

The lowest unemployment rate at the beginning of 2005 in rural municipalities of Zemgale region was observed in 2 rural municipalities of Jelgava district – 2.6% in Valgunde rural municipality, and 3.4% in Sidrabene rural municipality, also in Stelpe rural municipality of Bauska district – 3.6%. The highest unemployment rate was observed in Asare rural municipality in Jekabpils district – 18.4%, and in 2 rural municipalities in Aizkraukle district – in Vietalva rural municipality – 14.4% and in Nereta rural municipality – 12.9%.

Difference between the highest and the lowest unemployment rate at the beginning of year 2005 in Zemgale region was 2.5 times in towns and 7.1 times in rural municipalities. In 2004, the difference among towns was 2.6 times and among rural municipalities – 5.9 times. During one year in Zemgale region the difference among rural municipalities had increased, whereas among towns remained almost unchanged.

### Personal income tax

Personal income tax per capita in towns of Zemgale planning region in 2004 was 137.6 Ls, which is by 18.9 Ls less than

the average in towns in the country (156.5 Ls), whereas the amount of personal income tax in rural municipalities – 81.4 Ls, which is basically the same as the indicator value for rural municipalities in the country – 82.3 Ls. The average personal income tax per capita in towns of Zemgale region was 1.7 times higher than in rural municipalities. The average personal income tax per capita in Zemgale planning region – 109.2 Ls was not achieved by 4 of 11 towns of the region and by 79 or 94% of rural municipalities of the region.

Among towns, in 2004 the highest personal income tax payments were made in Dobeles town – 178.0 Ls and in the county of Aizkraukle – 177.5 Ls. Among rural municipalities, the leaders were the county of Ozolnieki of Jelgava district – 126.1 Ls, Skriversi rural municipality of Aizkraukle district – 114.8 Ls, and Koknese rural municipality of Aizkraukle district – 111.7 Ls.

The lowest amount of personal income tax per capita in year 2004 in town group was paid in Viesite town with rural area – 82.2 Ls and in Kalnciems town with rural area – 89.7 Ls, whereas in rural municipalities group – in Asare rural municipality of Jekabpils district – 26.4 Ls, in Viesturi rural municipality of Bauska district – 35.3 Ls and in Dignaja rural municipality of Jekabpils district – 36.0 Ls.

Difference between the largest and smallest paid amount of personal income tax per capita in the group of towns in Zemgale planning region in 2004 was 2.2 times, whereas in rural municipalities group – 4.8 times. During one year this difference decreased only slightly (in 2003 the difference was – 2.3 times in town group and 5.2 times in rural municipality group, respectively).

### Demographic burden

Demographic burden in towns of Zemgale planning region at the beginning of 2005 was similar to average of town group in the country, whereas in rural municipalities even below the

City, town, county, rural municipality	District	Development index		Rank	
		2003	2004	2003	2004
Jelgava city	-	0.492	0.905	8	1
Ozolnieki novads	Jelgava	1.081	0.688	1	2
Aizkraukle novads	Aizkraukle	0.718	0.668	4	3
Svete pagasts	Jelgava	0.760	0.642	3	4
Valgunde pagasts	Jelgava	0.800	0.636	2	5
Serene pagasts	Aizkraukle	0.714	0.552	5	6
Platone pagasts	Jelgava	0.378	0.492	12	7
Vecumnieki pagasts	Bauska	0.538	0.395	6	8
Gluda pagasts	Jelgava	0.466	0.370	9	9
Iecava novads	Bauska	0.466	0.294	10	10
Dobele town	Dobele	0.263	0.270	17	11
Jaunsvirlauka pagasts	Jelgava	0.496	0.270	7	12
Livberze pagasts	Jelgava	0.273	0.267	15	13
Gailisi pagasts	Bauska	0.445	0.261	11	14
Koknese pagasts	Aizkraukle	-0.014	0.140	26	15
Bauska town	Bauska	0.372	0.102	13	16
Skriveri pagasts	Aizkraukle	0.217	0.075	19	17
Mazzalve pagasts	Aizkraukle	-0.460	0.053	49	18
Islice pagasts	Bauska	0.214	0.015	20	19
Penkule pagasts	Dobele	0.025	-0.004	24	20
Sala pagasts	Jekabpils	-0.164	-0.129	32	21
Sidrabene pagasts	Jelgava	0.265	-0.146	16	22
Auri pagasts	Dobele	0.164	-0.167	21	23
Jekabpils town	Jekabpils	-0.219	-0.169	35	24
Stelpe pagasts	Bauska	-0.227	-0.172	36	25
Code pagasts	Bauska	0.223	-0.178	18	26
Ceraukste pagasts	Bauska	-0.385	-0.266	42	27
Bebri pagasts	Aizkraukle	0.004	-0.266	25	28
Jaunjelgava town/r.a.	Aizkraukle	0.371	-0.327	14	29
Auce town/r.a.	Dobele	-0.392	-0.342	43	30
Vircava pagasts	Jelgava	0.138	-0.372	22	31
Vecsaule pagasts	Bauska	-0.309	-0.397	39	32
Staburags pagasts	Aizkraukle	-0.081	-0.399	28	33
Abeli pagasts	Jekabpils	-0.436	-0.401	47	34
Plavinas town	Aizkraukle	0.032	-0.403	23	35
Rundale pagasts	Bauska	-0.155	-0.407	30	36
Berze pagasts	Dobele	-0.412	-0.413	45	37
Mezotne pagasts	Bauska	-0.534	-0.421	54	38
Lielplatone pagasts	Jelgava	-0.191	-0.421	34	39
Naudite pagasts	Dobele	-0.455	-0.433	48	40
Vilce pagasts	Jelgava	-0.164	-0.444	31	41
Aiviekste pagasts	Aizkraukle	-0.501	-0.479	52	42
Valle pagasts	Aizkraukle	-0.628	-0.480	57	43
Sesava pagasts	Jelgava	-0.317	-0.491	40	44
Zalienieki pagasts	Jelgava	-0.041	-0.510	27	45
Garsene pagasts	Jekabpils	-1.106	-0.544	75	46
Brunava pagasts	Bauska	-0.299	-0.583	38	47
Kalcienis town/r.a.	Jelgava	-1.005	-0.590	70	48
Viesturi pagasts	Bauska	-0.188	-0.618	33	49
Klintaine pagasts	Aizkraukle	-0.287	-0.628	37	50
Skaistkalne pagasts	Bauska	-0.355	-0.633	41	51
Lielauce pagasts	Dobele	-0.492	-0.668	51	52
Jaunberze pagasts	Dobele	-0.424	-0.702	46	53
Daudzese pagasts	Aizkraukle	-0.532	-0.708	53	54
Kurmene pagasts	Aizkraukle	-0.902	-0.711	66	55
Tervete novads	Dobele	-0.467	-0.763	50	56
Eleja pagasts	Jelgava	-0.094	-0.785	29	57
Krustpils pagasts	Jekabpils	-0.955	-0.803	69	58
Annenieki pagasts	Dobele	-0.558	-0.870	56	59
Kalns pagasts	Jekabpils	-0.667	-0.873	59	60
Biksti pagasts	Dobele	-0.919	-0.933	67	61
Davini pagasts	Bauska	-0.885	-0.942	64	62
Zebrene pagasts	Dobele	-0.412	-0.955	44	63
Krimunas pagasts	Dobele	-0.858	-1.024	61	64
Ile pagasts	Dobele	-0.864	-1.026	63	65
Secē pagasts	Aizkraukle	-1.051	-1.034	72	66
Svitene pagasts	Bauska	-0.548	-1.044	55	67
Bene pagasts	Dobele	-0.921	-1.055	68	68
Dobele pagasts	Dobele	-0.892	-1.079	65	69
Kukas pagasts	Jekabpils	-1.210	-1.087	80	70
Barbele pagasts	Bauska	-1.147	-1.138	78	71
Vipe pagasts	Jekabpils	-1.559	-1.148	87	72
Vitini pagasts	Dobele	-1.125	-1.173	76	73
Sunakste pagasts	Aizkraukle	-1.090	-1.254	74	74
Irsi pagasts	Aizkraukle	-1.162	-1.285	79	75
Rite pagasts	Jekabpils	-1.072	-1.287	73	76
Selpils pagasts	Jekabpils	-0.641	-1.294	58	77
Zasa pagasts	Jekabpils	-1.325	-1.346	83	78
Mezare pagasts	Jekabpils	-1.142	-1.354	77	79
Atasiene pagasts	Jekabpils	-1.818	-1.357	93	80
Viesīte town/r.a.	Jekabpils	-1.377	-1.376	84	81
Pilskalne pagasts	Aizkraukle	-1.283	-1.464	81	82
Dignāja pagasts	Jekabpils	-1.431	-1.546	85	83
Akniste town/r.a.	Jekabpils	-1.616	-1.553	89	84
Variesi pagasts	Jekabpils	-1.731	-1.553	90	85
Sauka pagasts	Jekabpils	-0.697	-1.555	60	86
Vietalva pagasts	Aizkraukle	-1.740	-1.621	91	87
Dunava pagasts	Jekabpils	-1.502	-1.720	86	88
Leimani pagasts	Jekabpils	-1.747	-1.725	92	89
Zalve pagasts	Aizkraukle	-0.863	-1.745	62	90
Nereta pagasts	Aizkraukle	-1.012	-1.815	71	91
Elksni pagasts	Jekabpils	-1.604	-1.910	88	92
Rubene pagasts	Jekabpils	-2.315	-2.139	94	93
Ukri pagasts	Dobele	-1.293	-2.155	82	94
Asare pagasts	Jekabpils	-2.453	-3.286	95	95

Table 39. Development index and rank of cities, towns, counties and rural municipalities in Zemgale planning region in 2003 and 2004.

country's average for rural municipalities. in Zemgale region in average in town group there were 549.1 children and senior citizens per 1 000 working-age population, whereas in rural municipalities – 594.4 (respective average indicators in the country – 547.2 for town group, and 609.2 for rural municipalities group).

The lowest demographic burden in town group at the beginning of 2005 in towns of Zemgale region was observed in the county of Aizkraukle – 501.5 and in Jelgava city – 530.1, whereas the highest demographic burden in Akniste town with rural area – 687.4 and in Plavinas town – 674.4.

In rural municipalities group the lowest demographic burden was observed in Gailisi rural municipality of Bauska district – 434.7, in Serene rural municipality of Aizkraukle district – 453.6, and in Garsene rural municipality of Jekabpils district – 478.7. The highest demographic burden was identified in rural municipalities of Jekabpils district: in Kukas rural municipality

– 822.8, in Rubene rural municipality – 812.5 and 721.2 in Zasa rural municipality, which is by 90 children and senior age persons less per 1 000 population than in previous municipality.

The difference between the highest and the lowest demographic burden in Zemgale region in town group was 1.4 times and in rural municipality group – 1.9 times.

### Population change

The number of inhabitants in Zemgale planning region from the beginning of the year 2000 till the beginning of year 2005 has decreased in average by 1.6%, which is twice as less as in the country on the whole – 3.1%. Great differences are observed in population change in towns and in rural municipalities of Zemgale region – population in town group in the region has decreased only by 0.1% in average, while in rural municipalities of the region decrease of 3.0% was observed.



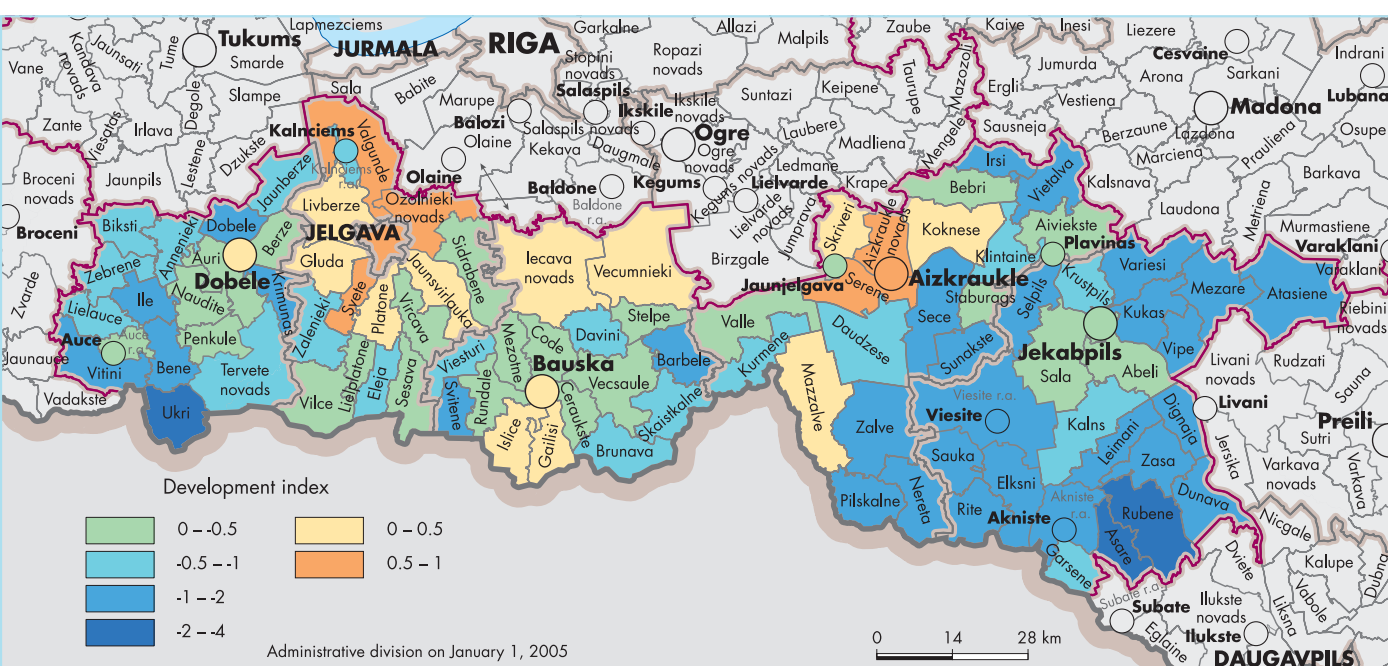


Figure 52. Development index of cities, towns, counties and rural municipalities in Zemgale planning region in 2004.

Planning region		Unemployment rate		Personal income tax per person		Demographic burden	
		2003	2004	2003	2004	2003	2004
Kurzeme region	Cities and towns	3.9	3.2	3.0	3.1	1.6	1.5
	Rural municipalities	5.9	6.7	4.8	4.6	1.7	1.7
Latgale region	Cities and towns	3.2	2.9	4.8	2.7	1.4	1.4
	Rural municipalities	5.2	7.1	6.0	4.7	1.8	1.8
Riga region	Cities and towns	4.1	5.8	3.4	3.1	1.8	1.9
	Rural municipalities	6.2	7.6	7.0	6.5	1.7	1.7
Vidzeme region	Towns	4.1	2.9	2.6	2.5	1.4	1.4
	Rural municipalities	11.0	11.3	7.0	5.9	2.1	1.9
Zemgale region	Cities and towns	2.6	2.5	2.3	2.2	1.4	1.4
	Rural municipalities	5.9	7.1	5.2	4.8	1.8	1.9

Table 40. Disparities between town group and rural municipality group in planning regions, in 2003 and 2004, by factor.

The respective average decrease in the country – 3.0% in towns and 2.7% in rural municipalities.

During five-year period, in town group population increase was observed only in one city of 11 towns in the region, namely in Jelgava city – by 4.4%, however, as reflected by numbers, this increase outweighs the decrease in the rest of towns in the region. In rural municipalities population increased in 24 of 84 rural municipalities of the region. During five-year period the most rapid increase of population was observed in Svete rural municipality of Jelgava district – by 11.1%, in Mazzalve rural municipality of Aizkraukle district – by 6.7%, in Serene rural municipality of Aizkraukle district – by 6.4%, as well as in Auri rural municipality of Dobeles district – by 5.9%.

Most dramatic decrease of population from the beginning of the year 2000 till the beginning of year 2005 in the town group was observed in Viesīte town with rural area – by 9.7% and in Aknīste with rural area – by 5.7%, whereas in rural municipalities the decrease was significant in Ukri rural municipality of Dobeles district – by 21.1%, in Leimani rural municipality of

Jekabpils district – by 13.9%, as well as in Svītene rural municipality of Bauska district and Dunava rural municipality of Jekabpils district – in each by 13.0%.

### Territory development index

According to data of 2004 in Zemgale region in town group the first position in the table of ranks according to development index is held by Jelgava city – index value of 0.905. The following top positions are held by local authorities of Jelgava and Aizkraukle districts – the county of Ozolnieki, Svete rural municipality, Valgunde rural municipality and Platone rural municipality of Jelgava district, the county of Aizkraukle and Serene rural municipality of Aizkraukle district. In general, positive development index is observed in 19 of 95 local authorities, which is 20%.

In Zemgale region local authorities with lowest development index values are mostly found in Jekabpils district – 15 (out of 20) – bottom ranking among towns and rural municipalities.

The last position, according to data of 2003 and 2004 with negative index value -3.286 belongs to Asare rural municipality of Jekabpils district. Among territories with lowest development index are also Ukri rural municipality of Dobeles district, Rubene rural municipality and Elksni rural municipality of Jekabpils district, and Nereta rural municipality of Aizkraukle district. The lowest development index in Zemgale planning region in town group was observed in Aknīste town with rural municipality (see Table 39 and Figure 52).

Improvement of situation is being observed in many rural municipalities of Jekabpils district. During one year, comparing data of 2003 to 2004 – the greatest improvement of development index was observed in Garsene rural municipality of Jekabpils district, which climbed in the table of ranks from 75th to 46th position. Significant improvement of development index is also characteristic for Atasiene rural municipality of Jekabpils district – climb from 93rd position to 80th position, as well as for Vipe rural municipality – from 87th to 72nd position, Kalnciems town with rural area – from 70th to 48th position, Mazzalve



rural municipality of Aizkraukle district – from 49th to 18th position, as well as the present leader in the table of ranks – Jelgava city – from 8th to 1st position.

During year's time only in two Zemgale planning region local authorities the development index value changed from negative to positive – in Koknese rural municipality and in Mazsalve rural municipality – both located in Aizkraukle district. The opposite, namely, change from positive development index to negative was observed in eight local authorities in the region – including local governments from all districts, except for Jekabpils district. Such, as if negative trend is more likely due to rapid increase of development index value for the largest city of the region – Jelgava.

Among territories that stand out with the most rapid decrease of development index value, one needs to note Zalve rural municipality of Aizkraukle district – a striking drop from 62nd to 90th position, as well as Nereta rural municipality – from 71st to 91st, Ukri rural municipality of Dobele district – from 82nd to 94th, Sauka rural municipality of Jekabpils district – from 60th to 86th position. Rapid decrease of rank is observed for Eleja rural municipality of Jelgava district – from 29th to 57th position. The development index value has also substantially decreased for the last in the table of ranks – Asare rural municipality of Jekabpils district.

Comparing the highest and the lowest values for each basic development indicator among planning regions, and having summarized the differences, Table 40 reveals that in 2004 the most significant difference in town group is observed in Riga planning region compared to other regions, in terms of unemployment rate, personal income tax per capita, demographic

burden. In the group of rural municipalities, in terms of unemployment rate the greatest differences are observed in Vidzeme region, in terms of personal income tax per capita – in Riga region, whereas in terms of demographic burden – similarly in Vidzeme and Zemgale regions.

During the period of one year, the general trend of decrease of disparities was observed, however, in terms of employment, disparities have increased in all regions in the group of rural municipalities, whereas in Riga planning region – in the town group.

Regions' territory development index does not substitute or replace the development index, which is calculated according to uniform groups – rural municipalities, towns and regions. Regions' territory development index is intended for analysis of rural municipalities, towns and counties within the boundaries of a region – for purposes of reflecting development differences in town group and in the group of rural municipalities of a given region. Such analytical information may appear to be useful for decision making processes resolving development planning issues at the regional level.

This present report provides an overview of development situation of local authorities of the regions. For deeper analysis of socio-economic development differences, both quantitative and qualitative research needs to be made with the assistance of interviews of local government and performing of thematic research on development processes in local governments of the regions.

## CONCLUSION. FUTURE TASKS OF REGIONAL DEVELOPMENT AND POLICY OBJECTIVES

During the reporting period, the territorial development trends of the previous years have remained. Comparatively rapid development of Riga and big economic centres is continuing, thus increasing the business activity and consequently the personal income. The low standard of living in rural territories, lack of financial capital and economic experience has fostered flowing of economically active people from the countryside to cities. As a result, under-populated rural territories are emerging in Latvia and economic and social problems are intensifying both in the cities and rural areas. In the cities there is an extra need for new work places, qualitative housing and different services (education, including the pre-school education possibilities, transport availability, etc.), whereas in the rural areas the economic and social activity of people is decreasing due to the impact of migration, consequently reducing the attractiveness of the place of residence.

By fulfilling the tasks set forth in the Basic Principles of the Regional Policy for achieving the objectives of the policy, the Ministry of Regional Development and Local Governments has achieved several significant results during the reporting period:

- the NDP elaborated under the guidance of the RAPLM,
- a time schedule set for completing the administrative territorial reform of local governments,
- a significant step taken towards strengthening the status and role of the planning regions,
- methodical work carried out with sectoral ministries in preparation of the development planning documents and ensuring their coordination,
- a successful implementation of regional development support instruments ensured,
- a significant preparatory work for 2007–2013 programming period carried out,
- work for developing new support instruments started,
- work with developing the regional development monitoring and evaluation system continued.

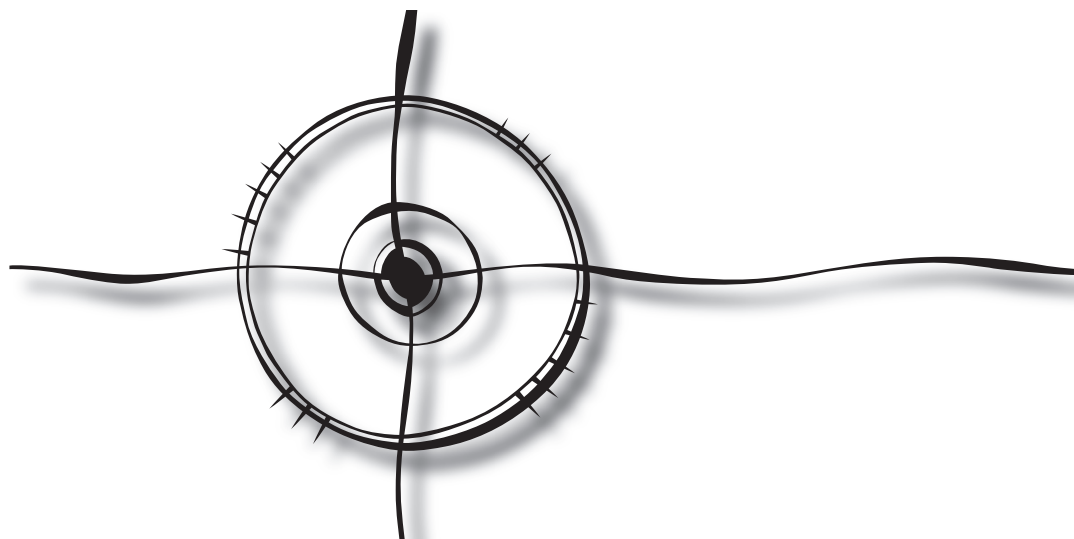
Over the next years, it is important to ensure the implementation and observation of principles set forth in the NDP in the areas that are most significant for the development of the country and regions. It is essential for implementing the

NDP to ensure a coordinated action, concentration of financial resources, efficient and coordinated usage of support instruments, public participation and awareness, monitoring of the implementation process.

The future tasks of the Ministry of Regional Development and Local Governments are closely connected with the implementation and observation of the NDP strategy principles in the planning and implementation of the regional policy. They are as follows:

- elaboration of the state sustainable development guidelines including the National planning,
- completion of the administrative territorial reform of local governments by the municipal elections in 2009,
- realization of the regional reform,
- improvement of local government financing system including solving the issue of pre-financing projects of local governments to avoid limiting purposeful planning and implementation of support instruments of the structural funds,
- strengthening the legal capacity of local governments and regions in fostering the territorial development,
- implementation of single development planning system in the country, strengthening the vertical and horizontal cooperation on all planning levels and ensuring the mutual coordination of planning documents,
- purposeful planning and implementation of support instruments of the structural funds with the aim to foster a balanced territorial development,
- improvement of the range of territorial and regional development support instruments,
- development and implementation of the regional development monitoring and evaluation system.

Taking into account the horizontal nature of the regional policy, implementation of the mentioned tasks shall be carried out in partnership with the state administrative institutions, planning regions and local governments discussing the priorities of different levels and areas, continuing the methodical work with partners, explaining and assisting in the development planning process and implementing the support instruments to incorporate the territorial vision.



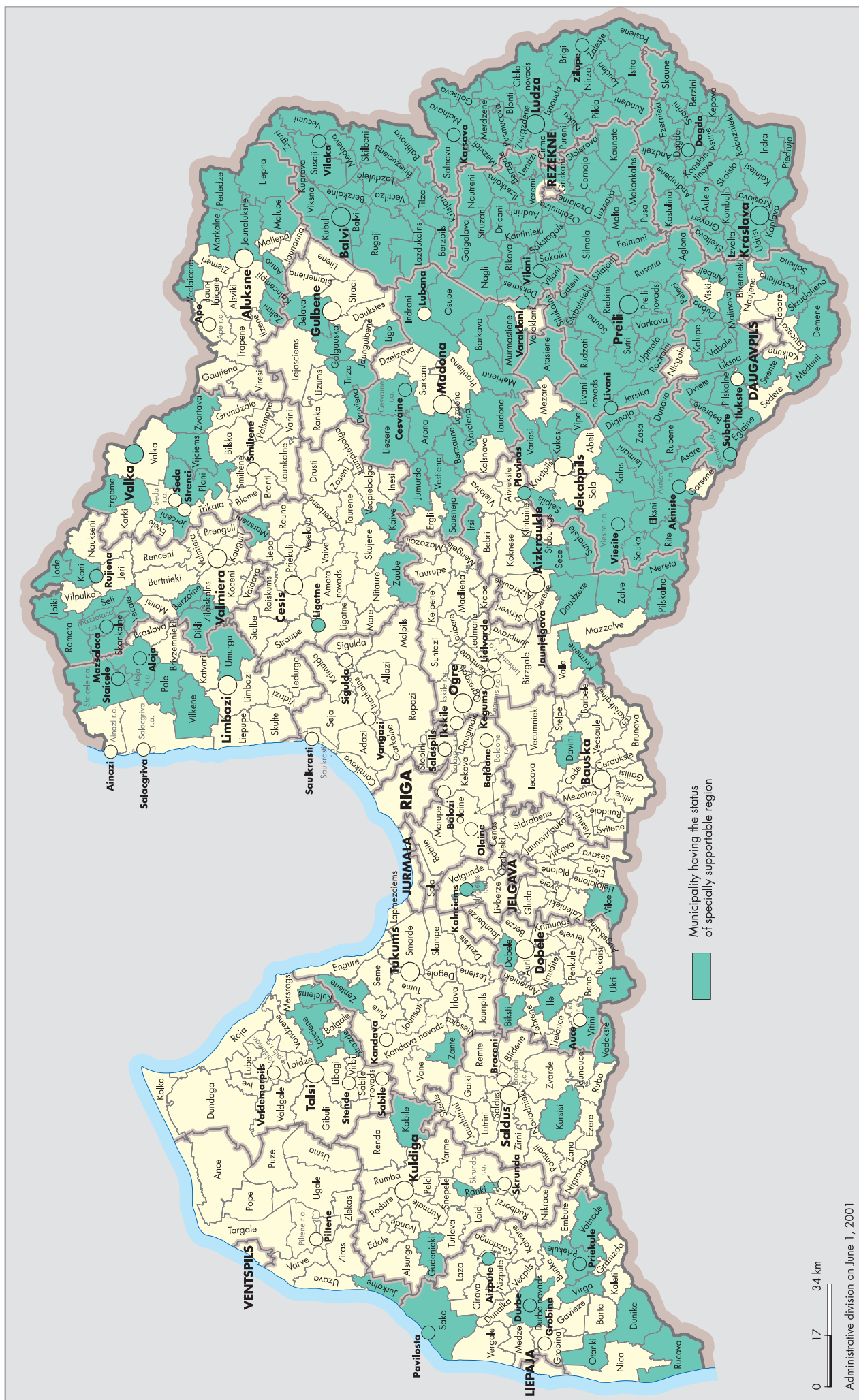


Figure 53. Specially supportable regions 2001–2004 according to the Cabinet of Ministers Regulations No 325.



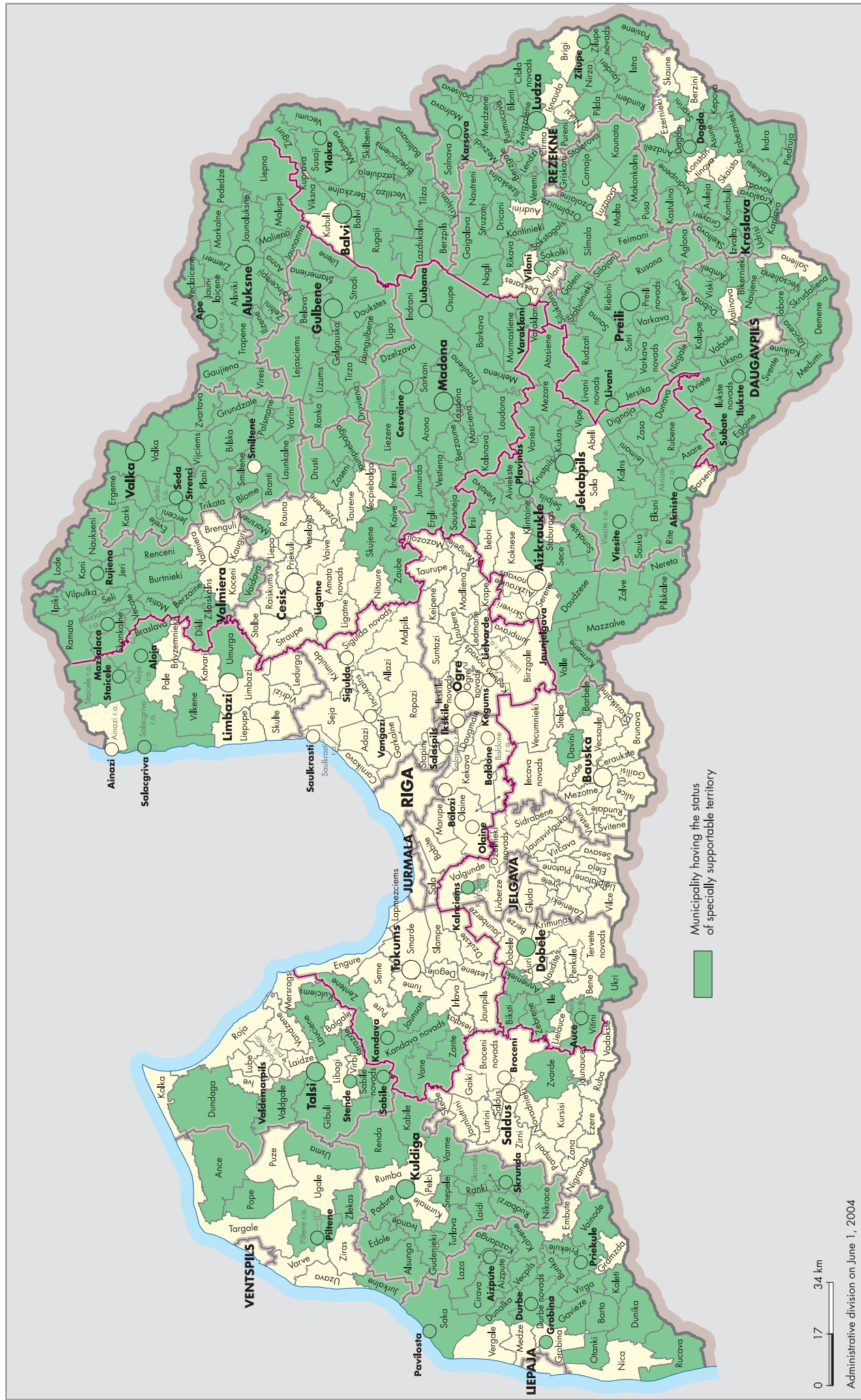


Figure 54. Specially supportable territories 2004–2006 according to the Cabinet of Ministers Regulations No 637.



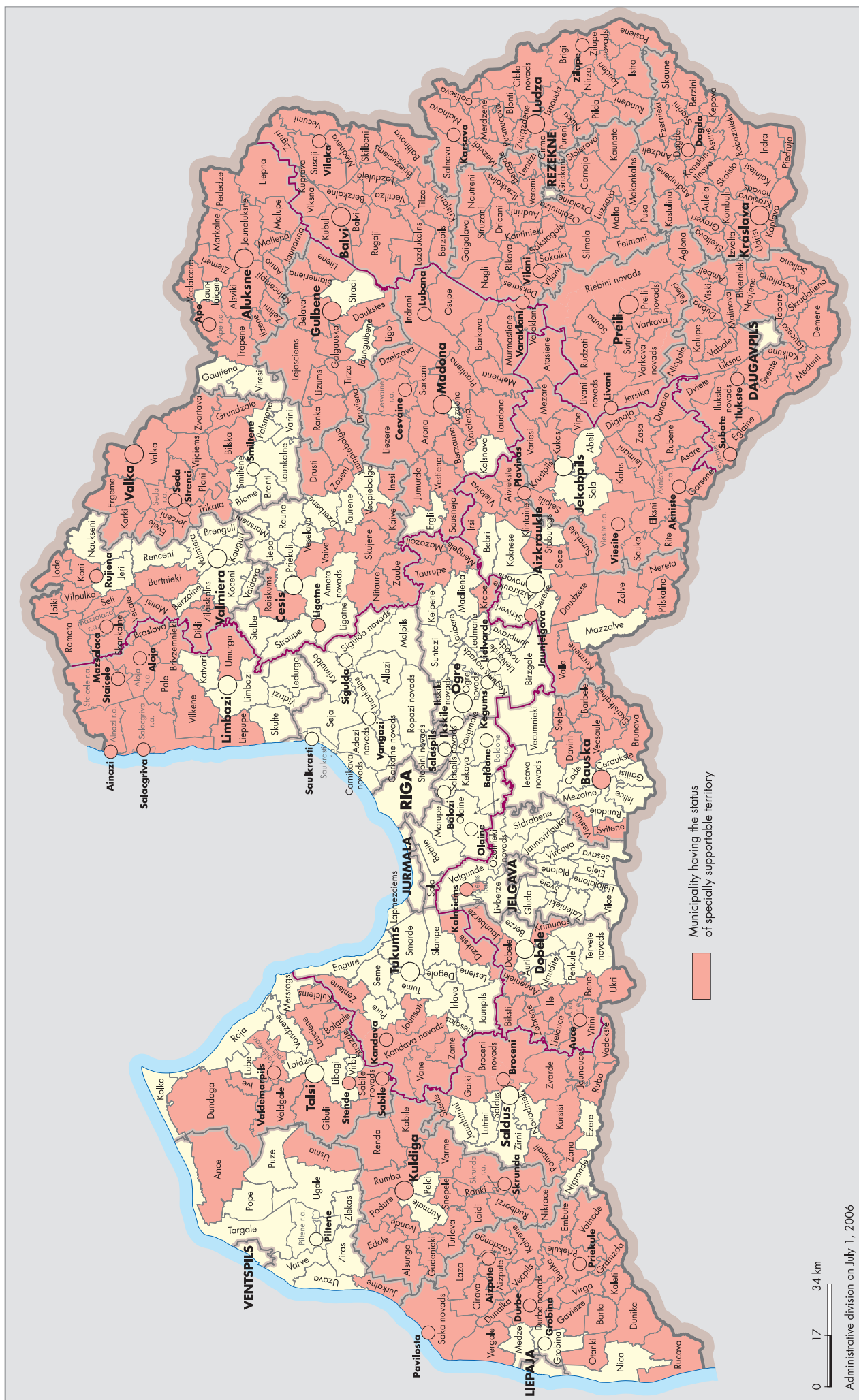


Figure 55. Specially supportable territories 2007–2009 according to the Cabinet of Ministers Regulations No 637.

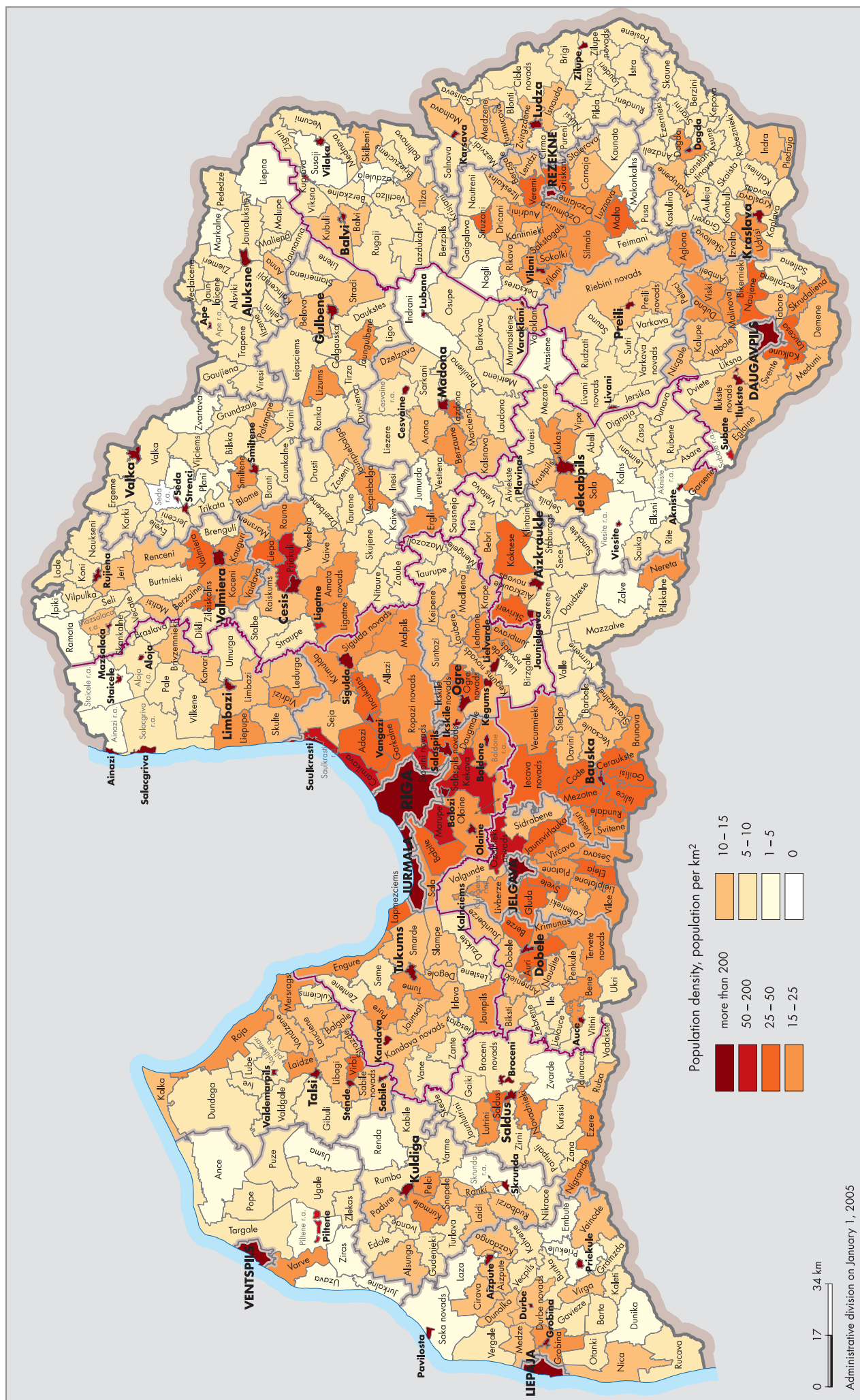


Figure 56. Population density at the beginning of 2005.



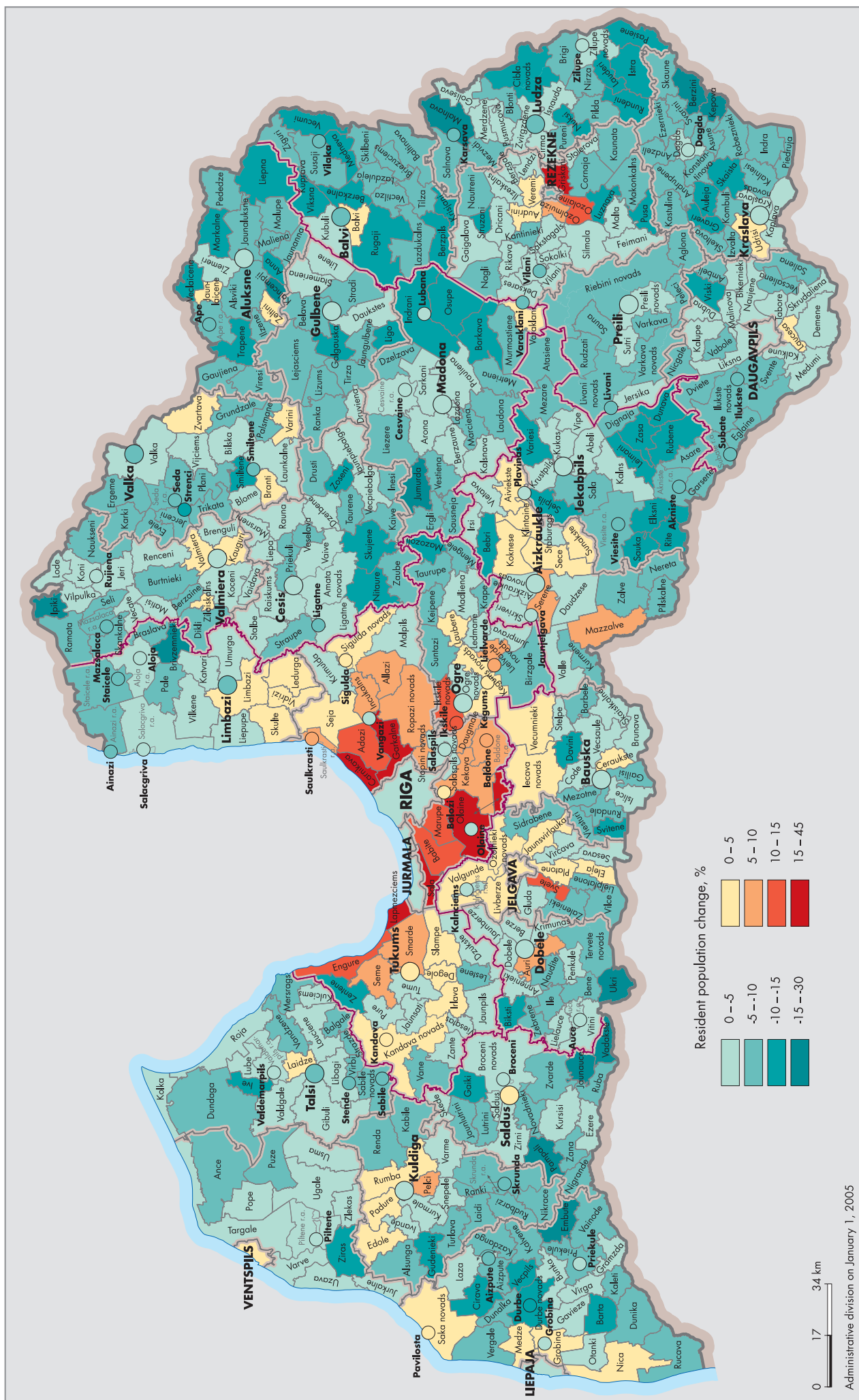


Figure 57. Resident population change in cities, towns, counties and rural municipalities at the beginning of 2000–2005.

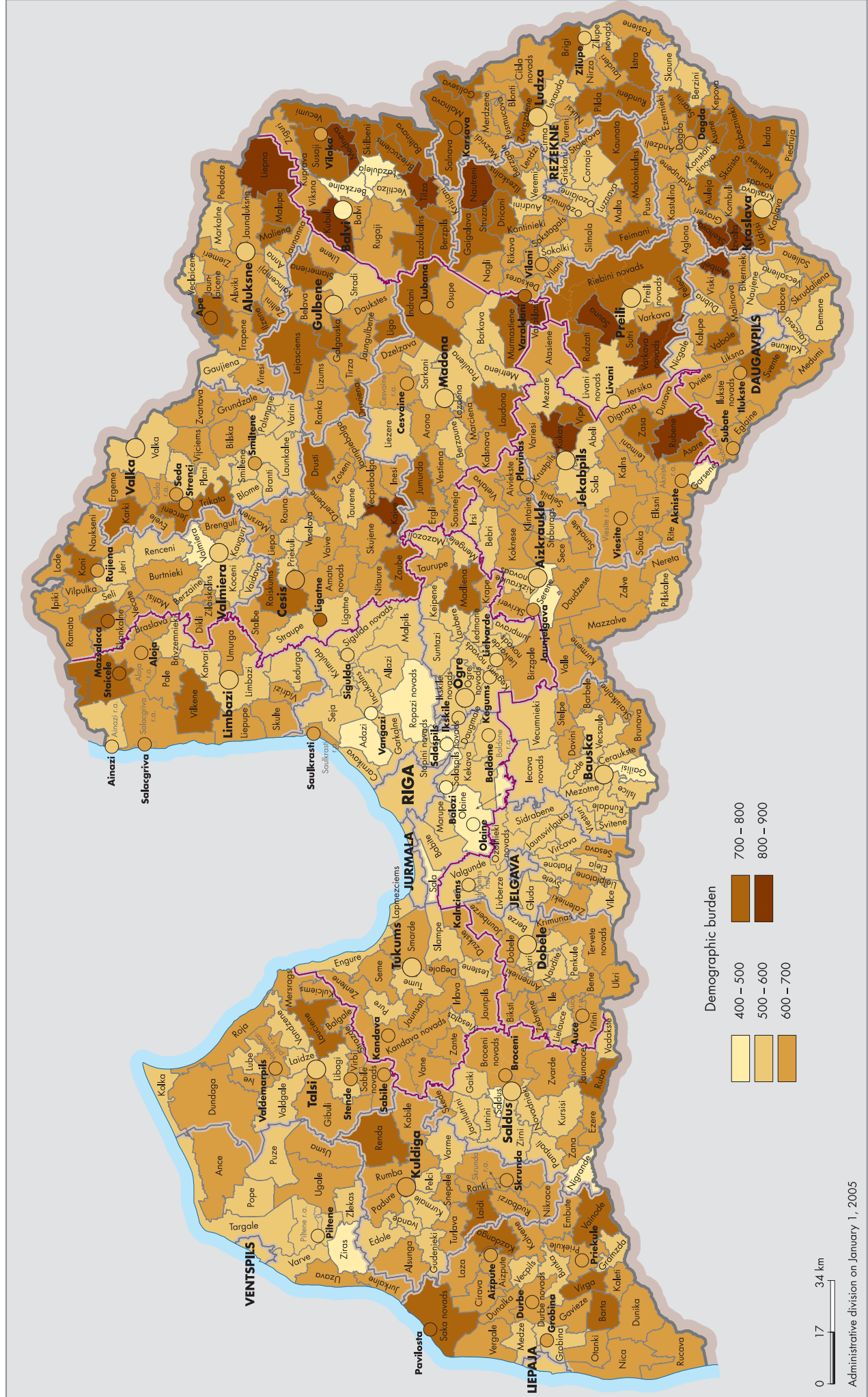


Figure 58. Level of demographic burden in cities, towns, counties and rural municipalities at the beginning of 2005.



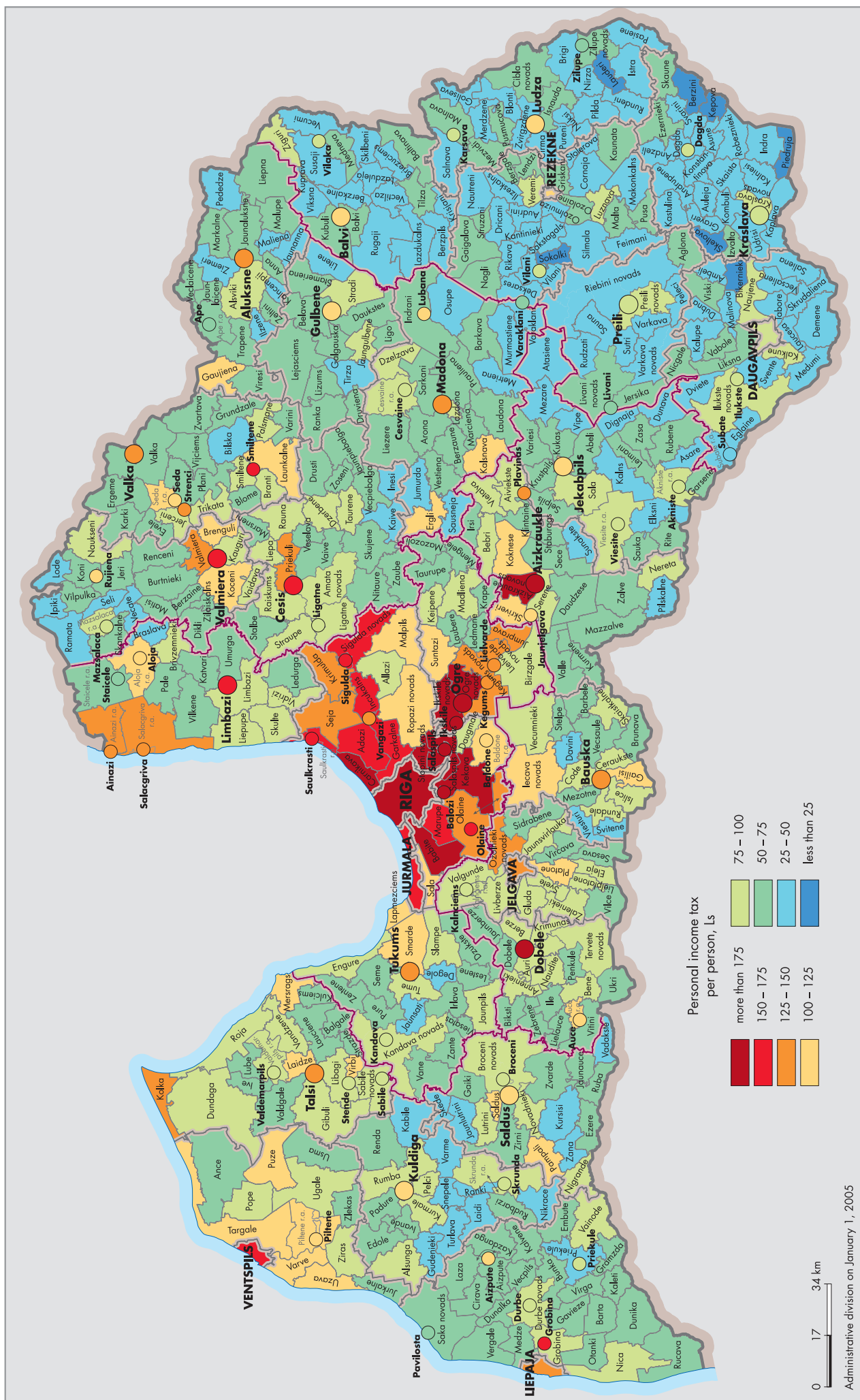


Figure 59. Personal income tax per person in cities, towns, counties and rural municipalities in 2004.

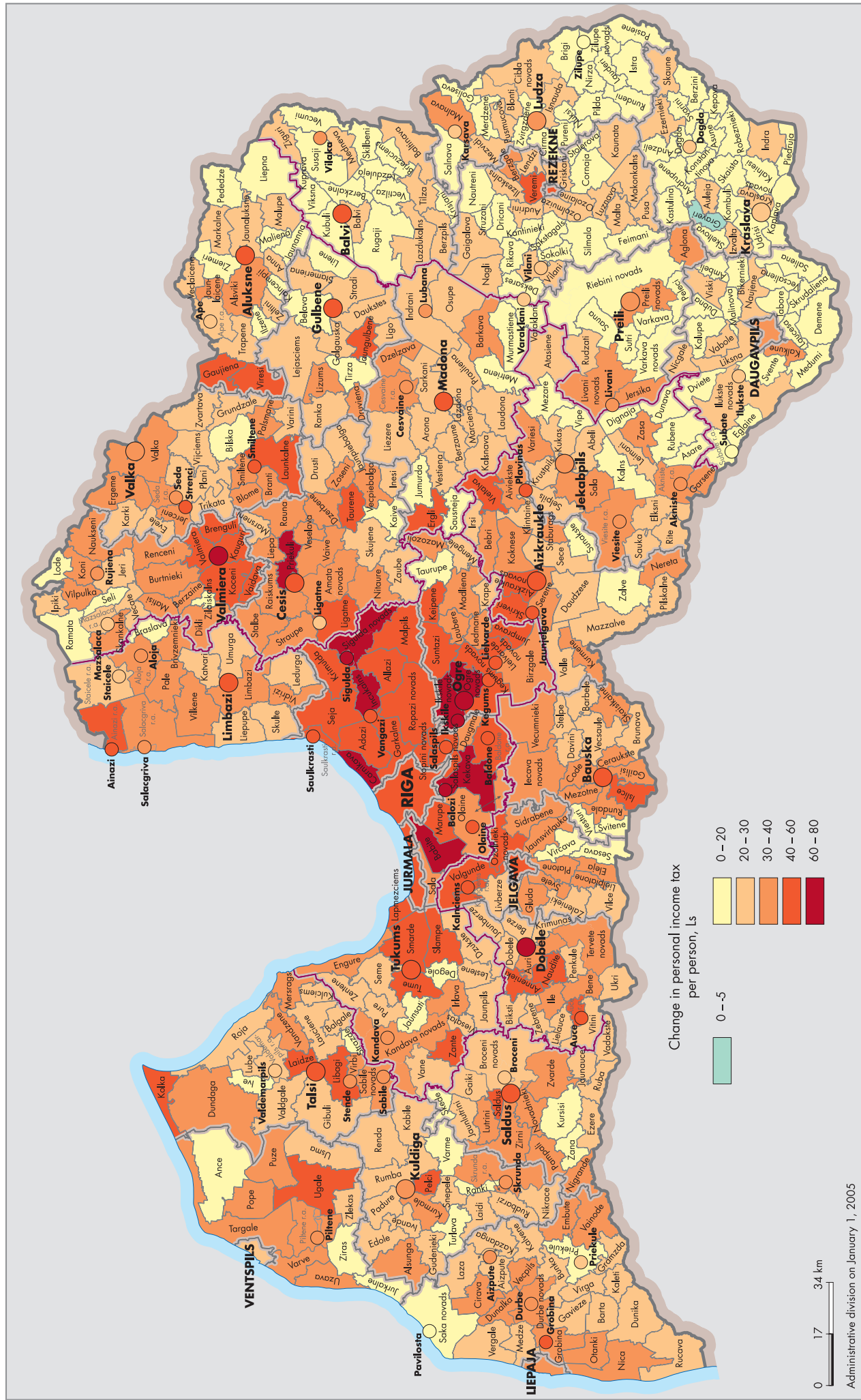


Figure 60. Change in personal income tax per person in cities, towns, counties and rural municipalities in 2004 compared to the average of 1999–2003.



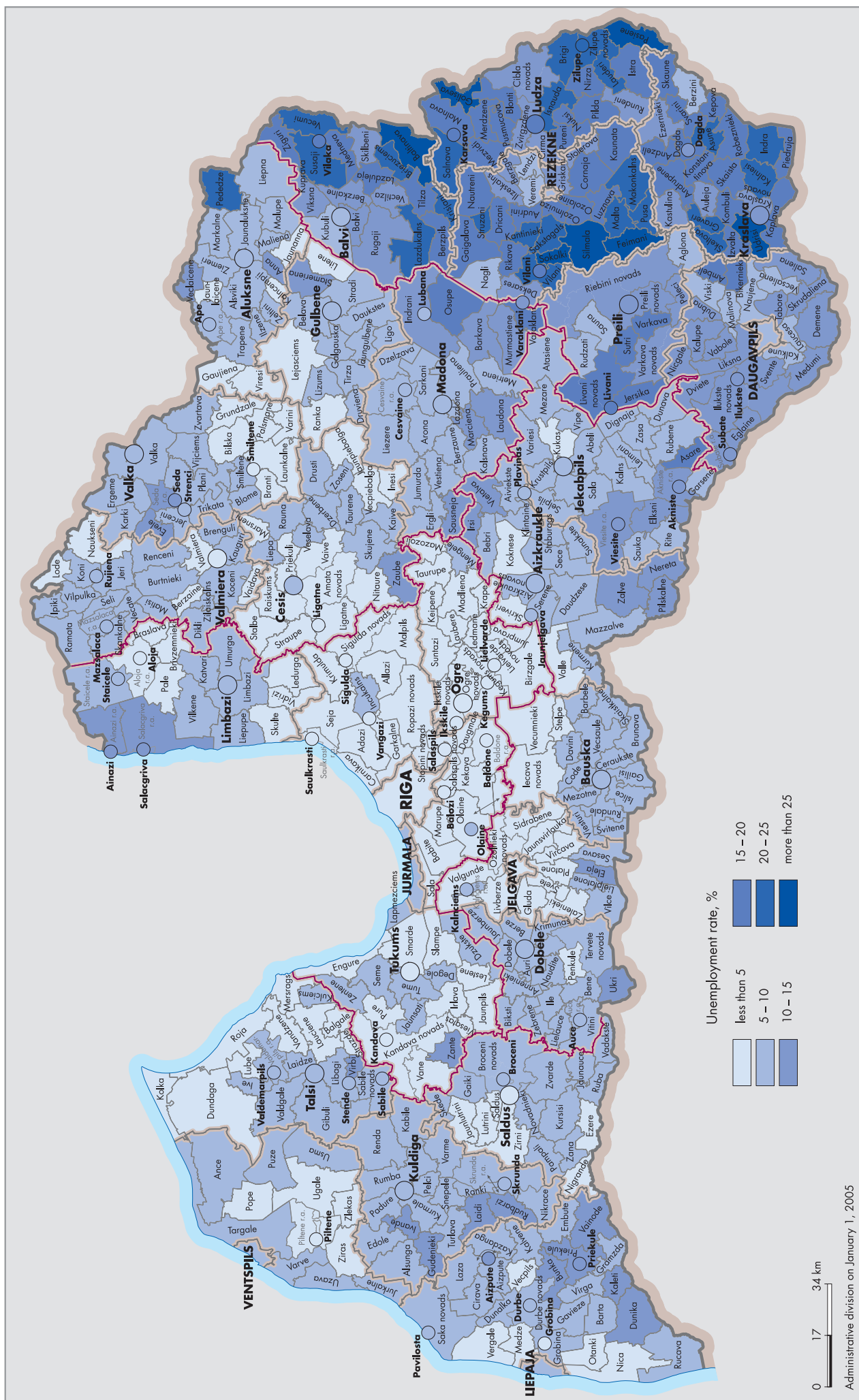


Figure 61. Unemployment rate in cities, towns, counties and rural municipalities at the beginning of 2005.

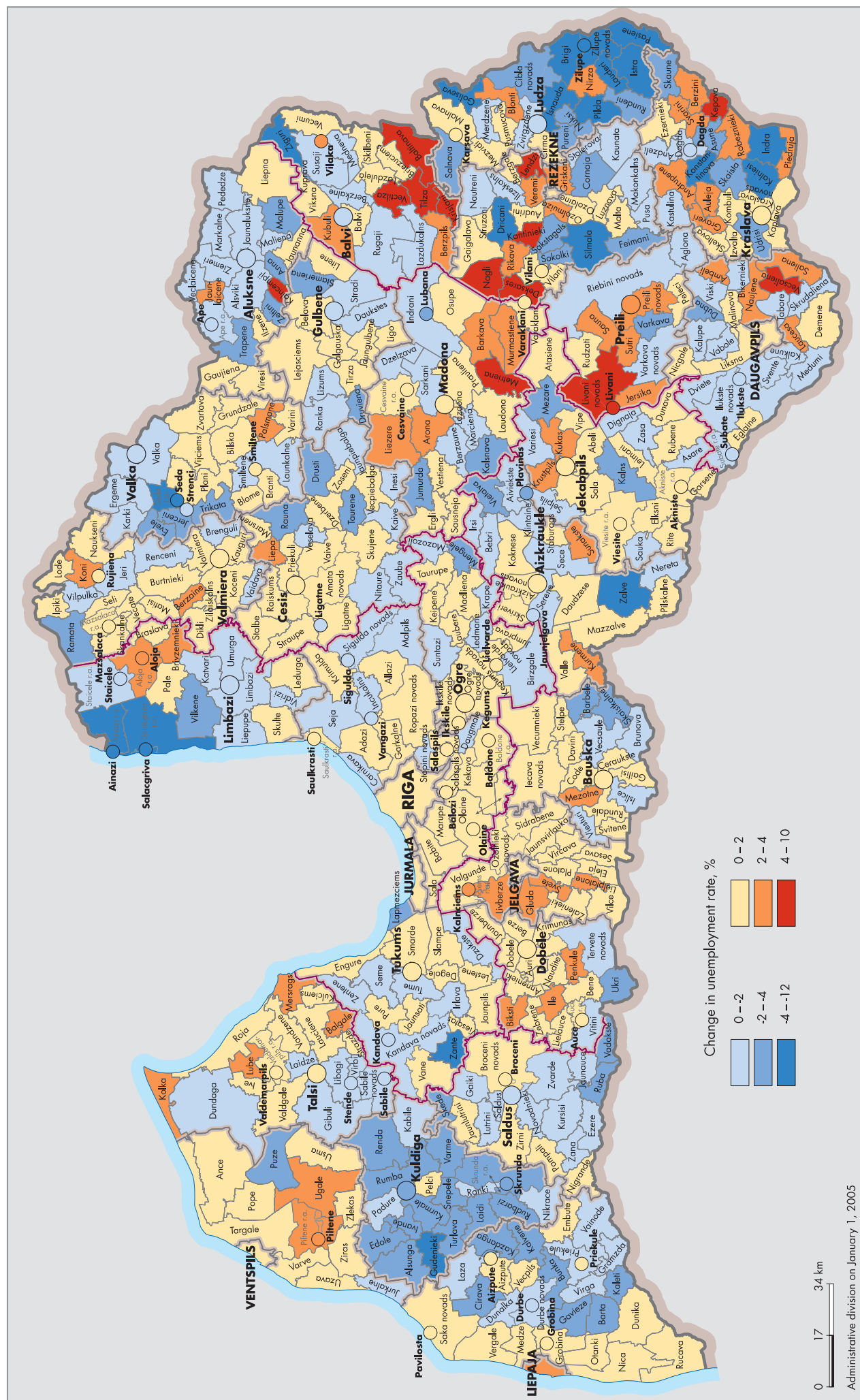


Figure 62. Change in unemployment rate in cities, towns, counties and rural municipalities at the beginning of 2000–2004.



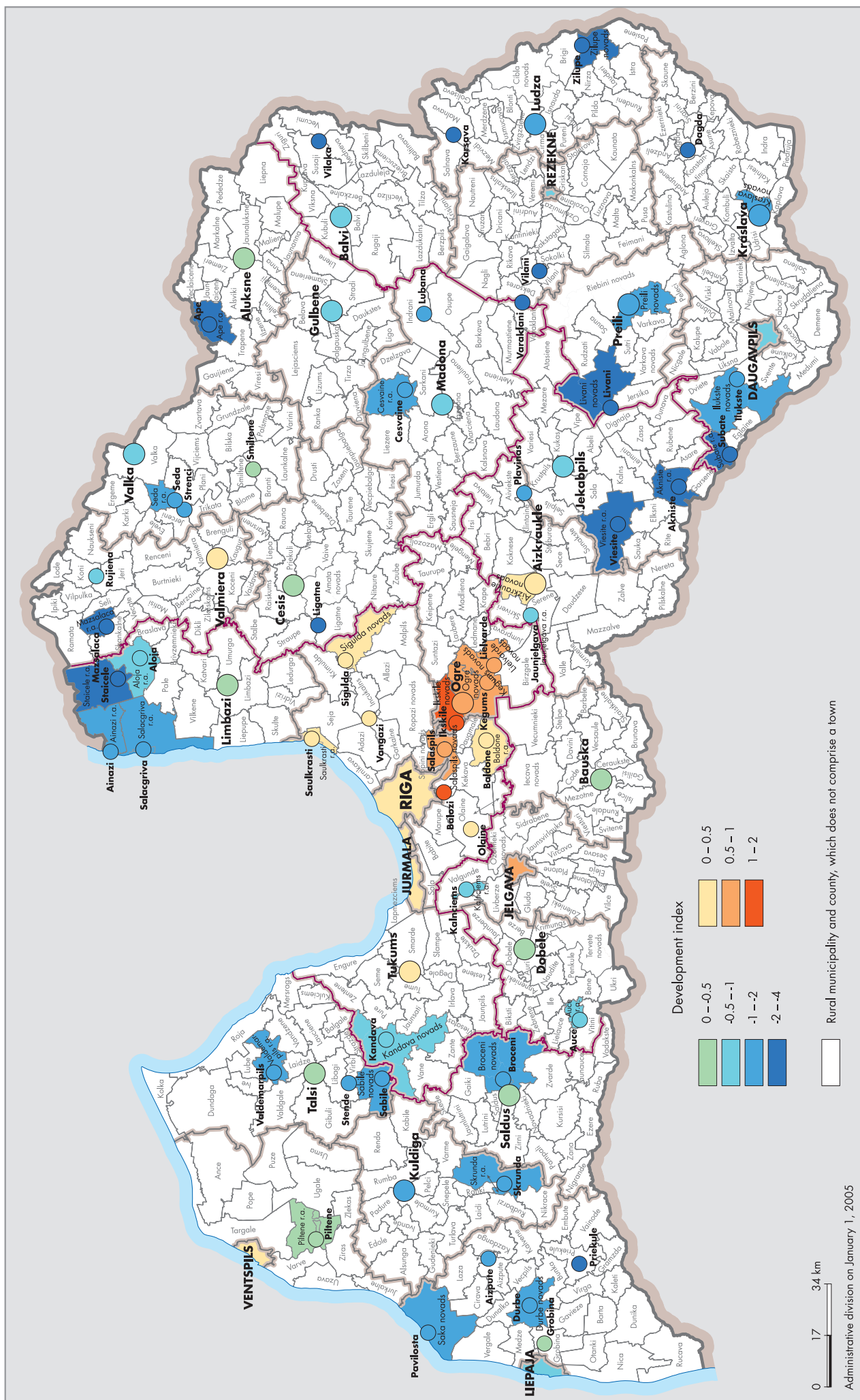


Figure 63. Development index in municipalities of town group in 2004.

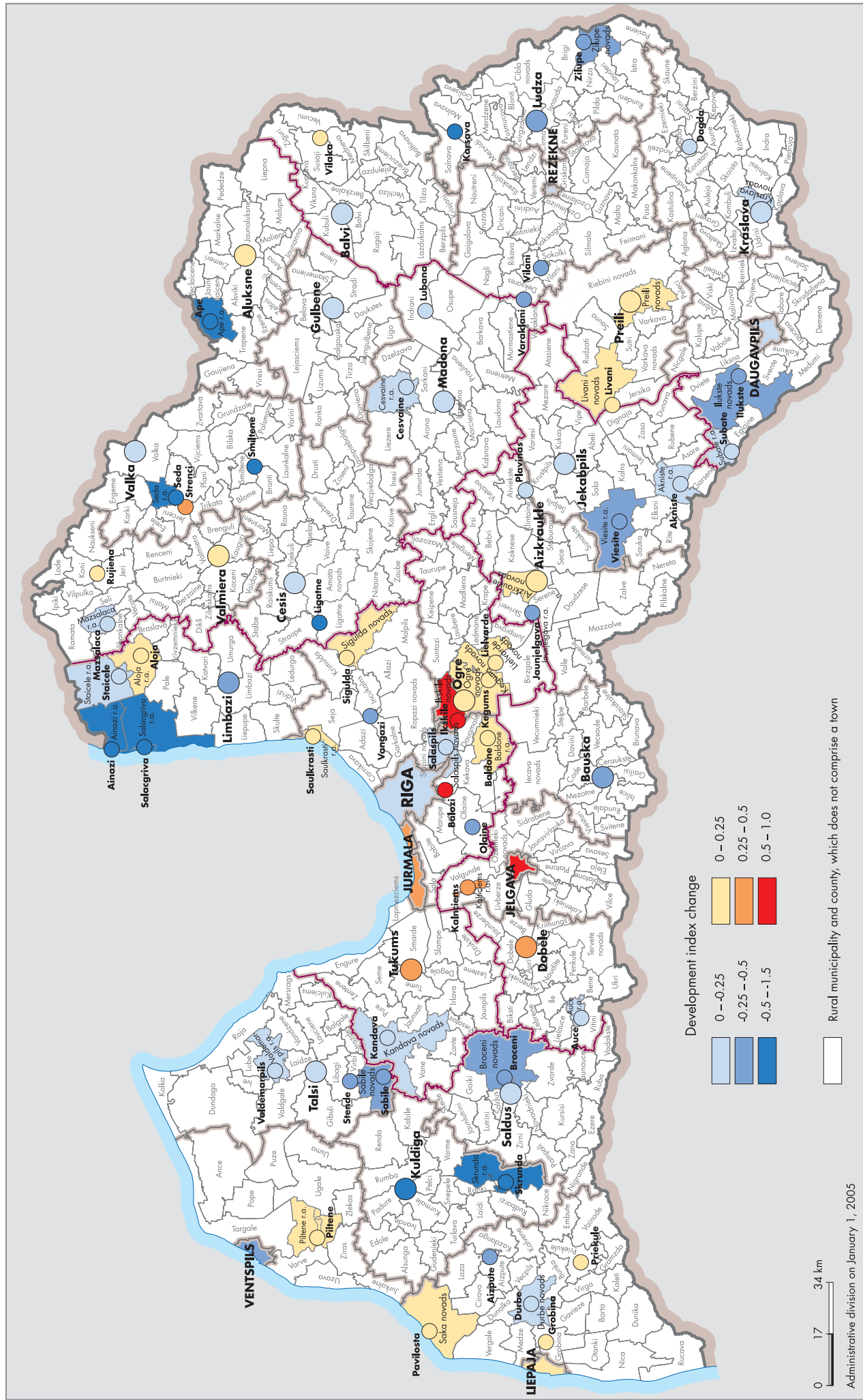


Figure 64. Development index change in municipalities of town group in 2004 compared to the average of 1999–2003.



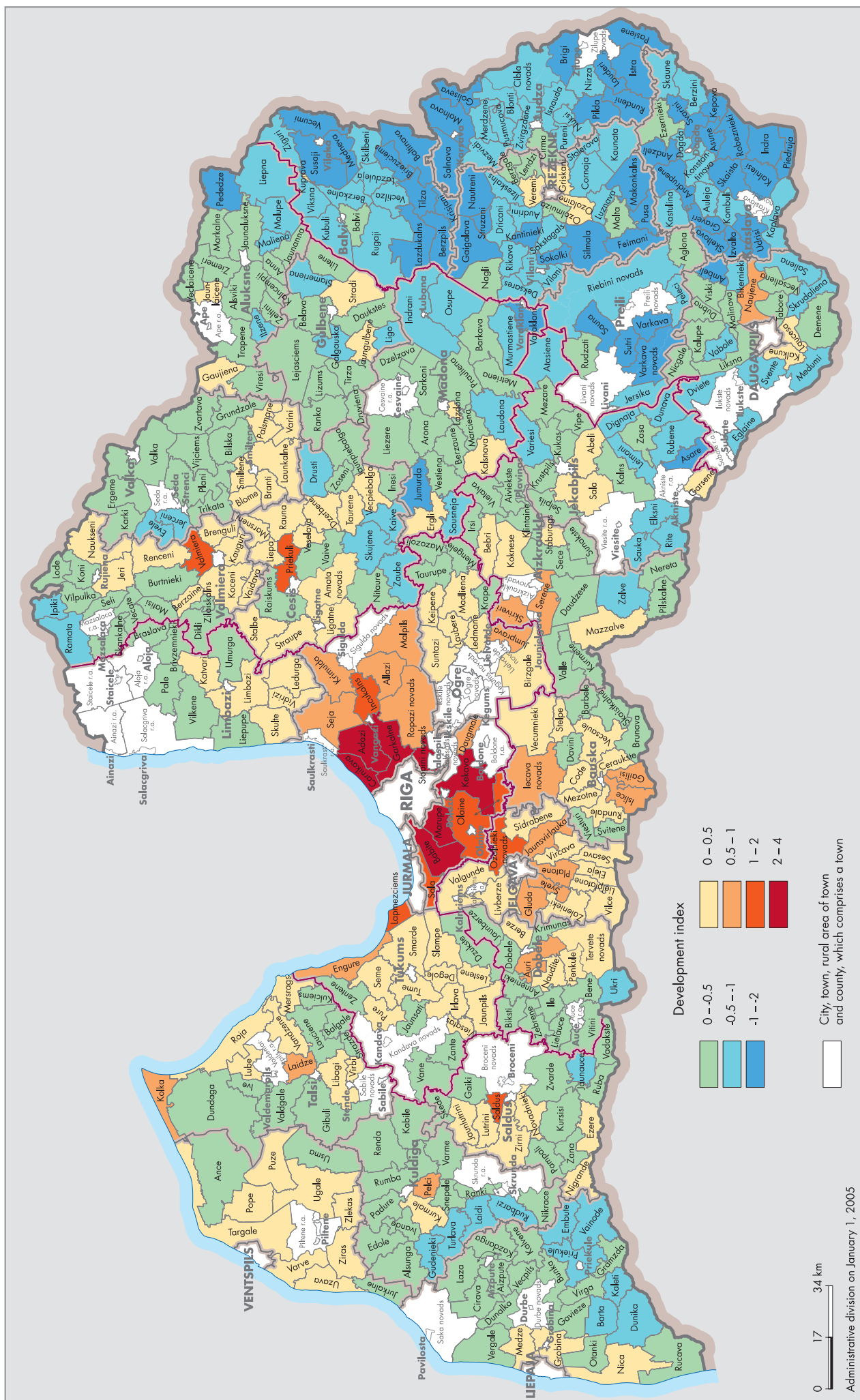


Figure 65. Development index in rural municipalities group in 2004.

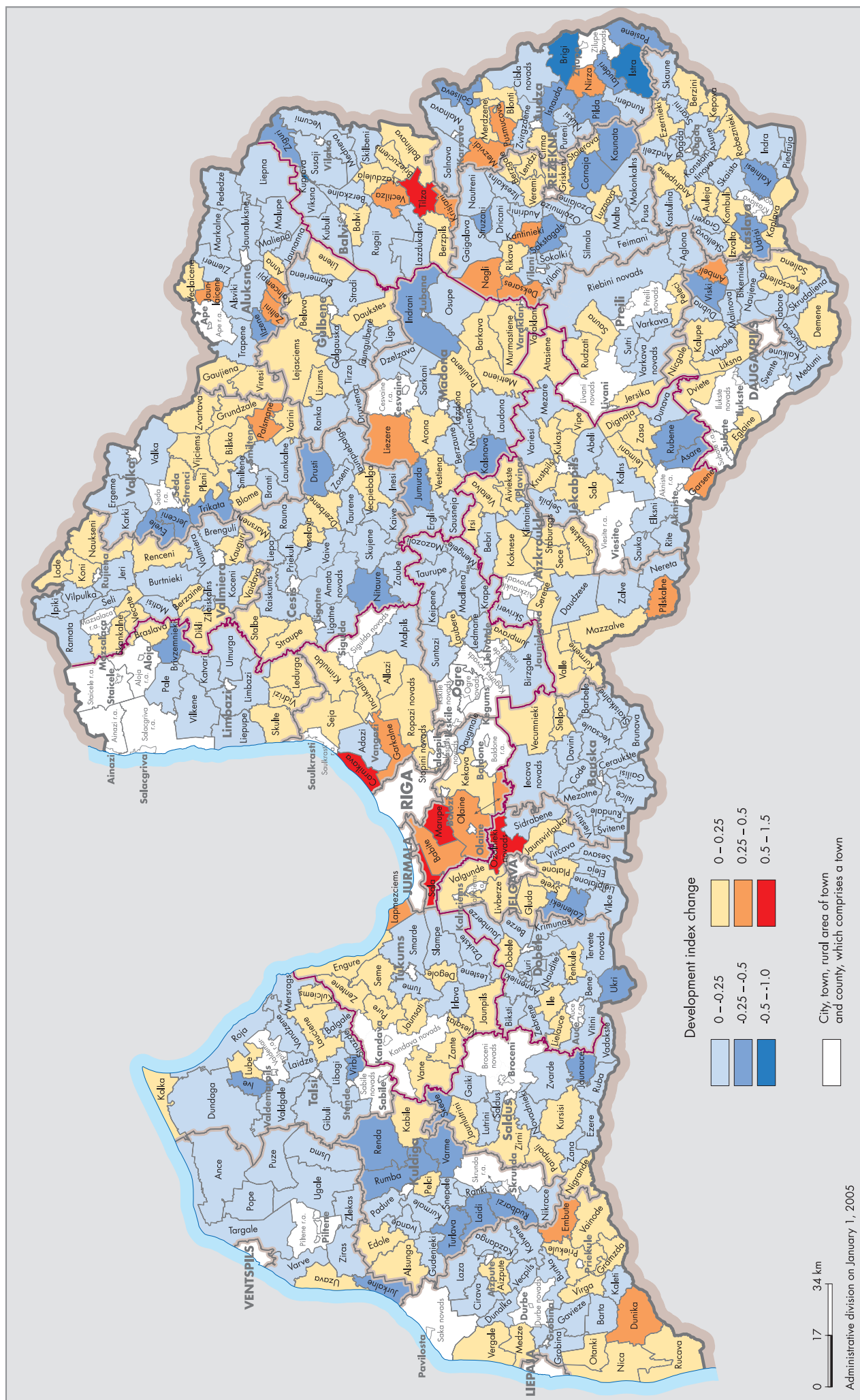


Figure 66. Development index change in rural municipalities group in 2004 compared to the average of 1999–2003.



## ANNEX

## Territory development index and rank in districts (1999–2004)

District	Planning region	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
District	Planning region												
						</							

District	Planning region	Development index						Rank					
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Limbazi district	Rīga	0.292	0.110	0.105	-0.079	-0.175	-0.190						
Ventspils district	Kurzeme	-0.206	-0.227	-0.241	0.518	0.083	-0.245	8	10	10	12	14	14
Gulbene district	Vidzeme	-0.203	-0.287	-0.259	-0.280	-0.311	-0.313	15	16	16	16	15	16
Madona district	Vidzeme	-0.425	-0.587	-0.548	-0.505	-0.557	-0.330	19	19	19	18	18	17
Kuldīga district	Kurzeme	-0.037	-0.164	-0.208	-0.246	-0.358	-0.337	13	12	13	15	16	18
Liepāja district	Kurzeme	-0.507	-0.743	-0.807	-0.809	-0.664	-0.568	21	21	21	21	20	19
Alūksne district	Vidzeme	-0.235	-0.538	-0.546	-0.664	-0.658	-0.621	17	18	18	19	19	20
Priekule district	Latgale	-1.117	-0.925	-0.906	-0.905	-0.894	-0.882	22	22	22	22	21	21
Daugavpils district	Latgale	-0.017	-0.649	-0.794	-0.794	-1.004	-1.081	12	20	20	20	22	22
Balvi district	Latgale	-1.158	-1.240	-1.237	-1.293	-1.227	-1.244	24	23	23	24	24	23
Ludza district	Latgale	-1.413	-1.363	-1.368	-1.452	-1.250	-1.332	26	25	25	26	25	24
Kraslava district	Latgale	-1.149	-1.333	-1.278	-1.227	-1.180	-1.362	23	24	24	23	23	25
Rezekne district	Latgale	-1.370	-1.413	-1.441	-1.447	-1.515	-1.453	25	26	26	25	26	26

## Territory development index and rank in town group (1999–2004)

City, town, county	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Balozi town	Rīga	0.539	0.767	0.859	1.016	1.153	1.682	6	3	3	2	3	1
Ilkskile novads <sup>1</sup>	Ogre	0.269	0.715	0.699	0.789	1.183	1.528	13	5	5	3	2	2
Salaspils novads <sup>2</sup>	Rīga	0.931	1.089	1.144	1.105	1.207	0.795	2	1	1	1	1	3
Ogre novads <sup>3</sup>	Ogre	-0.103	0.610	0.502	0.404	0.399	0.619	22	8	8	11	11	4
Kegums novads <sup>4</sup>	Ogre	0.486	0.728	1.042	0.557	0.677	0.615	7	4	2	6	5	5
Jelgava city	-	0.155	-0.447	-0.160	-0.029	-0.023	0.576	15	34	25	21	22	6
Lielvarde novads <sup>5</sup>	Ogre	0.439	0.174	0.415	0.525	0.705	0.531	9	18	11	8	4	7
Ventspils city	-	1.229	0.825	0.669	0.491	0.351	0.459	1	2	6	9	13	8
Rīga city	-	0.352	0.382	0.396	0.399	0.422	0.430	11	12	12	12	10	9
Olaine town	Rīga	0.865	0.653	0.469	0.712	0.651	0.425	3	6	9	4	6	10
Baldone town/r.a.	Rīga	0.442	0.025	0.086	0.092	0.360	0.408	8	21	18	17	12	11
Vangazi town	Rīga	0.745	0.544	0.732	0.602	0.561	0.351	4	10	4	5	7	12
Sigulda novads <sup>6</sup>	Rīga	0.043	0.216	0.445	0.546	0.442	0.351	19	15	10	7	8	13
Saulkrasti town/r.a.	Rīga	0.614	0.052	0.064	0.023	0.248	0.345	5	19	19	19	16	14
Aizkraukle novads <sup>7</sup>	Aizkraukle	-0.032	0.422	0.307	0.188	0.351	0.314	20	11	14	14	14	15
Valmiera town	Valmiera	0.106	0.031	0.096	0.071	0.176	0.310	16	20	17	18	17	16
Tukums town	Tukums	-0.279	-0.126	-0.050	-0.048	0.121	0.224	26	26	22	24	18	17
Jurmala city	-	0.092	-0.043	-0.095	-0.156	0.015	0.184	17	25	24	25	21	18
Grobina town	Liepāja	-0.355	0.193	-0.188	-0.048	-0.325	-0.012	28	17	26	23	30	19

City, town, county	District	Development index						Rank					
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Saldus town	Saldus	-0.190	0.010	-0.048	0.120	0.094	-0.116	24	22	21	16	19	20
Cēsis town	Cēsis	0.298	-0.267	-0.287	-0.175	-0.105	-0.132	12	29	29	27	24	21
Piltene town/r.a.	Ventspils	-0.369	-0.324	-0.355	-0.211	-0.149	-0.142	29	31	33	28	25	22
Dobele town	Dobele	-0.408	-0.517	-0.593	-0.353	-0.301	-0.173	31	37	41	34	29	23
Limbazi town	Limbazi	0.059	0.357	0.253	0.134	-0.080	-0.194	18	13	15	15	23	24
Talsi town	Talsi	0.170	-0.003	-0.201	-0.172	-0.329	-0.274	14	23	27	26	33	25
Smiltene town	Valka	-0.157	0.601	0.573	0.461	0.292	-0.392	23	9	7	10	15	26
Bauska town	Bauska	-0.465	-0.026	-0.063	-0.033	0.062	-0.419	32	24	23	22	20	27
Alūksne town	Alūksne	-0.487	-0.464	-0.371	-0.430	-0.516	-0.471	34	35	34	36	36	28
Madona town	Madona	-0.699	-0.324	-0.308	-0.275	-0.273	-0.510	39	30	30	30	28	29
Daugavpils city	-	-0.512	-0.361	-0.348	-0.269	-0.271	-0.533	35	32	32	29	27	30
Gulbene town	Gulbene	-0.473	-0.370	-0.397	-0.299	-0.483	-0.554	33	33	35	32	35	31
Jelgavpils town	Jelgavpils	-0.655	-0.539	-0.659	-0.595	-0.648	-0.670	38	38	46	39	39	32
Liepāja city	-	-0.745	-0.870	-0.972	-1.001	-0.966	-0.720	42	48	53	52	46	33
Balvi town	Balvi	-0.723	-0.686	-0.643	-0.655	-0.659	-0.775	41	42	44	41	42	34
Aloja town/r.a.	Limbazi	-1.003	-1.070	-0.648	-0.773	-0.326	-0.794	51	52	45	47	31	35
Valka town	Valka	-1.238	-0.516	-0.447	-0.320	-0.409	-0.797	55	36	36	33	34	36
Kandava novads <sup>8</sup>	Tukums	-0.257	-0.955	-0.699	-0.662	-0.771	-0.811	25	49	47	43	45	37
Rezekne city	-	-0.575	-0.581	-0.643	-0.673	-0.653	-0.837	37	40	43	44	41	38

City, town, county	District	Development index						Rank					
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Jaunjelgava town/r.a.	Aizkraukle	-2.814	0.349	0.353	0.338	0.438	-0.874	77	14	13	13	9	39
Rujiena town	Valmiera	-1.383	-0.574	-0.461	-0.497	-0.692	-0.879	59	39	37	37	44	40
Auce town/r.a.	Dobele	-0.908	-0.621	-0.321	-0.728	-1.067	-0.895	49	41	31	46	50	41
Kalnāciems town/r.a.	Jelgava	-1.511	-1.654	-1.283	-1.268	-1.262	-0.936	61	64	59	56	56	42
Preiļi novads <sup>9</sup>	Preiļi	-1.273	-0.973	-0.911	-0.870	-0.979	-1.019	56	50	50	48	47	43
Brocēni novads <sup>10</sup>	Saldus	-0.958	0.213	-0.580	-0.694	-0.664	-1.055	50	16	40	45	43	44
Lubana town	Madona	-0.843	-1.206	-0.936	-1.037	-1.107	-1.085	46	59	51	53	52	45
Plavinas town	Aizkraukle	-1.345	-0.703	-0.641	-0.615	-0.636	-1.101	57	44	42	40	38	46
Valdemārpils town/r.a.	Talsi	-2.040	-0.776	-0.476	-0.527	-0.563	-1.128	69	46	38	38	37	47
Aināzi town/r.a.	Limbazi	0.384	0.630	0.063	0.003	0.240	-1.171	10	7	20	20	26	48
Salacgrīva town/r.a.	Limbazi	-0.035	-0.140	0.117	-0.296	-0.328	-1.207	21	27	16	31	32	49
Kuldīga town	Kuldīga	-0.401	-0.185	-0.245	-0.356	-0.653	-1.221	30	28	28	35	40	50
Cesvaine town/r.a.	Madona	-1.833	-1.285	-0.944	-0.957	-1.052	-1.224	66	61	52	50	49	51
Kraslava novads <sup>11</sup>	Kraslava	-0.778	-1.082	-1.232	-1.116	-1.174	-1.305	44	53	57	55	54	52
Stende town	Talsi	-0.806	-0.844	-0.805	-1.082	-1.067	-1.378	45	47	48	54	51	53
Strenci town	Valka	-0.321	-1.619	-2.141	-2.340	-2.457	-1.420	27	63	69	69	70	54
Skrunda town/r.a.	Kuldīga	-0.880	-0.759	-0.900	-0.973	-1.219	-1.676	48	45	49	51	55	55
Durbe novads <sup>12</sup>	Liepāja	-1.570	-1.121	-1.553	-1.473	-1.561	-1.707	62	56	63	61	59	56
Ludza town	Ludza	-1.069	-1.097	-1.254	-1.347	-1.539	-1.730	53	54	58	58	57	57

Remark. Counties, which comprise a town have been included in this table.

<sup>1</sup> Ikskile novads established in 2004 from Ikskile town with rural area (territory unchanged).

<sup>2</sup> Salaspils novads established in 2004 from Salaspils town with rural area (territory unchanged).

<sup>3</sup> Ogre novads established in 2002 by amalgamating Ogre town and Ogresgals pagasts. The data on the year 1999–2001 is about Ogre town.

<sup>4</sup> Kegums novads established in 2002 by amalgamating Kegums town with rural area and Rembate pagasts. The data on the year 1999–2001 is about Kegums town with rural area.

<sup>5</sup> Lielvarde novads established in 2004 from Lielvarde town with rural area (territory unchanged).

<sup>6</sup> Sigulda novads established in 2003 by amalgamating Sigulda town, More pagasts and Sigulda pagasts. The data on the year 1999–2002 is about Sigulda town.

<sup>7</sup> Aizkraukle novads established in 2001 by amalgamating Aizkraukle town and Aizkraukle pagasts. The data on the year 1999 and 2000 is about Aizkraukle town.

<sup>8</sup> Kandava novads established in 1995 by amalgamating Kandava town, Cere pagasts and Kandava pagasts. Matkule pagasts and Zemīte pagasts joined in 1997.

<sup>9</sup> Preiļi novads established in 2000 by amalgamating Preiļi town, Aizkalne pagasts and Preiļi pagasts. The data on the year 1999 is about Preiļi town.

City, town, county	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Sabīle novads <sup>13</sup>	Talsi	-0.874	-1.102	-1.075	-1.398	-1.840	-1.763	47	55	55	59	61	58
Ilukste novads <sup>14</sup>	Daugavpils	-0.549	-0.998	-1.076	-1.281	-1.805	-1.786	36	51	56	57	60	59
Saka novads <sup>15</sup>	Liepāja	-1.789	-2.101	-2.146	-2.026	-2.146	-1.836	65	68	70	66	68	60
Aizpute town	Liepāja	-1.008	-1.146	-1.396	-1.506	-1.548	-1.848	52	58	61	62	58	61
Seda town/r.a.	Valka	-1.222	-0.693	-0.981	-0.657	-1.152	-1.950	54	43	54	42	53	62
Priekule town	Liepāja	-1.370	-2.482	-2.417	-2.509	-2.145	-2.005	58	75	74	74	67	63
Dagda town	Kraslava	-0.703	-1.988	-1.983	-2.174	-2.370	-2.009	40	66	67	68	69	64
Viesīte town/r.a.	Jelkabpils	-1.775	-1.388	-1.524	-1.455	-1.841	-2.011	64	62	62	60	62	65
Līgatne town	Cēsis	-1.730	-1.142	-0.484	-0.925	-0.980	-2.037	63	57	39	49	48	66
Aknīste town/r.a.	Jelkabpils	-2.180	-2.117	-1.749	-1.823	-2.086	-2.130	72	69	64	65	65	67
Mazsalaca town/r.a.	Valmiera	-2.011	-1.910	-1.860	-1.803	-2.028	-2.137	68	65	65	64	63	68
Līvāni novads <sup>16</sup>	Preiļi	-2.686	-2.311	-2.371	-2.094	-2.035	-2.211	76	74	72	67	64	69
Stārcle town/r.a.	Limbazi	-2.062	-2.142	-1.898	-2.342	-2.090	-2.266	70	71	66	70	66	70
Ape town/r.a.	Aukšene	-0.761	-1.211	-1.284	-1.763	-2.710	-2.355	43	60	60	63	72	71
Subate town/r.a.	Daugavpils	-2.097	-2.120	-2.129	-2.504	-2.577	-2.398	71	70	68	73	71	72
Vilaka town	Balvi	-2.228	-2.897	-2.835	-3.116	-2.735	-2.517	73	77	77	77	73	73
Zīļupe novads <sup>17</sup>	Ludza	-1.449	-2.033	-2.188	-2.488	-2.847	-2.596	60	67	71	72	75	74
Varakļāni town	Madona	-2.264	-2.284	-2.402	-2.441	-2.798	-2.773	74	73	73	71	74	75
Vilāni town	Rezekne	-2.278	-2.605	-2.684	-2.997	-2.987	-3.003	75	76	76	76	77	76
Karsava town	Ludza	-1.921	-2.260	-2.601	-2.927	-2.918	-3.046	67	72	75	75	76	77

<sup>10</sup> Broceni novads established in 2001 by amalgamating Broceni town with rural area, Bīdrene pagasts and Remīte pagasts. The data on the year 1999 and 2000 is about Broceni town with rural area.

<sup>11</sup> Kraslava novads established in 2001 by amalgamating Kraslava town and Kraslava pagasts. The data on the year 1999 and 2000 is about Kraslava town.

<sup>12</sup> Durbe novads established in 2000 by amalgamating Durbe town with rural area and Tadaiki pagasts. The data on the year 1999 is about Durbe town with rural area.

<sup>13</sup> Sabīle novads established in 2000 by amalgamating Sabīle town and Abava pagasts. The data on the year 1999 is about Sabīle town.

<sup>14</sup> Ilukste novads established in 2003 by amalgamating Ilukste town, Bebrene pagasts, Pliskalne pagasts and Sedere pagasts. The data on the year 1999–2002 is about Ilukste town.

<sup>15</sup> Saka novads established in 2004 by amalgamating Pavilosta town and Saka pagasts. The data on the year 1999–2003 is about Pavilosta town.

<sup>16</sup> Līvāni novads established in 1997 by amalgamating Līvāni town, Rozupe pagasts and Turki pagasts.

<sup>17</sup> Zīliupe novads established in 2002 by amalgamating Zīliupe town and Zalesje pagasts. The data on the year 1999–2001 is about Zīliupe town.

## Territory development index and rank in rural municipality group (1999–2004)

County, rural municipality	District	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	Rank
Stopini novads <sup>1</sup>	Rīga	3.734	3.754	3.782	3.754	3.998	3.883	2	2	2	2	2	1	1
Marupe pagasts	Rīga	2.541	2.053	2.113	2.037	2.149	3.213	3	7	5	7	6	2	2
Carnikava pagasts <sup>2</sup>	Rīga	1.798	2.271	2.155	2.070	2.235	2.616	6	3	4	5	5	3	3
Garkalne pagasts <sup>3</sup>	Rīga	1.483	2.065	2.050	2.066	2.461	2.517	8	6	6	6	2	4	4
Kekava pagasts	Rīga	1.910	2.157	2.264	2.305	2.262	2.285	5	5	3	3	4	5	5
Adazi pagasts <sup>4</sup>	Rīga	2.326	2.264	2.006	2.104	2.460	2.206	4	4	7	4	3	6	6
Babīte pagasts	Rīga	1.549	1.613	1.630	1.605	1.674	2.088	7	8	8	9	7	7	7
Ozolnieki novads <sup>5</sup>	Jelgava	-	-	-	-	1.531	1.732	-	-	-	-	8	8	8
Sala pagasts	Rīga	0.919	0.655	0.795	1.010	1.016	1.390	14	37	24	15	16	9	9
Inčukalna pagasts	Rīga	0.852	0.805	1.184	1.689	1.294	1.355	18	19	10	8	11	10	10
Olaine pagasts	Rīga	0.856	0.851	0.979	1.053	1.227	1.343	17	16	15	13	12	11	11
Lapmežciems pagasts	Tukums	0.868	0.687	1.021	1.051	1.034	1.336	16	34	14	14	14	12	12
Priekuli pagasts	Cēsis	1.142	1.318	1.106	1.217	1.330	1.070	11	9	12	11	9	13	13
Valmiera pagasts	Valmiera	0.841	1.163	1.222	1.260	1.310	1.053	19	10	9	10	10	14	14
Saldus pagasts	Saldus	1.043	1.148	1.092	1.203	1.175	1.040	12	11	13	12	13	15	15
Ropazi novads <sup>6</sup>	Rīga	0.830	0.830	0.919	0.901	1.001	0.989	21	18	17	17	17	16	16
Krimulda pagasts	Rīga	0.689	0.745	0.784	0.800	0.720	0.813	30	27	26	23	34	17	17
Svete pagasts	Jelgava	0.370	0.722	0.816	0.791	1.023	0.785	65	30	20	24	15	18	18
Jumprava pagasts	Ogre	0.548	0.688	0.680	0.666	0.672	0.780	41	33	29	34	35	19	19
Galisi pagasts	Bauska	0.574	0.751	0.833	0.911	0.943	0.749	39	25	19	16	18	20	20
Laidze pagasts	Talsi	0.724	0.787	0.932	0.873	0.883	0.746	28	23	16	21	20	21	21
Malpils pagasts	Rīga	0.810	0.800	0.847	0.699	0.775	0.737	22	21	18	32	25	22	22
Seja pagasts	Rīga	0.622	0.614	0.659	0.637	0.744	0.723	37	40	32	36	29	23	23
Engure pagasts	Tukums	0.769	0.721	0.585	0.591	0.619	0.715	24	31	39	38	37	24	24
Isište pagasts	Bauska	0.736	0.913	0.798	0.899	0.846	0.691	25	14	23	18	21	25	25
Kolka pagasts	Talsi	0.458	0.937	0.512	0.530	0.732	0.689	51	13	46	41	33	26	26
Daugmale pagasts	Rīga	0.840	0.750	0.801	0.713	0.735	0.683	20	26	22	31	32	27	27
Gluda pagasts	Jelgava	0.163	0.566	0.677	0.849	0.887	0.674	119	44	30	22	19	28	28
Platone pagasts	Jelgava	0.391	0.417	0.459	0.738	0.737	0.670	60	62	54	30	31	29	29
Iecava novads <sup>7</sup>	Bauska	0.774	0.724	0.785	0.784	0.776	0.656	23	29	25	25	24	30	30
Skriveri pagasts	Aizkraukle	0.673	0.717	0.670	0.782	0.772	0.633	31	32	31	26	26	31	31
Pelci pagasts	Kuldīga	0.473	0.387	0.345	0.437	0.615	0.627	50	66	73	53	38	32	32
Jauņsvirva pagasts	Jelgava	0.357	0.480	0.610	0.612	0.777	0.577	69	55	34	37	23	33	33
Allazi pagasts	Rīga	0.375	0.333	0.387	0.349	0.473	0.545	64	80	64	69	51	34	34
Auri pagasts	Dobele	1.170	0.462	0.514	0.473	0.789	0.519	10	57	45	47	22	35	35
Naujene pagasts	Daugavpils	0.634	0.617	0.535	0.590	0.599	0.508	35	39	42	39	40	36	36
Serene pagasts	Aizkraukle	0.149	0.157	0.262	0.456	0.551	0.505	124	113	89	49	45	37	37
Vecumnieki pagasts	Bauska	0.456	0.511	0.468	0.501	0.552	0.500	52	52	52	44	44	38	38
Valkunde pagasts	Jelgava	0.146	0.329	0.405	0.437	0.632	0.498	125	81	61	54	36	39	39
Koknese pagasts	Aizkraukle	0.382	0.333	0.316	0.368	0.398	0.488	63	79	79	66	63	40	40
Varve pagasts	Ventspils	0.604	0.845	0.690	0.771	0.771	0.488	38	17	28	27	27	41	41
Code pagasts	Bauska	0.431	0.538	0.610	0.586	0.737	0.465	58	47	35	40	30	42	42
Liepa pagasts	Cēsis	0.732	0.595	0.599	0.496	0.559	0.454	27	42	37	45	43	43	43

County, rural municipality	District	1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	Rank
Tume pagasts	Tukums	0.520	0.532	0.567	0.691	0.585	0.435	44	48	40	33	42	44	44
Vaidava pagasts	Valmiera	0.140	0.315	0.249	0.299	0.458	0.422	128	83	91	78	52	45	45
Launkalne pagasts	Valka	0.523	0.442	0.443	0.521	0.357	0.421	43	60	57	43	69	46	46
Targale pagasts	Ventspils	0.630	0.788	0.652	0.649	0.605	0.416	36	22	33	35	39	47	47
Kauguri pagasts	Valmiera	0.161	0.380	0.380	0.415	0.514	0.415	120	67	66	58	46	48	48
Slampe pagasts	Tukums	0.437	0.334	0.458	0.382	0.501	0.413	56	78	55	64	47	49	49
Livberze pagasts	Jelgava	-0.092	0.325	0.420	0.443	0.490	0.413	212	82	58	52	49	50	50
Smārde pagasts	Tukums	0.343	0.378	0.310	0.401	0.597	0.396	71	68	81	61	41	51	51
Suntazi pagasts	Ogre	0.553	0.605	0.492	0.384	0.445	0.392	40	41	48	63	56	52	52
Ceraukste pagasts	Bauska	0.449	0.512	0.359	0.348	0.400	0.380	55	51	70	70	61	53	53
Laubere pagasts	Ogre	0.183	0.172	0.166	0.185	0.167	0.362	113	109	109	101	99	54	54
Kurmale pagasts	Kuldīga	0.660	0.657	0.604	0.403	0.360	0.359	32	36	36	60	67	55	55
Grobina pagasts	Liepāja	0.319	0.410	0.371	0.314	0.405	0.354	73	63	68	75	59	56	56
Eleja pagasts	Jelgava	0.303	0.371	0.385	0.491	0.757	0.351	78	70	65	46	28	57	57
Roja pagasts	Talsi	0.533	0.351	0.313	0.268	0.395	0.332	42	74	80	82	64	58	58
Koceni pagasts	Valmiera	0.235	0.340	0.317	0.372	0.382	0.324	97	76	78	65	65	59	59
Novadnieki pagasts	Saldus	0.484	0.405	0.418	0.392	0.483	0.323	49	64	59	62	50	60	60
Līgatne pagasts	Cēsis	0.269	0.302	0.402	0.289	0.358	0.309	89	86	62	80	68	61	61
Mersragi pagasts	Talsi	0.229	0.575	0.512	0.423	0.199	0.305	101	43	47	56	94	62	62
Skulte pagasts	Limbazi	0.243	0.196	0.198	0.171	0.149	0.304	94	106	100	107	105	63	63
Berze pagasts	Dobele	0.434	0.555	0.549	0.530	0.404	0.298	57	46	41	42	60	64	64
Keipene pagasts	Ogre	0.308	0.450	0.392	0.353	0.334	0.297	75	59	63	68	75	65	65
Penkule pagasts	Dobele	0.078	0.088	-0.011	0.200	0.356	0.291	152	136	171	96	71	66	66
Amata novads <sup>8</sup>	Cēsis	-	0.403	0.369	0.419	0.414	0.290	-	65	69	57	58	67	67
Nigrande pagasts	Saldus	0.065	0.048	0.248	0.264	0.334	0.276	158	146	92	84	76	68	68
Rundale pagasts	Bauska	0.453	0.526	0.531	0.464	0.450	0.274	54	49	44	48	54	69	69
Verēmi pagasts	Rezekne	0.306	0.094	0.157	0.235	0.356	0.273	76	132	114	89	70	70	70
Griškani pagasts	Rezekne	0.091	0.269	0.269	-0.022	0.178	0.262	145	130	87	164	97	71	71
Sala pagasts	Jelkabpils	0.302	0.169	-0.267	0.367	0.226	0.260	81	110	256	67	90	72	72
Medze pagasts	Liepāja	0.218	0.140	0.037	0.100	0.127	0.247	106	115	151	124	111	73	73
Gaujiena pagasts	Alūksne	-0.085	-0.062	0.032	0.076	0.046	0.243	208	192	153	135	135	74	74
Mežotne pagasts	Bauska	0.232	0.266	0.170	0.267	0.275	0.240	99	92	107	83	83	75	75
Ledmane pagasts	Ogre	0.278	0.287	0.237	0.250	0.297	0.237	86	89	96	86	81	76	76
Kalkune pagasts	Daugavpils	0.389	0.459	0.533	0.444	0.372	0.236	62	58	43	51	66	77	77
Branti pagasts	Valka	0.362	0.275	0.104	0.229	0.206	0.235	67	91	131	90	92	78	78
Palsmane pagasts	Valka	-0.090	-0.398	-0.388	-0.302	-0.122	0.229	210	309	302	261	184	79	79
Viķi pagasts	Limbazi	-0.006	0.001	0.117	0.104	0.260	0.222	178	165	125	119	86	80	80
Lazdona pagasts	Madona	0.240	0.473	0.475	0.453	0.446	0.220	95	56	51	50	55	81	81
Virbi pagasts	Talsi	0.649	0.687	0.491	0.747	0.501	0.201	33	35	49	29	48	82	82
Limbazi pagasts	Limbazi	0.304	0.309	0.344	0.304	0.239	0.201	77	85	74	77	89	83	83
Nica pagasts	Liepāja	0.231	0.104	-0.003	0.033	0.059	0.196	100	127	168	144	128	84	84
Zīri pagasts	Saldus	0.026	0.127	0.139	0.259	0.142	0.191	173	122	119	85	106	85	85
Pure pagasts	Tukums	0.094	-0.019	0.123	0.146	0.135	0.190	142	173	124	110	108	86	86



County, rural municipality	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Lutrinī pagasts	Saldus	0.488	0.246	0.263	0.197	0.336	0.181	46	95	88	97	74	87
Kalsnava pagasts	Madona	0.734	0.513	0.454	0.411	0.167	0.173	26	50	56	59	98	88
Lielplatone pagasts	Jelgava	-0.071	0.202	0.257	0.134	0.347	0.172	197	105	90	114	72	89
Zīras pagasts	Ventspils	0.215	0.168	0.416	0.348	0.400	0.172	107	112	60	71	62	90
Kuprava pagasts	Balvi	1.305	0.805	0.590	0.769	0.440	0.170	9	20	38	28	57	91
Vēciebalga pagasts	Cēsis	0.180	0.005	0.011	-0.046	0.053	0.169	115	163	164	173	132	92
Libāgi pagasts	Talsi	0.151	0.219	0.123	0.193	0.299	0.162	123	102	123	99	80	93
Pope pagasts	Ventspils	0.265	0.288	0.181	0.228	0.306	0.162	91	88	106	92	78	94
Ugale pagasts	Ventspils	0.263	0.129	0.229	0.238	0.220	0.159	92	121	99	88	91	95
Lube pagasts	Talsi	-0.062	-0.050	-0.025	-0.113	0.062	0.158	192	184	174	193	127	96
Varīni pagasts	Valka	0.094	-0.041	-0.134	-0.131	-0.113	0.149	143	182	208	200	179	97
Mazsalve pagasts	Aizkraukle	0.021	-0.325	0.014	-0.029	-0.133	0.148	175	286	161	169	191	98
Straupe pagasts	Cēsis	0.145	0.068	0.025	0.086	0.162	0.146	126	142	159	131	103	99
Rauna pagasts	Cēsis	0.280	0.246	0.246	0.172	0.202	0.145	85	96	93	106	93	100
Jaunpils pagasts	Tukums	0.156	-0.026	0.026	-0.028	0.067	0.140	122	176	158	168	125	101
Uzava pagasts	Ventspils	-0.114	0.008	0.276	0.022	0.243	0.130	223	162	86	148	88	102
Viesītas pagasts	Tukums	-0.135	0.049	0.008	0.045	0.124	0.129	233	145	165	142	113	103
Irlava pagasts	Tukums	0.228	0.084	0.157	0.215	0.164	0.121	102	138	112	95	101	104
Virva pagasts	Jelgava	0.057	0.347	0.325	0.434	0.452	0.114	162	75	77	55	53	105
Puze pagasts	Ventspils	0.301	0.059	0.157	0.180	0.089	0.114	82	143	113	103	119	106
Ergļi pagasts	Madona	0.486	0.242	0.196	0.216	0.094	0.111	48	97	101	94	115	107
Veselava pagasts	Cēsis	0.300	0.184	-0.050	-0.150	-0.058	0.109	83	107	181	208	166	108
Seme pagasts	Tukums	0.252	-0.144	-0.103	0.067	0.045	0.108	93	225	197	139	136	109
Bebri pagasts	Aizkraukle	-0.034	0.020	0.241	0.224	0.164	0.106	186	156	94	93	102	110
Ledurga pagasts	Limbaži	-0.084	-0.005	0.031	0.098	0.131	0.105	207	167	154	126	110	111
Vandzene pagasts	Talsi	0.170	0.233	0.081	0.102	0.057	0.099	118	98	140	120	130	112
Sesava pagasts	Jelgava	0.186	0.227	0.240	0.193	0.300	0.097	112	99	95	100	79	113
Dzerbene pagasts	Cēsis	0.109	-0.082	-0.202	-0.159	-0.058	0.096	136	202	236	214	164	114
Sidrābene pagasts	Jelgava	0.064	0.138	0.195	0.341	0.341	0.095	159	118	102	72	73	115
Rencēni pagasts	Valmiera	-0.105	-0.077	0.138	0.141	0.124	0.094	219	199	120	112	112	116
Naudīte pagasts	Dobele	0.487	0.257	0.463	0.297	0.090	0.092	47	93	53	79	117	117
Brenguli pagasts	Valmiera	-0.138	0.173	0.349	0.247	0.268	0.089	234	108	72	87	84	118
Stelpe pagasts	Bauska	0.087	0.118	0.040	-0.035	0.086	0.088	149	125	150	170	121	119
Smiltene pagasts	Valka	0.369	0.276	-0.006	-0.025	0.042	0.088	66	90	169	166	138	120
Jaungulbene pagasts	Gulbene	0.340	0.561	-0.090	-0.116	-0.170	0.084	72	45	190	194	201	121
Stradi pagasts	Gulbene	0.157	0.169	0.163	0.078	0.038	0.081	121	111	111	133	139	122
Garšene pagasts	Jekabpils	-0.032	-0.383	-0.326	-0.511	-0.337	0.074	185	302	280	324	258	123
Lestene pagasts	Tukums	0.075	-0.032	0.127	0.100	0.089	0.069	155	179	121	123	118	124
Katvari pagasts	Limbaži	0.137	0.057	0.081	0.039	0.024	0.063	129	144	139	143	145	125
Jaunlaicene pagasts	Auksne	-0.211	-0.317	-0.196	-0.196	-0.224	0.057	258	282	231	227	218	126
Vīce pagasts	Jelgava	-0.245	0.089	0.189	0.288	0.250	0.049	277	133	104	81	87	127
Degole pagasts	Tukums	-0.001	-0.107	-0.119	0.079	0.048	0.048	176	209	200	132	134	128
Nauksēni pagasts	Valmiera	-0.203	-0.112	0.105	0.101	0.028	0.047	255	212	129	122	143	129
Taurene pagasts	Cēsis	0.455	0.364	0.194	0.165	0.199	0.039	53	71	103	108	95	130
Birzgale pagasts	Ogre	0.303	0.131	0.164	0.100	0.021	0.039	80	119	110	125	147	131

County, rural municipality	District	Development index					Rank							
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	
Tērvete novads <sup>9</sup>	Dobele	-	-	-	0.229	0.165	0.035	-	-	-	-	91	100	132
Mārsnēni pagasts	Cēsis	-0.330	-0.219	-0.061	-0.071	-0.175	0.035	301	255	184	178	202	133	
Ozolaine pagasts	Rezekne	-0.215	0.089	-0.090	0.102	0.285	0.032	262	134	189	121	82	134	
Vecsaule pagasts	Bauska	-0.008	0.014	0.029	0.089	0.044	0.027	179	160	157	130	137	135	
Bērziņe pagasts	Valmiera	-0.243	-0.026	-0.092	-0.081	0.116	0.027	272	177	191	181	114	136	
Ezere pagasts	Saldus	0.181	0.203	0.100	0.172	0.260	0.026	114	104	133	105	85	137	
Ziekas pagasts	Ventspils	0.303	0.340	0.307	0.193	0.140	0.024	79	77	82	98	107	138	
Zālenieki pagasts	Jelgava	0.026	0.355	0.350	0.341	0.320	0.024	172	73	71	73	77	139	
Madliena pagasts	Ogre	0.312	0.378	0.145	0.111	0.087	0.021	74	69	116	118	120	140	
Staburags pagasts	Aizkraukle	-0.082	-0.103	-0.001	0.096	0.079	0.014	206	206	167	127	122	141	
Blome pagasts	Valka	-0.152	-0.219	-0.244	0.007	-0.061	0.014	237	256	247	154	167	142	
Stalbe pagasts	Cēsis	-0.019	-0.122	-0.192	-0.275	-0.160	0.011	182	214	229	249	199	143	
Jeri pagasts	Valmiera	-0.051	0.095	0.114	0.181	0.093	0.009	188	131	126	102	116	144	
Laureša pagasts	Daugavpils	0.043	0.082	0.086	-0.020	0.133	0.005	166	139	138	163	109	145	
Abeli pagasts	Jekabpils	-0.111	-0.032	0.183	0.149	0.049	0.005	220	178	105	109	133	146	
Jaunlutriņi pagasts	Saldus	-0.073	0.078	-0.123	-0.086	-0.009	0.002	198	140	205	184	152	147	
Viesi pagasts	Auksne	-0.195	-0.204	-0.301	-0.197	-0.180	0.000	250	248	269	228	205	148	
Krimnāvas pagasts	Dobele	0.142	0.130	0.049	0.305	0.151	-0.001	127	120	145	76	104	149	
Vaive pagasts	Cēsis	0.086	-0.082	0.036	-0.070	-0.022	-0.011	151	201	152	177	158	150	
Raismūks pagasts	Cēsis	0.061	-0.054	0.049	0.009	-0.020	-0.013	160	189	146	153	157	151	
Gibuli pagasts	Talsi	0.343	0.492	0.141	0.127	0.058	-0.015	70	53	118	116	129	152	
Jaunpilsbaltas pagasts	Cēsis	0.266	0.101	-0.044	-0.107	-0.118	-0.017	90	129	179	190	181	153	
Dzūkste pagasts	Tukums	0.118	-0.010	0.046	-0.011	0.034	-0.022	134	171	147	158	140	154	
Zilaiskalns pagasts	Valmiera	-0.617	0.297	0.126	0.092	-0.001	-0.030	375	87	122	129	150	155	
Bēne pagasts	Dobele	-0.004	0.104	0.063	0.009	0.009	-0.030	177	128	143	152	149	156	
Zeltiņi pagasts	Auksne	-0.422	-0.399	-0.355	-0.278	-0.142	-0.036	325	311	292	250	193	157	
Brunava pagasts	Bauska	-0.113	-0.025	-0.014	0.095	0.069	-0.039	221	175	172	128	124	158	
Krape pagasts	Ogre	0.236	0.220	0.234	0.021	0.064	-0.040	96	101	97	150	126	159	
Bērziņe pagasts	Madona	0.220	0.249	0.144	0.178	0.031	-0.040	104	94	117	104	142	160	
Rumba pagasts	Kuldīga	0.507	0.360	0.326	0.317	-0.087	-0.041	45	72	76	74	170	161	
Jaunberze pagasts	Dobele	0.053	-0.083	-0.197	0.028	0.071	-0.043	163	203	232	145	123	162	
Viesturi pagasts	Bauska	0.090	0.042	0.094	0.143	0.198	-0.049	146	147	136	111	96	163	
Avīkste pagasts	Aizkraukle	-0.171	0.086	-0.082	-0.190	-0.080	-0.051	242	137	187	224	169	164	
Dundaga pagasts	Talsi	0.089	0.144	0.097	0.072	-0.088	-0.052	148	114	134	138	171	165	
Liepupes pagasts	Limbaži	0.130	0.118	0.104	0.022	0.056	-0.054	130	124	130	149	131	166	
Gramzda pagasts	Liepāja	-0.009	-0.039	-0.111	-0.182	-0.178	-0.056	180	181	198	221	203	167	
Skaistkalne pagasts	Bauska	0.049	-0.035	-0.033	0.027	-0.012	-0.059	165	180	176	146	153	168	
Pādre pagasts	Kuldīga	0.112	0.018	0.066	0.018	0.033	-0.062	135	158	142	151	141	169	
Pampali pagasts	Saldus	0.219	-0.044	-0.187	-0.291	-0.191	-0.067	105	183	226	256	209	170	
Lizums pagasts	Gulbene	-0.078	-0.168	-0.121	-0.136	-0.111	-0.071	204	234	201	203	178	171	
Vīpulkas pagasts	Valmiera	0.075	0.139	0.154	-0.017	-0.019	-0.072	154	116	115	160	155	172	
Lielauce pagasts	Dobele	-0.175	-0.123	-0.140	-0.125	-0.043	-0.075	245	216	210	198	160	173	
Sarkanī pagasts	Madona	0.203	0.039	-0.036	-0.151	-0.262	-0.078	109	150	177	209	235	174	
Balgale pagasts	Talsi	0.060	0.000	-0.079	-0.043	-0.225	-0.079	161	166	186	172	219	175	
Edole pagasts	Kuldīga	0.179	-0.163	-0.165	-0.274	-0.107	-0.085	116	233	220	248	177	176	



County, rural municipality	District	Development index							Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	1999	2000
Mazozoli pagasts	Ogre	0.126	0.120	0.041	0.075	-0.066	-0.086	131	123	149	137	168	177		
Ortāņi pagasts	Liepāja	-0.238	-0.254	-0.328	-0.300	-0.194	-0.087	269	267	282	260	210	178		
Mēģele pagasts	Ogre	-0.114	-0.060	0.089	0.048	-0.051	-0.092	222	191	137	141	162	179		
Vērgale pagasts	Liepāja	-0.122	-0.294	-0.360	-0.249	-0.211	-0.092	227	276	295	239	213	180		
Litene pagasts	Gulbene	-0.104	-0.234	-0.278	-0.201	-0.292	-0.098	218	261	259	230	247	181		
Brīvzemnieki pagasts	Limbaži	0.192	0.625	0.298	0.117	-0.005	-0.109	111	38	83	117	151	182		
Brīvzemnieki pagasts	Talsi	-0.039	-0.117	-0.261	-0.198	-0.517	-0.112	187	213	254	229	302	183		
Annenieki pagasts	Dobele	-0.226	0.042	-0.099	-0.145	0.014	-0.124	266	148	195	206	148	184		
Skārkalne pagasts	Valmiera	-0.507	-0.217	-0.261	-0.184	-0.154	-0.126	351	253	255	222	198	185		
Prauliena pagasts	Madona	0.033	-0.211	-0.152	-0.250	-0.179	-0.126	167	251	211	241	204	186		
Alsviki pagasts	Aluksne	0.121	-0.076	0.006	-0.072	-0.218	-0.137	133	198	166	179	215	187		
Gaiķi pagasts	Saldus	0.027	0.021	-0.070	-0.004	-0.114	-0.138	171	155	185	157	180	188		
Lauciene pagasts	Talsi	-0.272	-0.143	-0.172	-0.047	-0.130	-0.139	285	224	221	174	189	189		
Matiši pagasts	Valmiera	-0.222	-0.067	0.031	0.057	0.021	-0.144	265	195	155	140	146	190		
Liezere pagasts	Madona	-0.488	-0.743	-0.778	-0.573	-0.587	-0.148	343	388	395	334	324	191		
Klintāne pagasts	Aizkraukle	-0.197	-0.134	0.094	0.006	-0.019	-0.148	252	221	135	155	156	192		
Valka pagasts	Valka	-0.123	-0.058	-0.059	-0.125	-0.126	-0.149	228	190	183	195	186	193		
Kursi pagasts	Saldus	-0.311	-0.155	-0.122	-0.142	-0.127	-0.149	294	228	203	205	187	194		
Vallie pagasts	Aizkraukle	-0.147	-0.227	-0.183	-0.125	-0.297	-0.152	236	259	224	197	225	195		
Vēcpils pagasts	Liepāja	-0.074	-0.009	-0.134	-0.189	-0.280	-0.154	200	169	209	223	243	196		
Plāņi pagasts	Valka	-0.296	-0.066	-0.384	-0.368	-0.348	-0.156	291	194	300	285	262	197		
Vāne pagasts	Tukums	-0.143	-0.254	-0.292	-0.082	-0.143	-0.157	235	268	265	182	195	198		
Nītaure pagasts	Cēsis	0.638	0.108	-0.046	-0.026	-0.097	-0.158	34	126	180	167	172	199		
Dobele pagasts	Dobele	-0.611	-0.319	-0.160	-0.173	-0.056	-0.159	372	284	214	218	163	200		
Usma pagasts	Ventspils	-0.073	0.019	0.012	-0.281	-0.102	-0.166	199	157	163	251	175	201		
Alsunga pagasts	Kuldīga	-0.051	-0.312	-0.326	-0.256	-0.233	-0.168	189	281	281	242	222	202		
Taurupe pagasts	Ogre	-0.203	-0.123	0.277	0.139	-0.046	-0.170	256	215	84	113	161	203		
Arona pagasts	Madona	-0.181	-0.246	-0.292	-0.320	-0.126	-0.178	247	265	264	269	185	204		
Pāle pagasts	Limbaži	-0.484	-0.147	-0.099	-0.025	-0.101	-0.180	342	226	194	165	173	205		
Valdgale pagasts	Talsi	-0.076	-0.133	-0.164	-0.051	-0.145	-0.182	202	220	219	175	196	206		
Krustpils pagasts	Jekabpils	-0.199	-0.321	-0.101	-0.225	-0.217	-0.182	253	285	196	233	214	207		
Vīciņi pagasts	Valka	-0.260	-0.126	-0.293	-0.363	-0.279	-0.182	282	217	266	282	241	208		
Zvārde pagasts	Saldus	0.067	-0.010	-0.025	-0.087	-0.129	-0.184	157	170	175	185	188	209		
Bērģzāle pagasts	Rezekne	-0.119	-0.070	-0.355	-0.212	-0.221	-0.189	225	197	290	232	217	210		
Snepele pagasts	Kuldīga	0.025	0.068	0.060	0.003	-0.058	-0.191	174	141	144	156	165	211		
Daudze pagasts	Aizkraukle	-0.261	-0.194	-0.250	-0.018	-0.132	-0.198	283	241	251	162	190	212		
Svītenes pagasts	Bauska	0.108	-0.054	0.043	-0.063	0.027	-0.203	137	188	148	176	144	213		
Jānsāti pagasts	Tukums	-0.194	-0.201	-0.133	-0.196	-0.323	-0.204	249	247	207	226	256	214		
Kurmeņu pagasts	Aizkraukle	-0.370	-0.519	-0.284	-0.269	-0.366	-0.207	309	338	263	247	266	215		
Ivande pagasts	Kuldīga	0.233	-0.053	0.107	-0.076	-0.135	-0.212	98	187	128	180	192	216		
Gavieze pagasts	Liepāja	0.173	0.001	-0.186	-0.134	-0.219	-0.213	117	164	225	202	216	217		
Lenzi pagasts	Rezekne	-0.605	-0.399	-0.440	-0.429	-0.296	-0.215	370	310	312	302	249	218		
Lode pagasts	Valmiera	-0.749	-0.229	-0.122	0.127	-0.153	-0.219	398	260	204	115	197	219		
Koni pagasts	Valmiera	-0.633	-0.410	-0.215	-0.284	-0.255	-0.219	379	314	240	252	233	220		
Kalvene pagasts	Liepāja	-0.081	-0.108	-0.355	-0.156	-0.271	-0.219	205	210	289	213	237	221		

County, rural municipality	District	Development index							Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004		
Strazdes pagasts	Talsi	-0.243	-0.107	-0.164	-0.334	-0.017	-0.222	274	208	218	272	154	222		
Daukstes pagasts	Gulbene	-0.165	-0.370	-0.321	-0.310	-0.291	-0.222	241	299	276	264	246	223		
Ranka pagasts	Gulbene	0.200	0.017	0.013	-0.017	-0.142	-0.222	110	159	162	161	194	224		
Vecate pagasts	Valmiera	-1.008	-0.359	-0.222	-0.229	-0.235	-0.227	435	297	241	237	223	225		
Dikļi pagasts	Valmiera	-0.276	-0.239	-0.159	-0.304	-0.109	-0.230	286	263	213	263	254	226		
Aglona pagasts	Preiļi	-0.173	-0.110	0.168	-0.017	-0.120	-0.239	244	211	108	159	182	227		
Inesi pagasts	Cēsis	-0.163	-0.282	-0.237	-0.225	-0.287	-0.243	240	273	246	234	245	228		
Aizpute pagasts	Liepāja	-0.197	-0.178	-0.325	-0.315	-0.312	-0.244	251	237	279	266	255	229		
Biksti pagasts	Dobele	-0.301	0.036	-0.293	-0.324	-0.183	-0.250	292	152	267	270	206	230		
Umurga pagasts	Limbaži	-0.177	-0.161	-0.177	-0.175	-0.168	-0.255	246	232	223	219	200	231		
Varme pagasts	Kuldīga	0.210	0.088	0.101	-0.036	-0.102	-0.260	108	135	132	171	176	232		
Burtieki pagasts	Valmiera	-0.208	-0.051	0.069	-0.139	-0.188	-0.263	257	185	141	204	208	233		
Bliska pagasts	Valka	-0.067	-0.294	-0.399	-0.398	-0.400	-0.264	195	277	308	293	274	234		
Jāunanna pagasts	Aluksne	-0.069	-0.138	-0.162	-0.259	-0.428	-0.266	196	223	217	245	279	235		
Viski pagasts	Daugavpils	0.275	0.139	-0.056	-0.130	-0.200	-0.279	87	117	182	199	212	236		
Seli pagasts	Valmiera	-0.542	-0.247	-0.281	-0.206	-0.120	-0.283	355	266	261	231	183	237		
Jāunaluksne pagasts	Aluksne	-0.242	-0.158	-0.203	-0.348	-0.345	-0.285	271	229	237	277	259	238		
Nīcāle pagasts	Daugavpils	-0.155	-0.218	-0.378	-0.360	-0.453	-0.286	238	254	298	277	289	239		
Zāna pagasts	Saldus	-0.011	-0.201	-0.098	-0.227	-0.366	-0.286	181	246	193	236	265	240		
Sece pagasts	Aizkraukle	-0.355	-0.459	-0.248	-0.171	-0.333	-0.289	306	325	250	217	257	241		
Barbele pagasts	Bauska	-0.120	-0.068	0.109	-0.192	-0.353	-0.289	226	196	127	225	263	242		
Zēbrene pagasts	Dobele	-0.098	-0.005	-0.195	-0.101	-0.101	-0.298	215	168	230	188	174	243		
Īle pagasts	Dobele	-0.449	-0.441	-0.637	-0.343	-0.299	-0.301	335	322	363	274	252	244		
Zentene pagasts	Tukums	-0.390	-0.347	-0.367	-0.297	-0.383	-0.307	317	292	297	258	270	245		
Vīriņi pagasts	Dobele	-0.270	-0.053	-0.190	-0.131	-0.298	-0.308	284	186	228	201	251	246		
Kalns pagasts	Jekabpils	-0.233	-0.237	-0.268	-0.175	-0.248	-0.312	268	262	257	220	228	247		
Davini pagasts	Bauska	-0.316	-0.078	-0.095	-0.162	-0.244	-0.312	295	200	192	215	226	248		
Ziemeļi pagasts	Aluksne	-0.171	-0.226	-0.236	-0.267	-0.279	-0.315	243	258	245	246	240	249		
Vēstiena pagasts	Madona	-0.075	-0.289	-0.501	-0.534	-0.293	-0.317	201	274	326	326	248	250		
Īve pagasts	Talsi	0.221	-0.179	-0.121	0.078	-0.255	-0.317	103	238	202	134	232	251		
Grundzāle pagasts	Valka	-0.548	-0.397	-0.471	-0.557	-0.478	-0.319	359	307	317	330	293	252		
Laza pagasts	Liepāja	-0.219	-0.424	-0.251	-0.226	-0.250	-0.326	263	318	253	235	231	253		
Dzelzava pagasts	Madona	-0.127	-0.159	-0.127	-0.366	-0.380	-0.328	229	230	206	283	268	254		
Ozolmūža pagasts	Rezekne	-0.334	-0.172	-0.202	-0.103	-0.027	-0.328	302	236	235	189	159	255		
Īrsi pagasts	Aizkraukle	-0.463	-0.601	-0.355	-0.257	-0.398	-0.331	336	359	291	244	272	256		
Kukas pagasts	Jekabpils	-0.252	-0.416	-0.358	-0.393	-0.348	-0.335	279	315	294	290	261	257		
Barkava pagasts	Madona	-0.323	-0.537	-0.354	-0.402	-0.458	-0.336	299	343	288	295	291	258		
Zosēni pagasts	Cēsis	-0.220	-0.127	-0.209	-0.373	-0.499	-0.337	264	218	238	286	298	259		
Cirava pagasts	Liepāja	-0.095	-0.289	-0.366	-0.427	-0.274	-0.351	214	275	296	301	238	260		
Lejasciemis pagasts	Gulbene	-0.159	-0.495	-0.435	-0.397	-0.479	-0.352	239	329	311	292	294	261		
Kalnecmīļi pagasts	Aluksne	-0.708	-0.635	-0.560	-0.599	-0.690	-0.353	392	368	343	339	356	262		
Jurkalne pagasts	Ventspils	0.072	0.207	-0.023	0.026	-0.232	-0.356	156	103	173	147	221	263		
Ruba pagasts	Saldus	-0.086	-0.172	-0.155	-0.155	-0.280	-0.357	209	235	212	212	242	264		
Dunalka pagasts	Liepāja	-0.066	-0.013	-0.187	-0.292	-0.362	-0.360	194	172	227	257	264	265		
Arce pagasts	Ventspils	0.077	0.042	-0.338	0.153	-0.286	-0.361	153	149	284	211	244	266		

County, rural municipality	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Vilkenie pagasts	Limbazi	-0.304	-0.099	-0.039	-0.147	-0.246	-0.365	293	205	178	207	227	267
Rucava pagasts	Liepaja	-0.428	-0.443	-0.618	-0.603	-0.516	-0.368	327	323	361	342	301	268
Kabile pagasts	Kuldiga	-0.376	-0.459	-0.385	-0.303	-0.436	-0.382	312	324	301	262	282	269
Triktata pagasts	Valka	0.106	0.027	0.030	-0.094	-0.248	-0.384	138	153	156	186	229	270
Bunka pagasts	Liepaja	-0.099	-0.200	-0.251	-0.367	-0.518	-0.384	216	244	252	284	303	271
Vietalva pagasts	Aizkraukle	-0.202	-0.391	-0.420	-0.446	-0.522	-0.388	254	305	310	305	306	272
Mietriena pagasts	Madona	-0.445	-0.619	-0.773	-0.634	-0.593	-0.392	333	365	391	348	326	273
Malinova pagasts	Daugavpils	-0.441	-0.365	-0.223	-0.413	-0.518	-0.392	332	298	242	298	304	274
Malta pagasts	Rezekne	-0.352	-0.208	-0.395	-0.383	-0.276	-0.394	305	249	305	288	239	275
Belava pagasts	Gulbene	-0.347	-0.569	-0.356	-0.467	-0.447	-0.399	304	353	293	314	286	276
Balvi pagasts	Balvi	-0.288	-0.352	-0.576	-0.639	-0.427	-0.409	288	294	349	352	278	277
Zvartava pagasts	Valka	-0.693	-0.614	-0.585	-0.683	-0.449	-0.418	390	364	352	361	287	278
Vēcsalliena pagasts	Daugavpils	-0.397	-0.771	-0.476	-0.752	-0.681	-0.419	318	392	318	378	355	279
Virga pagasts	Liepaja	-0.758	-0.884	-0.623	-0.454	-0.567	-0.421	400	411	362	308	318	280
Vadakste pagasts	Saldus	-0.329	-0.296	-0.083	-0.108	-0.347	-0.421	300	279	188	191	260	281
Vipe pagasts	Jekabpils	-0.373	-0.213	-0.349	-0.598	-0.622	-0.421	310	252	287	338	333	282
Tābore pagasts	Daugavpils	-0.117	-0.186	-0.273	-0.343	-0.240	-0.427	224	240	258	273	225	283
Tirza pagasts	Gulbene	-0.254	-0.378	-0.396	-0.344	-0.470	-0.430	280	300	306	275	292	284
Līksna pagasts	Daugavpils	-0.378	-0.554	-0.512	-0.552	-0.430	-0.436	315	352	329	328	280	285
Skede pagasts	Saldus	0.027	0.037	-0.198	-0.086	-0.184	-0.439	170	151	234	183	207	286
Ezernieki pagasts	Kraslava	-0.544	-0.548	-0.324	-0.317	-0.489	-0.443	357	350	278	267	295	287
Trāpene pagasts	Auksne	-0.062	-0.136	-0.198	-0.361	-0.380	-0.448	193	222	233	281	269	288
Sēlpils pagasts	Jekabpils	-0.367	-0.401	-0.480	-0.465	-0.238	-0.451	308	313	320	312	224	289
Renda pagasts	Kuldiga	-0.027	-0.223	-0.223	-0.249	-0.249	-0.452	184	257	244	240	230	290
Anna pagasts	Auksne	-0.387	-0.538	-0.559	-0.475	-0.307	-0.453	316	344	342	315	253	291
Sunakste pagasts	Aizkraukle	-0.925	-0.878	-0.572	-0.500	-0.454	-0.454	421	408	347	322	290	292
Rudzāti pagasts	Preiļi	-0.720	-0.380	-0.458	-0.449	-0.399	-0.456	396	301	316	307	273	293
Nikrāce pagasts	Kuldiga	-0.132	-0.020	-0.248	-0.285	-0.518	-0.456	231	174	249	253	305	294
Zante pagasts	Tukums	-0.597	-0.700	-0.681	-0.811	-0.707	-0.457	368	379	373	394	362	295
Ranki pagasts	Kuldiga	-0.259	-0.093	-0.210	-0.419	-0.554	-0.459	281	204	239	300	314	296
Braslava pagasts	Limbazi	-0.245	-0.898	-0.735	-0.702	-0.647	-0.460	276	413	379	365	346	297
Cirņa pagasts	Ludza	-0.542	-0.512	-0.541	-0.717	-0.758	-0.464	356	333	336	372	373	298
Druviena pagasts	Gulbene	-0.243	-0.575	-0.574	-0.325	-0.401	-0.465	273	355	348	271	275	299
Ergeme pagasts	Valka	-0.500	-0.397	-0.346	-0.466	-0.489	-0.465	346	308	286	313	296	300
Pīskalne pagasts	Aizkraukle	-0.846	-0.889	-0.683	-0.624	-0.552	-0.465	413	412	374	345	312	301
Mezāre pagasts	Jekabpils	-0.212	-0.295	-0.173	-0.152	-0.451	-0.467	260	278	222	210	288	302
Nagli pagasts	Rezekne	-0.926	-0.746	-0.786	-0.601	-0.584	-0.469	423	389	397	340	322	303
Mārciena pagasts	Madona	-0.094	-0.308	-0.525	-0.320	-0.439	-0.469	213	280	333	268	285	304
Nerēta pagasts	Aizkraukle	-0.398	-0.385	-0.397	-0.230	-0.226	-0.475	319	303	307	238	220	305
Markalne pagasts	Auksne	-0.290	-0.328	-0.295	-0.348	-0.636	-0.478	289	288	268	276	339	306
Vecilaicene pagasts	Auksne	-0.961	-0.422	-0.521	-0.702	-0.553	-0.478	428	317	332	366	313	307
Kalupe pagasts	Daugavpils	-0.337	-0.514	-0.390	-0.540	-0.694	-0.481	303	335	304	327	359	308
Zasa pagasts	Jekabpils	-0.320	-0.430	-0.732	-0.449	-0.566	-0.481	297	321	378	306	317	309
Karki pagasts	Valka	-0.052	-0.183	-0.338	-0.312	-0.578	-0.490	190	239	285	265	320	310
Demene pagasts	Daugavpils	-0.642	-0.684	-0.666	-0.416	-0.502	-0.492	381	376	371	299	299	311

County, rural municipality	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Kazdanga pagasts	Liepāja	-0.060	-0.318	-0.501	-0.488	-0.584	-0.495	191	283	325	317	323	312
Dubna pagasts	Daugavpils	-0.295	-0.352	-0.244	-0.492	-0.593	-0.496	290	293	248	319	325	313
Berkalne pagasts	Balvi	-0.618	-0.464	-0.546	-0.394	-0.270	-0.508	376	326	337	291	236	314
Ipīki pagasts	Valmiera	-0.512	-0.327	-0.418	-0.594	-0.644	-0.515	352	287	309	337	345	315
Medumi pagasts	Daugavpils	-0.319	-0.417	-0.593	-0.618	-0.560	-0.519	296	316	355	344	315	316
Rīte pagasts	Jekabpils	-0.525	-0.393	-0.311	-0.502	-0.551	-0.521	353	306	272	323	311	317
Sauka pagasts	Jekabpils	-0.687	-0.270	-0.115	-0.289	-0.199	-0.522	388	271	199	255	211	318
Jerenci pagasts	Valka	-0.244	-0.152	-0.161	-0.171	-0.564	-0.523	275	227	215	216	316	319
Ziguri pagasts	Balvi	0.092	0.011	-0.282	-0.125	-0.262	-0.526	144	161	262	196	234	320
Skujene pagasts	Cēsis	-0.023	-0.240	-0.650	-0.497	-0.576	-0.527	183	264	366	320	319	321
Vārsēti pagasts	Jekabpils	-0.435	-0.259	-0.515	-0.286	-0.631	-0.527	330	269	330	254	337	322
Evele pagasts	Valka	0.050	-0.208	-0.162	-0.257	-0.617	-0.548	164	250	216	243	332	323
Luznava pagasts	Rezekne	-0.571	-0.424	-0.617	-0.798	-0.610	-0.548	362	319	360	392	330	324
Jāunauce pagasts	Saldus	0.029	-0.196	-0.310	-0.099	-0.424	-0.549	169	243	271	187	277	325
Embate pagasts	Liepāja	-0.726	-0.704	-1.084	-1.038	-0.965	-0.554	397	382	434	418	408	326
Rudbarzi pagasts	Kuldīga	0.030	-0.195	-0.223	-0.402	-0.372	-0.554	168	242	243	294	267	327
Dunika pagasts	Liepāja	-0.676	-0.792	-1.138	-0.825	-0.642	-0.556	386	397	442	399	342	328
Stameriena pagasts	Gulbene	-0.214	-0.354	-0.492	-0.456	-0.493	-0.568	261	295	322	309	297	329
Audriņi pagasts	Rezekne	-0.591	-0.515	-0.454	-0.458	-0.432	-0.569	367	336	315	310	281	330
Priekule pagasts	Liepāja	-0.361	-0.700	-0.747	-0.838	-0.625	-0.573	307	380	384	401	335	331
Drusti pagasts	Cēsis	-0.091	-0.277	-0.315	-0.361	-0.437	-0.580	211	272	274	280	284	332
Ilzene pagasts	Auksne	-0.100	-0.106	-0.307	-0.350	-0.636	-0.586	217	207	270	278	340	333
Turlava pagasts	Kuldīga	-0.232	-0.128	-0.389	-0.297	-0.419	-0.588	267	219	303	259	276	334
Stoleroņa pagasts	Rezekne	-0.373	-0.715	-0.528	-0.745	-0.635	-0.590	311	383	334	375	338	335
Atasene pagasts	Jekabpils	-0.633	-0.702	-0.657	-0.634	-0.843	-0.592	380	381	369	349	390	336
Māliena pagasts	Auksne	-0.448	-0.514	-0.506	-0.579	-0.605	-0.598	334	334	327	335	328	337
Pusmucova pagasts	Ludza	-0.756	-1.075	-0.997	-0.830	-0.796	-0.598	399	434	424	400	381	338
Dviete pagasts	Daugavpils	-0.475	-0.543	-0.745	-0.758	-0.715	-0.605	340	349	383	380	363	339
Ligo pagasts	Gulbene	-0.504	-0.628	-0.330	-0.626	-0.669	-0.619	349	367	283	347	353	340
Kubuli pagasts	Balvi	-0.693	-0.572	-0.557	-0.464	-0.580	-0.625	389	354	341	311	321	341
Kaļeti pagasts	Liepāja	-0.212	-0.400	-0.592	-0.657	-0.779	-0.625	259	312	354	355	377	342
Eglaine pagasts	Daugavpils	-0.323	-0.725	-0.657	-0.784	-0.766	-0.625	298	385	370	387	375	343
Laidi pagasts	Kuldīga	-0.191	-0.160	-0.314	-0.376	-0.549	-0.627	248	231	273	287	310	344
Sausneja pagasts	Madona	-0.471	-0.482	-0.777	-0.656	-0.715	-0.628	338	328	394	354	364	345
Barta pagasts	Liepāja	-0.133	-0.342	-0.281	-0.580	-0.653	-0.637	232	290	260	336	348	346
Dekares pagasts	Rezekne	-1.175	-1.058	-0.766	-0.775	-0.728	-0.637	452	429	387	384	368	347
Vainodes pagasts	Liepāja	-1.054	-1.149	-0.648	-0.768	-0.680	-0.645	441	442	365	383	354	348
Dīgāja pagasts	Jekabpils	-0.535	-0.542	-0.784	-0.765	-0.737	-0.646	354	348	396	382	370	349
Jersika pagasts	Preiļi	-1.420	-0.727	-0.769	-0.671	-0.525	-0.651	468	386	388	358	307	350
Zaļve pagasts	Aizkraukle	-0.286	-0.517	-0.500	-0.411	-0.436	-0.663	287	337	324	296	283	351
Leimani pagasts	Jekabpils	-0.647	-0.835	-0.773	-0.668	-0.770	-0.668	382	403	392	357	376	352
Ramata pagasts	Valmiera	-0.799	-0.612	-0.480	-0.390	-0.388	-0.671	405	363	319	289	271	353
Cībla novads <sup>10</sup>	Ludza	-	-0.540	-0.382	-0.476	-0.653	-0.680	-	346	299	316	349	354
Gudenieki pagasts	Kuldīga	-0.501	-0.388	-0.322	-0.491	-0.693	-0.685	347	304	277	318	357	355
Skrudaliena pagasts	Daugavpils	-0.473	-0.521	-0.520	-0.776	-0.663	-0.695	339	340	331	385	351	356



County, rural municipality	District	Development index							Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004	1999	2000
Dunava pagasts	Jekabpils	-0.570	-0.533	-0.580	-0.713	-0.652	-0.707	360	342	350	370	347	357	360	342
Galauška pagasts	Gulbene	-0.420	-0.680	-0.583	-0.811	-0.820	-0.711	324	375	351	395	386	358	324	375
Konstantīnova pagasts	Kraslava	-0.501	-0.549	-0.497	-0.413	-0.717	-0.716	348	351	323	297	365	359	348	351
Malupe pagasts	Aluksne	-0.435	-0.601	-0.639	-0.749	-0.629	-0.725	331	358	364	377	336	360	331	358
Dagda pagasts	Kraslava	-0.419	-0.505	-0.589	-0.497	-0.600	-0.731	323	330	353	321	327	361	323	330
Elksni pagasts	Jekabpils	-0.972	-0.507	-0.605	-0.764	-0.730	-0.734	429	331	357	381	369	362	429	331
Mērdzene pagasts	Ludza	-0.619	-0.808	-0.906	-0.741	-0.790	-0.751	377	401	410	373	378	363	377	401
Zaube pagasts	Cēsis	-0.498	-0.612	-0.537	-0.438	-0.612	-0.752	345	362	335	303	331	364	345	362
Zvirgzdēne pagasts	Ludza	-0.426	-0.803	-0.742	-0.813	-0.836	-0.760	326	400	380	396	389	365	326	400
Rikava pagasts	Rezekne	-0.912	-1.149	-0.989	-0.990	-0.856	-0.762	420	443	422	415	391	366	420	443
Vabole pagasts	Daugavpils	-0.377	-0.640	-0.599	-0.824	-0.718	-0.770	314	371	356	398	366	367	314	371
Ilzeskalns pagasts	Rezekne	-0.590	-0.757	-0.569	-0.680	-0.723	-0.778	365	391	346	359	367	368	365	391
Ukri pagasts	Dobeļe	-0.547	-0.347	-0.563	-0.514	-0.546	-0.781	358	291	344	325	309	369	358	291
Vilani pagasts	Rezekne	-0.809	-0.784	-0.833	-0.563	-0.663	-0.782	408	395	402	332	352	370	408	395
Saīena pagasts	Daugavpils	-1.080	-0.858	-0.918	-0.933	-0.821	-0.788	444	407	411	410	387	371	444	407
Vectilža pagasts	Balvi	-1.295	-1.251	-1.172	-1.128	-1.050	-0.794	465	452	445	427	418	372	465	452
Laudona pagasts	Madona	-0.629	-0.674	-0.828	-0.641	-0.811	-0.796	378	373	401	353	384	373	378	373
Sventi pagasts	Daugavpils	-0.376	-0.684	-0.450	-0.624	-0.790	-0.813	313	377	313	346	380	374	313	377
Berzīti pagasts	Kraslava	-1.269	-1.130	-0.839	-0.756	-0.816	-0.815	462	439	403	379	385	375	462	439
Lazdūleļa pagasts	Balvi	-1.045	-1.013	-0.848	-0.695	-0.762	-0.824	439	423	404	363	374	376	439	423
Skilbēni pagasts	Balvi	-0.806	-0.800	-0.763	-0.635	-0.643	-0.826	407	399	385	350	343	377	407	399
Rugāji pagasts	Balvi	-0.713	-0.695	-0.774	-0.689	-0.700	-0.826	394	378	393	362	360	378	394	378
Skaune pagasts	Kraslava	-0.992	-0.731	-0.743	-0.705	-0.642	-0.827	433	387	382	368	341	379	433	387
Vīksna pagasts	Balvi	-0.680	-0.664	-0.729	-0.711	-0.800	-0.832	387	377	369	382	380	381	387	377
Indrāni pagasts	Madona	-0.571	-0.426	-0.507	-0.559	-0.750	-0.835	361	320	328	331	371	381	361	320
Kaive pagasts	Cēsis	-0.580	-0.589	-0.856	-0.793	-0.833	-0.837	363	357	405	389	388	382	363	357
Blonti pagasts	Ludza	-0.788	-1.103	-0.949	-1.169	-1.073	-0.850	403	435	415	434	419	383	403	435
Peleci pagasts	Preiļi	-1.014	-0.884	-0.825	-0.879	-0.957	-0.854	436	410	400	403	406	384	436	410
Dricāni pagasts	Rezekne	-0.481	-0.776	-0.772	-0.705	-0.703	-0.857	341	394	389	367	361	385	341	394
Sakstagals pagasts	Rezekne	-0.611	-0.469	-0.454	-0.781	-0.693	-0.865	373	327	314	386	358	386	373	327
Rubene pagasts	Jekabpils	-0.698	-0.750	0.233	-0.742	-1.040	-0.876	391	390	98	374	414	387	391	390
Murmastiene pagasts	Madona	-0.925	-0.955	-0.967	-1.082	-0.898	-0.881	422	416	418	423	398	388	422	416
Kaunata pagasts	Rezekne	-0.581	-0.638	-0.651	-0.614	-0.607	-0.886	364	370	367	343	329	389	364	370
Liepna pagasts	Aluksne	-0.491	-0.620	-0.816	-0.749	-0.933	-0.891	344	366	399	376	402	390	344	366
Isnauda pagasts	Ludza	-0.413	-0.520	-0.569	-0.572	-0.643	-0.898	321	339	345	333	344	391	321	339
Osupe pagasts	Madona	-0.820	-1.002	-0.905	-0.810	-0.939	-0.900	410	420	409	393	403	392	410	420
Mezvidi pagasts	Ludza	-0.935	-1.250	-1.320	-1.325	-1.176	-0.903	426	451	456	451	429	393	426	451
Riebiņi novads <sup>11</sup>	Preiļi	-	-	-	-	-	-0.910	-	-	-	-	-	394	-	-
Auleja pagasts	Kraslava	-1.163	-1.108	-1.054	-1.062	-0.891	-0.914	450	436	430	421	395	395	450	436
Cornāja pagasts	Rezekne	-0.653	-0.529	-0.551	-0.638	-0.658	-0.920	384	341	338	351	350	396	384	341
Kaplava pagasts	Kraslava	-1.063	-1.117	-1.113	-1.011	-0.802	-0.932	442	437	438	417	383	397	442	437
Kombuli pagasts	Kraslava	-1.173	-1.189	-1.068	-0.917	-0.887	-0.937	451	445	431	408	394	398	451	445
Bikernieki pagasts	Daugavpils	-0.849	-0.679	-0.612	-0.794	-0.843	-0.940	414	374	358	390	404	399	414	374
Nukši pagasts	Ludza	-0.609	-0.836	-0.773	-0.888	-0.904	-0.953	371	404	390	404	399	400	371	404
Kastulina pagasts	Kraslava	-0.975	-0.956	-0.879	-0.907	-0.868	-0.956	430	417	407	407	392	401	430	417

County, rural municipality	District	Development index						Rank					
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Nirza pagasts	Ludza	-1.239	-1.546	-1.289	-1.349	-1.353	-0.969	460	467	454	453	444	402
Purēni pagasts	Ludza	-0.885	-1.139	-0.949	-0.925	-0.757	-0.974	417	440	416	409	372	403
Sauna pagasts	Preiļi	-1.288	-1.145	-0.812	-0.894	-0.974	-1.006	464	441	398	405	409	404
Varkava pagasts	Preiļi	-0.790	-0.776	-0.742	-0.818	-0.962	-1.044	404	393	381	397	407	405
Jumurdas pagasts	Madona	-0.249	-0.541	-0.895	-0.855	-1.075	-1.052	278	347	408	402	420	406
Varkava novads <sup>12</sup>	Preiļi	-	-	-	-0.941	-1.017	-1.059	-	-	-	411	411	407
Gaigalava pagasts	Rezekne	-1.108	-1.058	-0.985	-1.048	-0.894	-1.078	445	430	421	419	397	408
Mahvala pagasts	Ludza	-0.591	-0.855	-0.950	-1.095	-1.129	-1.096	366	406	417	424	423	409
Andzeļi pagasts	Kraslava	-0.934	-0.789	-0.764	-0.966	-0.893	-1.113	425	396	386	413	396	410
Izvalta pagasts	Kraslava	-1.179	-1.290	-1.068	-1.069	-1.108	-1.113	454	456	432	422	421	411
Varakļani pagasts	Madona	-0.931	-1.398	-1.330	-1.309	-1.235	-1.115	424	462	458	450	436	412
Struzāni pagasts	Rezekne	-0.434	-0.509	-1.009	-1.227	-1.169	-1.123	329	332	426	441	426	413
Andrupene pagasts	Kraslava	-1.563	-1.534	-1.151	-1.235	-1.017	-1.130	476	466	443	444	410	414
Pusa pagasts	Rezekne	-0.949	-1.263	-1.133	-1.098	-1.318	-1.154	427	453	441	425	441	415
Skaista pagasts	Kraslava	-0.975	-1.034	-0.924	-0.964	-0.916	-1.156	431	426	412	412	400	416
Tilža pagasts	Balvi	-1.970	-1.896	-1.806	-1.755	-1.444	-1.160	480	474	470	463	448	417
Rundēni pagasts	Ludza	-0.911	-1.052	-1.208	-1.345	-1.229	-1.166	419	428	449	452	435	418
Udrisi pagasts	Kraslava	-0.711	-0.819	-0.556	-0.681	-0.878	-1.176	393	402	340	360	393	419
Robežnieki pagasts	Kraslava	-1.177	-1.349	-1.270	-1.230	-1.171	-1.179	453	459	453	442	427	420
Nautreni pagasts	Rezekne	-1.125	-1.223	-0.984	-1.138	-1.201	-1.203	447	449	420	429	432	421
Berzpiļš pagasts	Balvi	-1.604	-1.549	-1.290	-1.194	-1.114	-1.205	477	468	455	436	422	422
Sutri pagasts	Preiļi	-1.205	-1.161	-1.229	-1.268	-1.183	-1.228	456	444	451	446	430	423
Graveri pagasts	Kraslava	-0.899	-1.018	-0.655	-1.283	-1.220	-1.238	418	424	368	447	434	424
Kantieniķi pagasts	Rezekne	-1.605	-1.492	-1.624	-1.611	-1.289	-1.245	478	465	466	460	440	425
Asare pagasts	Jekabpils	-0.878	-0.844	-1.072	-1.058	-1.041	-1.254	415	405	433	420	415	426
Piedruja pagasts	Kraslava	-1.433	-1.361	-1.182	-1.133	-1.137	-1.260	469	460	446	428	424	427
Lauderi pagasts	Ludza	-0.719	-0.883	-0.858	-0.786	-1.187	-1.261	395	409	406	388	431	428
Svarīni pagasts	Kraslava	-1.301	-1.329	-1.322	-0.973	-1.033	-1.273	466	458	457	414	413	429
Kepova pagasts	Kraslava	-1.269	-1.560	-1.632	-1.504	-1.370	-1.278	461	469	467	458	446	430
Istra pagasts	Ludza	-0.419	-0.611	-0.555	-0.665	-1.029	-1.281	322	361	339	356	412	431
Krišjāni pagasts	Balvi	-1.523	-1.715	-1.719	-1.620	-1.398	-1.283	473	472	469	461	447	432
Mēdreva pagasts	Balvi	-1.071	-0.795	-1.025	-1.208	-1.175	-1.286	443	398	427	439	428	433
Ambeli pagasts	Daugavpils	-1.515	-1.782	-1.525	-1.721	-1.624	-1.297	472	473	462	462	456	434
Pēdēdze pagasts	Aluksne	-1.036	-1.027	-0.943	-1.141	-1.368	-1.305	438	425	414	431	445	435
Silmalas pagasts	Rezekne	-0.822	-1.007	-1.526	-1.138	-1.344	-1.336	411	422	463	430	443	436
Lazdūkains pagasts	Balvi	-1.283	-1.212	-1.121	-1.250	-1.250	-1.350	463	448	439	445	438	437
Maikonskains pagasts	Rezekne	-1.182	-1.236	-1.206	-1.154	-1.574	-1.378	455	450	448	432	452	438
Asune pagasts	Kraslava	-1.212	-1.201	-1.104	-1.197	-1.268	-1.394	458	446	436	438	439	439
Pīlda pagasts	Ludza	-0.767	-0.959	-1.009	-1.285	-1.339	-1.413	401	418	425	448	442	440
Indra pagasts	Kraslava	-1.461	-1.283	-1.235	-1.164	-1.248	-1.421	471	454	452	433	437	441
Feimāni pagasts	Rezekne	-1.130	-1.065	-1.153	-1.472	-1.502	-1.435	448	432	444	456	449	442
Kalniņi pagasts	Kraslava	-1.022	-1.049	-1.185	-1.006	-1.048	-1.456	437	427	447	416	416	443
Briežuciems pagasts	Balvi	-1.550	-1.386	-1.486	-1.784	-1.582	-1.458	475	461	461	464	453	444
Sahava pagasts	Ludza	-0.840	-1.323	-1.401	-1.437	-1.620	-1.504	412	457	460	455	455	445
Brigi pagasts	Ludza	-0.885	-0.909	-0.935	-0.796	-0.919	-1.515	416	414	413	391	401	446



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		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Sokolki pagasts	Rezekne	-1.459	-1.483	-1.099	-1.287	-1.150	-1.535	470	463	435	449	425	447
Susaji pagasts	Balvi	-1.356	-1.283	-1.224	-1.196	-1.543	-1.536	467	455	450	437	451	448
Pasienē pagasts	Ludza	-1.145	-1.123	-1.109	-1.231	-1.524	-1.552	449	438	437	443	450	449
Vecumi pagasts	Balvi	-1.542	-1.484	-1.529	-1.431	-1.667	-1.612	474	464	464	454	457	450
Skeltova pagasts	Kraslava	-1.738	-1.659	-1.589	-1.576	-1.607	-1.709	479	471	465	459	454	451
Baltinava pagasts	Balvi	-1.985	-2.018	-1.890	-1.996	-1.946	-1.773	481	475	471	465	459	452
Goliseva pagasts	Ludza	-1.208	-1.602	-1.702	-1.490	-1.736	-1.942	457	470	468	457	458	453
Amata pagasts <sup>13</sup>	Cēsis	0.102	-	-	-	-	-	139	-	-	-	-	-
Drabesi pagasts <sup>13</sup>	Cēsis	0.390	-	-	-	-	-	61	-	-	-	-	-
Tadaiki pagasts <sup>14</sup>	Liepāja	0.100	-	-	-	-	-	141	-	-	-	-	-
Cibla pagasts <sup>15</sup>	Ludza	-0.242	-	-	-	-	-	270	-	-	-	-	-
Lidumnieki pagasts <sup>15</sup>	Ludza	-0.654	-	-	-	-	-	385	-	-	-	-	-
Aizkalne pagasts <sup>16</sup>	Preiļi	-0.814	-	-	-	-	-	409	-	-	-	-	-
Preiļi pagasts <sup>16</sup>	Preiļi	-0.505	-	-	-	-	-	350	-	-	-	-	-
Abava pagasts <sup>17</sup>	Talsi	-0.076	-	-	-	-	-	203	-	-	-	-	-
Aizkraukle pagasts <sup>18</sup>	Aizkraukle	0.274	0.488	-	-	-	-	88	54	-	-	-	-
Kraslava pagasts <sup>19</sup>	Kraslava	-0.605	-0.607	-	-	-	-	369	360	-	-	-	-
Blidene pagasts <sup>20</sup>	Saldus	0.101	-0.065	-	-	-	-	140	193	-	-	-	-
Remte pagasts <sup>20</sup>	Saldus	-0.128	-0.355	-	-	-	-	230	296	-	-	-	-
Augstkalne pagasts <sup>21</sup>	Dobele	0.087	0.226	-0.588	-	-	-	150	100	356	-	-	-

Remark. Counties, which do not comprise a town have been included in this table.

- <sup>1</sup> Stopini novads established in 2004 from Stopini pagasts (territory unchanged).
- <sup>2</sup> Carnikava pagasts renamed into Carnikava novads in 2006 (territory unchanged).
- <sup>3</sup> Garkalne pagasts renamed into Garkalne novads in 2006 (territory unchanged).
- <sup>4</sup> Adazi pagasts renamed into Adazi novads in 2006 (territory unchanged).
- <sup>5</sup> Ozolnieki novads established in 2003 by amalgamating Cēnas pagasts and Ozolnieki pagasts.
- <sup>6</sup> Ropazi novads established in 2004 from Ropazi pagasts (territory unchanged).
- <sup>7</sup> Iecava novads established in 2003 from Iecava pagasts (territory unchanged).
- <sup>8</sup> Amata novads established in 2000 by amalgamating Amata pagasts and Drabesī pagasts.
- <sup>9</sup> Tervete novads established in 2002 by amalgamating Augstkalne pagasts, Bukais pagasts and Tervete pagasts.
- <sup>10</sup> Cibla novads established in 2000 by amalgamating Cibla pagasts and Lidumnieki pagasts.
- <sup>11</sup> Riebiņi novads established in 2004 by amalgamating Galeni pagasts, Riebiņi pagasts, Rusona pagasts, Silajāni pagasts, Siluķāns pagasts and Stabulnieki pagasts.
- <sup>12</sup> Varkava novads established in 2002 by amalgamating Rozkalni pagasts and Upmala pagasts.
- <sup>13</sup> Amata pagasts and Drabesī pagasts amalgamated in 2000 and established Amata novads.
- <sup>14</sup> Tadaiķi pagasts and Durbe town with rural area amalgamated in 2000 and established Durbe novads.
- <sup>15</sup> Cibla pagasts and Lidumnieki pagasts amalgamated in 2000 and established Cibla novads.

County, rural municipality	District	Development index					Rank						
		1999	2000	2001	2002	2003	2004	1999	2000	2001	2002	2003	2004
Bukais pagasts <sup>21</sup>	Dobele	0.089	0.023	-0.725	-	-	-	147	154	385	-	-	-
Tervete pagasts <sup>21</sup>	Dobele	0.418	0.438	0.332	-	-	-	59	61	75	-	-	-
Zaļesje pagasts <sup>22</sup>	Ludza	-0.802	-1.060	-1.027	-	-	-	406	431	428	-	-	-
Ogresgals pagasts <sup>23</sup>	Ogre	0.934	1.091	1.142	-	-	-	13	12	11	-	-	-
Rembate pagasts <sup>24</sup>	Ogre	0.282	0.312	0.380	-	-	-	84	84	67	-	-	-
Rozkalni pagasts <sup>25</sup>	Preiļi	-0.991	-1.069	-1.054	-	-	-	432	433	429	-	-	-
Upmala pagasts <sup>25</sup>	Preiļi	-1.048	-0.982	-0.994	-	-	-	440	419	423	-	-	-
Cēnas pagasts <sup>26</sup>	Jelgava	0.361	0.785	0.782	0.896	-	-	68	24	27	19	-	-
Ozolnieki pagasts <sup>26</sup>	Jelgava	4.533	5.371	5.294	5.423	-	-	1	1	1	1	-	-
More pagasts <sup>27</sup>	Cēsis	0.126	-0.200	0.025	-0.112	-	-	132	245	160	192	-	-
Sigulda pagasts <sup>27</sup>	Rīga	0.914	0.740	0.810	0.874	-	-	15	28	21	20	-	-
Bebrene pagasts <sup>28</sup>	Daugavpils	-0.412	-0.588	-0.695	-0.899	-	-	320	356	375	406	-	-
Pilskalne pagasts <sup>28</sup>	Daugavpils	-0.651	-0.638	-0.720	-0.714	-	-	383	369	376	371	-	-
Sedere pagasts <sup>28</sup>	Daugavpils	0.711	0.882	0.480	0.075	-	-	29	15	50	136	-	-
Saka pagasts <sup>29</sup>	Liepāja	-0.471	-0.336	-0.488	-0.556	-0.534	-	337	289	321	329	308	-
Galeni pagasts <sup>30</sup>	Preiļi	-0.776	-0.723	-0.678	-0.699	-0.790	-	402	384	372	364	379	-
Riebiņi pagasts <sup>30</sup>	Preiļi	-0.430	-0.264	-0.316	-0.443	-0.515	-	328	270	275	304	300	-
Rusona pagasts <sup>30</sup>	Preiļi	-0.615	-0.538	-0.613	-0.602	-0.622	-	374	345	359	341	334	-
Silajāni pagasts <sup>30</sup>	Preiļi	-0.995	-0.942	-1.132	-1.113	-0.950	-	434	415	440	426	405	-
Silukalns pagasts <sup>30</sup>	Preiļi	-1.119	-1.004	-0.981	-1.212	-1.049	-	446	421	419	440	417	-
Stabulnieki pagasts <sup>30</sup>	Preiļi	-1.220	-1.206	-1.396	-1.192	-1.211	-	459	447	459	435	433	-

<sup>16</sup> Aizkalne pagasts, Preiļi pagasts and Preiļi town amalgamated in 2000 and established Preiļi novads.

<sup>17</sup> Abava pagasts and Sabile town amalgamated in 2000 and established Sabile novads.

<sup>18</sup> Aizkraukle pagasts and Aizkraukle town amalgamated in 2001 and established Aizkraukle novads.

<sup>19</sup> Kraslava pagasts and Kraslava town amalgamated in 2001 and established Kraslava novads.

<sup>20</sup> Blidene pagasts, Remte pagasts and Broceni town with rural area amalgamated in 2001 and established Broceni novads.

<sup>21</sup> Augstkalne pagasts, Bukais pagasts and Tervete pagasts amalgamated in 2002 and established Tervete novads.

<sup>22</sup> Zaļesje pagasts and Zilupe town amalgamated in 2002 and established Zilupe novads.

<sup>23</sup> Ogresgals pagasts and Ogre town amalgamated in 2002 and established Ogre novads.

<sup>24</sup> Rembate pagasts and Kegums town with rural area amalgamated in 2002 and established Kegums novads.

<sup>25</sup> Rozkalni pagasts and Upmala pagasts amalgamated in 2002 and established Varkava novads.

<sup>26</sup> Cēnas pagasts and Ozolnieki pagasts amalgamated in 2003 and established Ozolnieki novads.

<sup>27</sup> More pagasts, Sigulda pagasts and Sigulda town amalgamated in 2003 and established Sigulda novads.

<sup>28</sup> Bebrene pagasts, Pilskalne pagasts, Sedere pagasts and Ilukste town amalgamated in 2003 and established Ilukste novads.

<sup>29</sup> Saka pagasts and Pavlosta town amalgamated in 2004 and established Saka novads.

<sup>30</sup> Galeni pagasts, Riebiņi pagasts, Rusona pagasts, Silajāni pagasts, Siluķāns pagasts and Stabulnieki pagasts amalgamated in 2004 and established Riebiņi novads.

