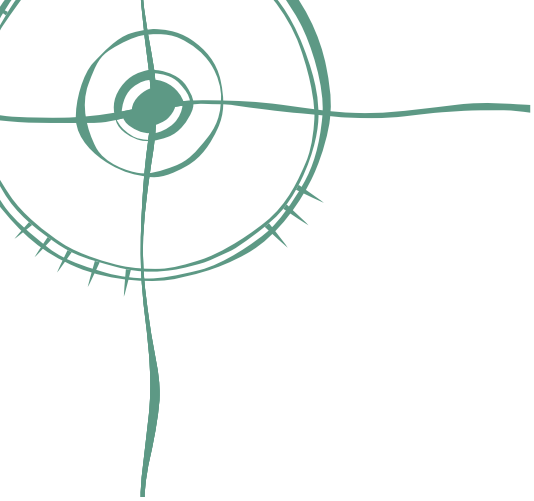

Development of Regions in Latvia

2007

Development of Regions in Latvia 2007
State Regional Development Agency

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The well-balanced development of all regions in Latvia is one of the key preconditions for the stable and targeted development of Latvia, by ensuring equal working and development opportunities for inhabitants regardless of their place of residence.

In recent years a significant economic development can be observed in Latvian regions and therefore also in the country in general, which has helped in achieving the goal of a regional development policy, which is advancing towards the development level of European countries and, at the same time, promoting the competitiveness of Latvian regions in a European context.

Concurrently with a number of events supporting regional development, during the previous year important work has been done in the field of establishing and implementing regional policy by elaborating the Development Planning System Law with the aim to promote the coordination of development planning process at the level of the state, regional and local administration.

At the same time the Ministry of Regional Development and local municipality has commenced the elaboration of strategy for sustainable development of Latvia by gathering experts and it will become the key planning document for long-term development of the country after it is approved by the Saeima and it will determine the strategic development guidelines for the country and society, it will highlight the main development directions and spatial perspective of state territory by 2030.

In order to advance the transition to sustainable development more purposefully and effectively and to ensure a well-balanced course of development process in the entire country, it should be based on capacitated regions and local municipalities.

Currently the completion of administrative territorial reform of local municipalities by establishing counties with development capabilities is a priority for the government. Since the work for improvement of administration system continues, also the discussions on establishment of regions or districts and decentralization of state administration functions for making their performance more accessible to inhabitants have been commenced.

Well-thought-out investments are undoubtedly an important precondition for development. The state support for the emerging local municipalities of the counties, which has exceeded 90 million lats within recent years, is a significant contribution to the development of regional infrastructure and improvement in the availability and quality of services provided to inhabitants. Also the funding of European Union funds will provide an important incentive to regional development.

By skilful selection of the most appropriate paths for developments and on the basis of the specific potential of the particular territory, we have all the opportunities for promotion of regional development and therefore also for improvement of life quality for inhabitants.

Respectfully yours,

The Minister for Regional Development and Local Government

Edgars Zalāns

The State Regional Development Agency is working in the field of regional development both by performing the analytical and research work and by administering the programs of the financial instruments of the state, European Union funds and others. This year we are publishing the survey Development of Regions in Latvia 2007 for the fifth time and this is the only such survey in the country regarding the territorial units.

Also the issue concerning the development of territories in Latvia becomes even more important compared with other European Union countries, therefore the survey includes a section, which analyses the Latvian indexes in a European Union and international context.

The previous planning period of European Union Structural Funds has concluded and in this regional development survey we are analysing what changes have taken place in territorial development and what should be taken into consideration while working during the new planning period of European Union Structural Funds.

For the first time the survey includes the assessment for the contribution of instruments supporting the regional development from the point of view of regions and provides the analysis of the system for equalization of finances of local municipalities.

The survey shows that the number of population in Latvia continues to reduce more slowly than during the previous years and the average age of inhabitants increases. But the increasing differences of territories of Latvia in the terms of social economic development prove that the applied instruments of regional development policy have not been sufficiently effective. During this programming period a particular attention should be paid to the support of cities as driving forces of surrounding rural territories, improvement of infrastructure and ensuring availability of services in the entire country.

We offer this survey on regional development in Latvia for your judgment and we will be grateful for your proposals and comments.

The Director of the State Regional Development Agency
Anna Vītola-Helviga

INTRODUCTION

The survey Development of Regions in Latvia 2007 is an annual publication of the State Regional Development Agency. The first survey was published in 2003 and the edition prepared this year is the fifth consecutive one; it follows-up and supplements the preceding ones.

The aim of the regional development survey is to provide the readers with objective and credible information describing the development of territorial units in different levels and the analysis of results calculated on their basis. Respectively collection of main data regarding the territorial units of Latvia, i.e., the planning regions, districts, cities, parishes and counties, and carrying out the analysis of changes and trends in territorial development was the main task during the preparation process of the survey. Such survey on the territorial units in Latvia is the only one in the country and its significance is stressed by the fact that in 2005 the Central Statistical Bureau discontinued publishing the edition Regions of Latvia in numbers, but the territorial information is included in the statistical yearbook and other surveys of fields and spheres. The edition Development of the Regions in Latvia 2007 is intended for an extensive range of readers interested in the development of territories of Latvia – policy creators and implementers, employees of local municipalities, planning regions, state administration institutions, as well as scientists, teaching staff, students and other interested persons.

The survey consists of the preface, eight chapters, conclusion and annex containing data about territorial units. The survey includes a large number of maps, where the analysed statistical data can be reviewed in a visual form.

The first chapter of the survey represents the comparison of the main social economic indicators of Latvia with the average indicators of European Union, as well as the comparison with several specific countries by using Eurostat data. This chapter also describes the position of Latvia in an international context by using the national development index, global competitiveness index and the business competitiveness index.

The second chapter specifies what statistical data were used in the survey and in what period they were analysed and it represents the methodology for calculating the territory development index for different groups of territorial units. It should be added that by implementation of administrative territorial reform the updating of methodology for calculating the territory development index and its application to the new administrative territorial division are topical.

The third chapter specifies what territories are included in the five planning regions of Latvia and also how many local municipalities there are and how many inhabitants they have, have been described.

The fourth chapter – Comparative Description of Planning Regions – compares the planning regions of Latvia both by demographic and economic indicators. This chapter represents the recent data regarding the regions and their dynamics within the preceding five years. The data of this chapter draws attention to the decrease in the demographic situation. Additionally to the decrease in the number of inhabitants the lowering of the expected average life span has emerged, but the fact that the birth rate has slightly increased should be judged as a positive factor. The dynamics of the territory development index of the regions proves that difference between the Riga planning region, which has the highest development level, and other regions increases.

The statistical data analysed in the fifth chapter of the survey have been reviewed separately in framework of two groups of local municipalities – a group of cities and a group of rural territories. The group of rural local municipalities has a better expressed interrelationship between the territory development index and

the number of inhabitants of a local municipality – the larger the local municipality the higher the development index. This interrelationship is not so sharp in the group of cities.

The sixth chapter represents the description of the territories of local municipalities within the framework of planning regions. The main social economic indicators reviewed in the previous chapters were analysed in this chapter by local municipalities and by grouping them into five planning regions. Planning regions can apply such analysis for planning and evaluating their own development, proposing territories for different types of support, etc.

The seventh chapter is dedicated for the state (national) support events or instruments of regional development implemented in 2007 and existing under the authority of the Ministry of Regional Development and Local Municipalities and the State Regional Development Agency. The analysis regarding the distribution of funding among the planning regions was performed for the following supporting events: earmarked subsidy for free Internet access points in libraries, earmarked subsidies for local municipality investments, earmarked subsidies for local municipality events, earmarked subsidies for investments in county infrastructure and earmarked subsidies for elaboration of projects for merging the local municipalities, earmarked subsidies for spatial planning, program Development of especially supported territories funded by the government and tax allowances for companies in the especially supported territories.

As the improvement of the system for equalization of finances of local municipalities is also topical along with the implementation of administrative territorial reform, the eighth chapter represents the analysis of the system for equalization of finances of local municipalities in the territorial cut and the summary of propositions for the new system, which have been prepared in 2007 as an order of RAPLM. Inclusion of such issue in the survey can be substantiated by the fact that the equalization of finances of local municipalities is a significant instrument directed towards reduction of regional differences and the topicality of this issue.

The conclusion summarizes the conclusions arising from the information analysed in this survey.

The following are the innovations in this survey compared with the preceding editions:

- for the first time Latvia, amongst other countries, is represented in the basic index for describing development;
- trends for advancing towards the average level of European Union in the period 2002 – 2006 have been highlighted;
- the existing events of MRDLG and SRDA for supporting the development have been assessed according to programs and planning regions;
- system for equalization of finances of local municipalities has been described – the present situation and propositions for its improvement.

The main message of the survey Development of the Regions of Latvia 2007 is the finding that by promoting and reinforcing the potential of factors and development characteristic for the territories of Latvia more attention should be paid to well-balanced development of territories by reducing fundamental unfavourable social economic differences among different territories of the country.

LATVIA IN A EUROPEAN UNION AND IN AN INTERNATIONAL CONTEXT

Since 2007 the European Union (EU) has included 27 Member States and 461.5 million inhabitants reside there. The population of Latvia forms 0.5% of the total population of the EU. The follow-up to this survey provides data describing Latvia's position among the countries of the European Union. The following indicators were applied for assessment of trends in the changes in the social economic development level of EU: Gross Domestic Product (GDP) per capita, changes in GDP, harmonized index of consumption prices, employment rate and the proportion of persons searching for employment in the total number of economically active inhabitants.

Table 1 represents the overview of the basic index describing the development of the 27 EU Member States in 2006.

Country	GDP per capita, in % against the average in EU-27	Changes in GDP, in % against 2005	Harmonized index of consumption prices	Employment rate, in %	Proportion of persons searching for employment, in %
Austria	127.8	3.3	1.7	70.2	4.7
Belgium	120.0	2.8	2.3	61.0	8.2
Bulgaria	36.7	6.1	7.4	58.6	9.0
Cyprus	92.1	4.0	2.2	69.6	4.6
Czech Republic	78.8	6.4	2.1	65.3	7.1
Denmark	126.0	3.9	1.9	77.4	3.9
Estonia	68.5	11.2	4.4	68.1	5.9
Finland	117.2	5.0	1.3	69.3	7.7
France	111.1	2.0	1.9	63.8	9.2
Germany	114.4	2.9	1.8	67.5	9.8
Greece	97.8	4.3	3.3	61.0	8.9
Hungary	65.0	3.9	4.0	57.3	7.5
Ireland	145.7	5.7	2.7	68.6	4.4
Italy	103.3	1.9	2.2	58.4	6.8
Latvia	**54.2**	**11.9**	**6.6**	**66.3**	**6.8**
Lithuania	56.3	7.7	3.8	63.6	5.6
Luxembourg	279.7	6.1	3.0	63.6	4.7
Malta	77.1	3.4	2.6	54.8	7.3
Netherlands	130.8	3.0	1.7	74.3	3.9
Poland	52.4	6.1	1.3	54.5	13.8
Portugal	74.6	1.2	3.0	67.9	7.7
Romania	38.9	7.9	6.6	58.8	7.3
Slovakia	63.8	8.5	4.3	59.4	13.4
Slovenia	88.0	5.7	2.5	66.6	6.0
Spain	105.2	3.9	3.6	64.8	8.5
Sweden	124.8	4.1	1.5	73.1	7.1
United Kingdom	118.1	2.9	2.3	71.5	5.3
Average in EU-27	**100.0**	**3.0**	**2.2**	**64.5**	**8.2**

Table 1. Basic Index of European Union countries in 2006.

In 2006 Latvia held 24th place among the 27 EU Member States according to GDP per capita according to increase in GDP in % against the previous year – 1st place, according to harmonized index of consumption prices – 25th place, according to the employment rate – 13th place, and according to the proportion of persons searching for employment – 16th place.

For the purposes of comparison the following tables and the figure with all EU Member States represent those countries, which can be compared with Latvia and therefore also on whose background the level of social economic development of Latvia can be reflected in the best way. According to changes in the rates describing the development against the average rates of the EU-27 it is possible to assess the advancement of the development of Latvia towards the average level of EU. Data of this range of countries are reviewed in five year periods. The tables and the figure are prepared on the basis of data from the database New Cronos of the Statistical Office of the European Communities (Eurostat).

Gross Domestic Product per capita is one of the most frequently used indicators describing the level of social economic development achieved by countries. The purchasing power parity indicator is used for obtaining the direct comparison of gross domestic product of EU Member States in the terms of volume, which, for the purposes of comparison, prevents the differences in price levels among the countries. In 2006, according to the purchasing power parity standards*, in Latvia the GDP was EUR 12 600 per capita, but in the EU-27 – EUR 23 600. Evaluating the changes in GDP per capita in Latvia and in other countries, the average level of EU-27 Member States was considered as 100%. Consequently in 2006 the GDP per capita in Latvia formed 54.2% of the average level of EU-27, in Denmark – 126.0%, Sweden – 124.8%, Finland – 117.2%, but in Estonia it was 68.5%, Lithuania – 56.3%, and Poland – 52.4% (see the Table 2 and Figure 1). Compared with other European Union countries Luxemburg considerably exceeds (186.3%) the average level of EU. Outside the range of EU-27 Member States Norway stands out with its high prevalence of the average level, having the GDP per capita in 2006 almost threefold of the average level of EU-27 (279.2%).

Accession of new Member States to EU had a lowering effect on the average value of GDP per capita. In 2006 the average rate of EU-15 Member States was 12.1% larger, but in the EU-25 Member States – only 3.9% larger than the average GDP per capita of EU-27.

During the period 2002-2006 the level of social economic development of Latvia continued to advance towards the EU level. Compared with the average rates of EU, in Latvia by purchasing power parity standard the GDP per capita formed 41.4% in 2002, but in 2006 it was 54.2% of the average EU-27 level. In the

* Purchasing power parity standard describes the volumes of the Gross Domestic Product and minimum salaries, which are assessed in a unified currency for the group of countries, which participate in the calculations, exclusive of the existing differences in prices.

period 2002-2004 Latvia advanced towards the EU-27 level by 2 percentage points per year on average, but falling behind the average level of EU countries was reduced by 4 percentage points per year on average in 2005 and 2006.

Country	2002	2003	2004	2005	2006	Position among EU-27 in 2006
Latvia	**41.4**	**43.5**	**45.8**	**50.0**	**54.2**	**24**
Denmark	128.9	124.7	126.2	126.9	126.0	5
Estonia	50.0	54.6	56.8	63.0	68.5	20
Finland	115.7	113.5	116.8	115.2	117.2	9
Germany	115.6	117.0	116.8	115.3	114.4	10
Ireland	138.5	141.1	142.1	144.0	145.7	2
Lithuania	44.2	49.1	50.6	53.3	56.3	23
Poland	48.5	49.1	50.8	51.3	52.4	25
Sweden	121.6	123.2	125.2	123.9	124.8	6
Average in EU-27	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	

Table 2. Gross Domestic Product per capita by purchasing power parity standard, in % against the average of EU-27.

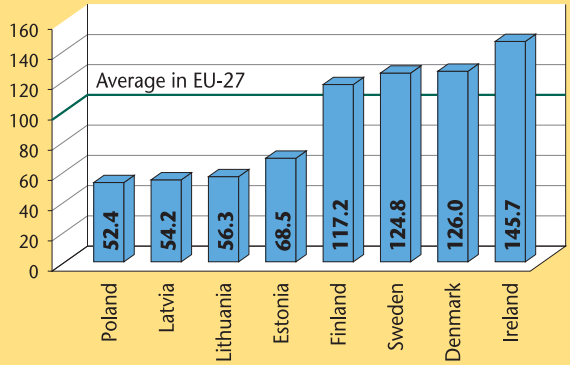

Figure 1. Gross Domestic Product per capita in 2006 by purchasing power parity standard, in % against the average of EU-27.

In 2006 the increase in GDP was observed in all European Union countries; its extent fluctuates within the range from 1% to 12%. In 2005 and 2006 by the GDP growth rates Latvia was the leader among EU-27 Member States. Compared with the previous year, the GDP in Latvia increased by 10.6% in 2005 and by 11.9% in 2006. The increase in GDP exceeding the level of 10% was also observed only in Estonia – 10.2% in 2005 and 11.2% in 2006 (see Table 3).In Norway, where the GDP per capita against the average rate of EU-27 was the highest in 2006, the GDP increased by 2.2%.

Country	2002	2003	2004	2005	2006
Latvia	**6.5**	**7.2**	**8.7**	**10.6**	**11.9**
Denmark	0.5	0.4	2.3	2.5	3.9
Estonia	8.0	7.2	8.3	10.2	11.2
Finland	1.6	1.8	3.7	2.9	5.0
Germany	0.0	-0.2	1.1	0.8	2.9
Ireland	6.6	4.5	4.4	6.0	5.7
Lithuania	6.9	10.3	7.3	7.9	7.7
Poland	1.4	3.9	5.3	3.6	6.1
Sweden	2.4	1.9	4.1	3.3	4.1
Average in EU-27	**1.2**	**1.3**	**2.5**	**1.8**	**3.0**

Table 3. Changes in Gross Domestic Product in comparable prices, in % against the previous year.

According to the forecasts of Eurostat, in 2008 the GDP per capita in Latvia could reach 61.2% of the average level of EU-27. Considering the rates of progress, Latvia may reach the average level of EU-27 in the next 10-15 years.

In order to obtain the comparison of development level, Eurostat applies the harmonized index of consumption prices (HICP)*. Unlike the national index of consumption prices (ICP), HICP includes also the spending of foreign tourists, which are weighted differently. Unlike the HICP, national ICP includes the spending on gambling. The harmonized average index of consumption prices (inflation) in EU-27 was comparatively stable during the last five years, maintaining the level of 2.2% both in 2005 and 2006. In 2006 the largest growth in consumer prices, compared with 2005, was observed in Bulgaria (inflation formed 7.4%), Latvia and Romania (inflation – 6.6%). The consumption prices in Estonia grew by 4.4% and in Lithuania – by 3.8%. Inflation did not exceed the level of 2.0% in Denmark and Sweden. The lowest index of consumption prices was observed in Finland and Poland – the level of 1.3%.

During the period of 2002-2006 Latvia experienced too rapid growth in prices, inflation grew to 3.3 times the comparable average figure of the EU-27 (see Table 4).

Country	2002	2003	2004	2005	2006
Latvia	**2.0**	**2.9**	**6.2**	**6.9**	**6.6**
Denmark	2.4	2.0	0.9	1.7	1.9
Estonia	3.6	1.4	3.0	4.1	4.4
Finland	2.0	1.3	0.1	0.8	1.3
Germany	1.4	1.0	1.8	1.9	1.8
Ireland	4.7	4.0	2.3	2.2	2.7
Lithuania	0.3	-1.1	1.2	2.7	3.8
Poland	1.9	0.7	3.6	2.2	1.3
Sweden	1.9	2.3	1.0	0.8	1.5
Average in EU-27	**2.1**	**2.0**	**2.0**	**2.2**	**2.2**

Table 4. Harmonized index of consumption prices.

Latvia represents good dynamics of development in the terms of employment compared with other European Union countries. In the period of 2002-2005 the employment rate** in Latvia was below the average rate

* The harmonized index of consumption prices reflects the changes in prices of consumption goods and services within a certain period of time. HICP measures the average level of changes in prices for fixed amount of selected consumption goods and services (consumption basket). HICP is used for comparing the changes in levels of consumption prices in EU Member States and for measuring the stability of prices in Euro-zone.

** Employment rate is the percentage of employed inhabitants aged from 15 to 64 against the number of inhabitants in the respective age group. Employed inhabitants – all persons aged from 15 to 64, who performed any work for at least an hour in the reporting week either for monetary remuneration or were remunerated with goods or services, regardless of having or having not received the remuneration during the week when the work was done.

of EU-27, but in 2006 it exceeded this average rate. In 2006 in Latvia the employment rate for persons aged from 15 to 64 years was 66.3% of the total population of this age group, which is 1.8 percentage points more than the average of EU-27 countries and is almost equal to the average employment rate of EU-15.

In 2006 the average employment rate in EU-27 was 64.5% but in EU-15 it was 66.2%. The highest employment rate was observed in Denmark (77.4%) and Sweden (73.1%), but Malta had the lowest rate (54.8%). In Lithuania the proportion of employed population in the group aged 15-64 formed 63.6% and in Estonia it was 68.1% (see Table 5). Iceland stands out from other European countries with the highest employment rate (84.6%).

During the period of 2002 – 2006 the employment rate increased by 5.9 percentage points in Latvia and by 2.2 percentage points on average in EU Member States.

Country	2002	2003	2004	2005	2006
Latvia	**60.4**	**61.8**	**62.3**	**63.3**	**66.3**
Denmark	75.9	75.1	75.7	75.9	77.4
Estonia	62.0	62.9	63.0	64.4	68.1
Finland	68.1	67.7	67.6	68.4	69.3
Germany	65.4	65.0	65.0	66.0	67.5
Ireland	65.5	65.5	66.3	67.6	68.6
Lithuania	59.9	61.1	61.2	62.6	63.6
Poland	51.5	51.2	51.7	52.8	54.5
Sweden	73.6	72.9	72.1	72.5	73.1
Average in EU-27	**62.3**	**62.6**	**62.9**	**63.5**	**64.5**

Table 5. Employment rate, in %.

The proportion of persons searching for employment* in the total number of economically active inhabitants is very important for describing the economic activity of inhabitants. Employed persons and persons actively searching for employment form the economically active inhabitants, i.e., the labour force. As the data collected by Eurostat show, in Latvia the proportion of persons searching for employment in the total number of economically active inhabitants has constantly reduced in the period of 2002 – 2006. During the period of 2002 – 2004 the proportion of persons searching for employment in the total number of economically active inhabitants in Latvia was even higher than the average in EU-27, but in 2005 the equalizing of proportions took place, but in 2006 in Latvia the proportion of persons searching for employment was already 1.4 percentage points lower than the average in European Union. Poland (13.8%) of economically active inhabitants) and Slovakia (13.4%) stood out with the largest proportion of persons searching for employment in 2006. In Finland this rate was 7.7%, but in Sweden it was 7.1%. Estonia, Lithuania, Ireland, and Denmark had the rate of economic activity of inhabitants below Latvia (See Table 6).

In the period 2002 – 2006 the proportion of persons searching for employment in the total number of economically active inhabitants in Latvia reduced three times more rapidly than the average in EU-27 (by 5.4 and 0.7 percentage points, respectively).

Country	2002	2003	2004	2005	2006
Latvia	**12.2**	**10.5**	**10.4**	**8.9**	**6.8**
Denmark	4.6	5.5	5.5	4.8	3.9
Estonia	10.3	10.0	9.7	7.9	5.9
Finland	9.1	9.0	8.8	8.4	7.7
Germany	8.4	9.3	9.7	10.7	9.8
Ireland	4.5	4.7	4.5	4.3	4.4
Lithuania	13.5	12.4	11.4	8.3	5.6
Poland	19.9	19.6	19.0	17.7	13.8
Sweden	4.9	5.6	6.3	7.4	7.1
Average in EU-27	**8.9**	**8.9**	**9.0**	**8.9**	**8.2**

Table 6. Proportion of persons searching for employment in the total number of economically active inhabitants, in %.

The position of Latvia in an international context can also be described by the nation development index, global competitiveness index and the business competitiveness index.

The international comparisons in development program of United Nations (UN) use the Nation development index (NDI) or the human potential development index for determining the development of a country. The purpose of elaborating NDI within the annual survey on nation development of UN Development program in 2006 was highlighting the starting-point according to which a country's level could be compared with the overall situation in the world and its progress could be assessed during the course of time. 3 indicators are applied in calculation of NDI: GDP per capita, life expectancy of newborns, and the level of education.

According to nation development index in 2001 and 2002 Latvia was the 50th among 177 world's countries, but in 2003 – 48th, in 2004 and 2005 – 45th. Consequently a climb from 50th to 45th place has taken place since 2001, and Latvia is the only Baltic State, whose national development index has improved during this time span – Estonia has fallen from 38th place to 44th place, but Lithuania moved from 39th place to 43rd in 2005. For comparison, in 2005 Ireland was 5th, Sweden – 6th, Finland – 11th, Denmark – 14th, Germany – 22nd, and Poland – 37th place. The position of Latvia improved, because the life expectancy of newborns increased in 2005 (unfortunately in 2006 it declined), the Gross Domestic Product and level of education improved. According to experts' opinion it is a very pleasant achievement for the country, but it

* According to definition of the Central Statistical Bureau the persons searching for employment are all those persons aged from 15 to 74, who are or are not registered in the State Employment Agency and who conform to three conditions simultaneously:
- they are neither employed nor temporarily away from work;
- they are searching for employment actively;
- ready to start working the moment they find employment.

Also the persons, who were not searching for employment due to finding the employment earlier and who commenced working within three months time, also are considered as persons searching for employment.

does not indicate a large leap in its development.

According to the results of the research carried out by the research institute Heritage Foundation, Latvia holds 38th position in the world's rating of economic freedom in 2006. Latvia has risen three places, compared with the rating of previous year. Estonia holds a high 12th place, but Lithuania has the 26th position in the rating of economic freedom. Estonia and Lithuania was described as mostly free, but Latvia – as partly free. The rating of Heritage Foundation evaluates the economic freedom of total of 157 countries in the world. The index has been developed by evaluation of such factors as trade policy, tax burden, government's interference in economic processes, monetary policy, capital flows and foreign investments in banking and financial sectors, proprietary rights and level of corruption.

The global competitiveness index (GCI) describes the macroeconomic situation. In 2006 Latvia had the 45th place among 131 countries, but Estonia was 27th and Lithuania – 38th in the Global Competitiveness Report of World Economic Forum. U.S. had the world's most competitive economy, and it was followed by Switzerland, Denmark, Sweden, and Germany. The Institute of Economics of Latvian Academy of Sciences and Stockholm School of Economics in Riga carry out the research of competitiveness of Latvia.

Business competitiveness index (BCI) describes the microeconomic situation, and in 2006 Latvia was 54th, Lithuania – 26th and Estonia – 39th in the ranking of business competitiveness. Experts point out that no significant improvements can be observed in Latvia, and businessmen name corruption, scepticism of an impartial legal system and bureaucratic attitude from the governmental institutions as the main obstacles for development.

TERRITORIAL DEVELOPMENT INDICATORS AND ANALYSIS METHODOLOGY

Indicators

Data from the Republic of Latvia Central Bureau of Statistics (CSB) as well as data from the Treasury, State Land Service and State Employment Agency have been used for assessment and analysis of territory development. Availability of data regarding the administrative territories has largely influenced the structure of indicators included in this survey due to the limited scope of available indicators. More comprehensive statistical data are available about regions and cities of the Republic, whereas there is less information about towns, counties and rural parishes of districts. The analysis includes the cities with the status of an administrative territory of the Republic of Latvia. No analogous data are available to CSB regarding the cities of counties, because the elaboration of such data was not included in the National program of statistical information approved by the Cabinet of Ministers.

The national statistical information collected in the survey differs by reporting periods. Some parts of these data describe the situation at a certain period of time – either at the beginning or end of the year (in this report from the beginning of 2002 till the beginning of 2007). Whereas, the collected data, which describe a process taking place within a year, refer to a period of one year (in this report from year 2002 till year 2006). For instance, population, age structure of population, demographic burden, density of population, unemployment rate apply to the beginning of each year. Number of workers employed full time and number of the unemployed applies to the end of each year. Indicators, such as the gross domestic product, individual income tax, non-financial investment figures, data on economically active enterprises and entrepreneurial companies as well as the net population growth and net migration figures describe each year in particular.

The description of economic activity of inhabitants by groups of planning regions, towns and rural parishes uses the following indicators – statistical unit number of market sector, inclusive of by types of business, number of economically active businessmen and companies, their division by groups of volume, as well as the number of employed. Additionally individual income tax data the stratification of population in terms of material welfare in the planning regions is also described by the information regarding the monthly gross remuneration.

The administrative division of Latvia has been reviewed in the edition in accordance to the situation on 1 January 2008 by including Lubana County established in 2007, where the Lubana City and Indrani rural parish merged, and the new boundaries of Broceni County, which incorporated Gaiki rural parish in 2007, in the calculations.

Assessing Development of Territories

The methodology of using territory development indexes for determining the social economic development level for territories has been successfully used since 2000. The analysis of the methodology and obtained results show that the elaborated method and the scope of selected indicators reflects the social economic development level of territories accurately and objectively.

For development assessment of territories inter-comparison of the territories has been carried out as well as comparison of basic index values of the development of a particular territory against the mean values of the country and the region. On individual occasions the development dynamic is analysed by comparing the indicator value for the last year of review against the mean value of the four preceding years. The analysis period is five years – from 2002 to 2006 inclusive. The correlation between different indicators has been analysed, including the territory development index and the population. Both absolute and relative indicators were used for analysis. Development indicators have been expressed in different measurement units, including persons, lats, percentages, percentage points, etc. Indicators used for comparison were calculated both per 1 and 1 000 inhabitants.

Territory Development Index

The practice has proved that the social economic level of territories of different levels and types is best described by a synthetic, i.e., generalized indicator – territory development index. The development index is determined by standardization of the most important statistical basic indexes.

Standardized indicators are calculated on the basis of initial indicators, which describe the territory from different aspects and they are expressed in persons, funds, percentages or other actual units. The initial measurement units disappear due to the standardization and therefore different indicators become inter-comparable. The indicators may be combined by using the common development index.

The standardization of indicators is carried out using the following formula

$$t = \frac{x - \bar{x}}{s},$$

where:

t - the standardized value of the particular observed object (territory);

x - standardized indicator in its specific measurements units in the particular territory;

$\overline{x}$ - arithmetical mean value of the respective indicator in the respective group of territories (calculated either as the weighted-average or as the proportion of two absolute values);

s - standard deviation, indicator of the deviation calculated by the formula

$$s = \sqrt{\frac{\sum (x - \overline{x})^2 f}{\sum f}},$$

where *f* is the statistical weight, usually refers to the population in the territory.

The values of standardized indicators are calculated for each development basic index to each territory.

Table 7 represents the content of statistical indicators required for calculation of territory development index and how they are weighted in terms of importance.

Indicator	Weights of importance		
	Regions, districts	Parishes	Cities, towns
Gross Domestic Product per capita, in LVL, in real prices	0.3	-	-
Unemployment rate, in % *	0.15	0.25	0.3
Amount of individual income tax per capita, in LVL	0.1	0.25	0.3
Non-financial investments per capita, in LVL	0.1	-	-
Level of demographic burden	0.1	0.15	0.2
The number of individual businessmen and companies per 1000 inhabitants	0.1	-	-
Density of resident population, people per 1 km^2	0.05	0.1	-
Changes in the number of residents during the five years, in %	0.1	0.15	0.2
Mean cadastral value of land, LVL/ha	-	0.1	-

Table 7. Indicators and their weighted values used for calculating the development index.

A weighted figure has been attributed to each indicator according to its importance, estimated by experts, taking into account that the sum of all weighted indicators must be 1. Each standardized indicator is multiplied by the respective weight of importance. As a result the development index components are calculated, whose sum forms the territory development index.

Initial data from the CSB as well as from the Treasury, State Land Service and State Employment Agency have been used for calculations of development index, using both the annually accrued statistical data (GDP, volume of Individual Income Tax, non-financial investments) and the momentary statistical indicators (demographic indicators) according to the situation at the beginning of the year of review.

The reviewed and currently used territory development index described the development of the separate territories as either speeding up or falling behind, compared with other territories (towns, rural parishes, counties, districts, regions). Calculation of these development indexes employs the data of the particular year, in which the assessment of development level was carried out (annual development index).

The territory development index applies to:

- elaboration of national support program for regional development;
- differentiation of support within the framework of events co-funded by European Union funds;
- assessment of the impact of European Union, state support, and other financial instruments on the territorial development and the economic efficacy;
- comparison, assessment, and forecasting of the territorial development of local municipalities, district local municipalities and planning regions and other types of territorial development analysis.

Territory development indexes for the needs of development assessment of territories are according to the methodology presently applied calculated individually for uniform groups in terms of status and availability of indicators – regions, districts, cities, towns and rural parishes.

County municipalities comprising a town are included in the town group. If county municipalities are consisting of rural parishes only they are included in the rural parish group. There has been a separate range of indicators assigned for determination of the socio-economic development level of each group of territorial items. A total of 8 indicators is used in the group of regions and districts, 6 in the rural parish group, whereas 4 indicators are used in the town group.

Territory development indexes have been calculated since year 2000. Territory development indexes have so far been calculated for eight years – from 1999 to 2006. However, in the Annex to this edition, development indexes and ranks of planning regions, districts, towns and rural parishes are available for the period of the previous five years.

The analysis of indicators forming the development index provides the opportunity to determine the main factor, which in its turn determines the value of the index describing the territory development level. The figures in the basic indexes provide the opportunity to describe the differences in the social economic development of territories, inclusive the determination of territories attractive for inhabitants, reflection of stratification of inhabitants in terms of material welfare, comparison of territories in terms of employment, and identification of other trends of regional development.

* number of registered unemployed persons against the working age population. Population in the working age range – females – 15 – 61 years, males – 15 – 62 years.

Territory Development Index of Rural Parishes Within Regions

For the fourth year, respectively on the basis of data of 2003 – 2006, the development index is also calculated for each local municipality within the framework of its planning region, additionally to the index calculated for each territory in the scale of Latvia. The calculation was carried out by combining towns, counties and rural parishes into a single group within a particular region. In the estimate of territory development index in the region's local municipalities, average values of the development basic index of the specific region were used as the basis for comparison; four indicators have been used in the estimate: unemployment rate, individual income tax per capita, level of demographic burden and change in the population within five previous years. The territory development indexes of local municipalities are calculated within the regions with the aim to provide more comprehensive information to local municipalities by solving the planning issues in the region, performing the comparison of development in territories of the respective region, their assessment, forecasting and other types of territory development analysis. This development index supplements, but it does not substitute the territory development index, which has been calculated for the groups of territories according to the principle of uniformity: rural parishes, towns, districts, planning regions. The territory development index within a region and the development basic indexes used for the calculations are applicable to the description of differences in the development of territories in the groups of region's towns and rural parishes.

PLANNING REGIONS TERRITORIES AND LOCAL MUNICIPALITIES

Territories of Planning Regions

Five planning regions were established for the needs of ensuring the regional development planning and coordination and the cooperation between local municipalities in Latvia (see Table 8 and Figure 2).

Riga region is the smallest one in terms of the area of territory – it covers 16.2% of the country. Zemgale region is slightly larger (16.6%.) Proportion of the remaining three regions exceeds 20%. In terms of area Vidzeme region is the largest; its territory covers 23.6% of the country (see Table 9 and Figure 3).

Riga Planning Region	Vidzeme Planning Region	Kurzeme Planning Region	Zemgale Planning Region	Latgale Planning Region
Riga	Aluksne district	Liepaja	Jelgava	Daugavpils
Jurmala	Cesis district	Ventspils	Aizkraukle district	Rezekne
Limbazi district	Gulbene district	Kuldiga district	Bauska district	Balvi district
Ogre district	Madona district	Liepaja district	Dobele 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		Preili district
				Rezekne district

Table 8. Planning regions and their inclusive administrative units.

Figure 2. Territories of planning regions.

Planning region	Area, in km²	Proportion, in %
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
Total in Latvia	**64 588.7**	**100.0**

Table 9. Territories of planning regions and their proportion in the total area of the country at the beginning of 2007.

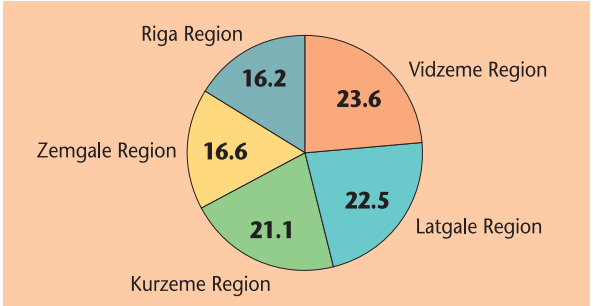

Figure 3. Proportion of territories of planning regions in the total area of the country at the beginning of 2007, in %

* Pursuant to the Law on Regional Development adopted on April 9, 2002, and in accordance with the Cabinet of Ministers Regulations No. 133 of March 23, 2003 On Territories of Planning Regions.

Local Municipalities in Latvia and in Planning Regions

As of January 1, 2008, there were 551 municipalities in Latvia in total – 26 district municipalities and 525 local municipalities, as follows: 7 city municipalities, 52 district town municipalities, 36 county municipalities, and 430 rural parish municipalities*. The figures for local municipalities in terms of whether they are urban or rural are as follows: 7 city municipalities and 70 local municipalities in towns and urban counties, 448 local municipalities in rural parishes and rural regions.

One quarter of all local municipalities of Latvia are situated in Latgale region (134). Vidzeme region has 123 local municipalities, Kurzeme region – 98, and Zemgale region – 95 local municipalities. according to number of local municipalities Riga with its 75 local municipalities is the smallest region. But in its turn Riga region has the largest number of towns – 20, Vidzeme and Kurzeme regions – 16 each, Latgale region – 14, Zemgale region – 11 (see Figure 4).

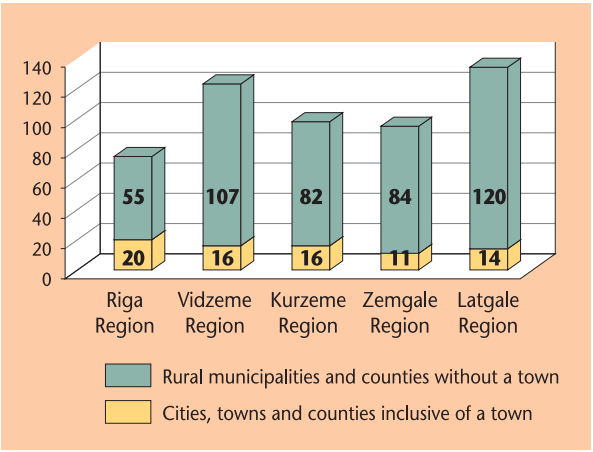

Figure 4. Number of local municipalities of the groups of towns and counties in the planning regions at the beginning of 2008.

In terms of population, the local municipalities in Riga region are larger compared with other regions. At the beginning of 2007 a single local municipality in Riga region had 14 600 inhabitants on average, which is 5 to 7 times more compared with other regions. In Kurzeme region 3 200 inhabitants on average were residing in a single local municipality, in Zemgale region – 3 000, Latgale region – 2 600, and Vidzeme region – 1 900 inhabitants.

Comparing the large number of local municipalities with the small number of the country's population (2 300 000 at the beginning of 2007) it can be concluded that Latvian local municipalities are small on average. 4 300 inhabitants on average are living in a single local municipality, but in the rural local municipalities (rural parishes and rural regions) this number is even three times smaller – 1 500 inhabitants. Latvian local municipalities are very different in terms of population. According to data of CSB at the beginning of 2007 Riga the largest local municipality had 722 485 inhabitants equal to 31.7% of the total population of the country, but the smallest local municipality, the Kalncempji rural parish had 272 inhabitants.

Considerable differences in the population can be observed also in the groups of the territories of local municipalities. Rezekne with its 36 345 inhabitants is the smallest one in the group of cities; respectively it is 20 times smaller than Riga. In the group of district towns the largest and the smallest town differ in terms of population by 23 times: the largest town has 27 465 inhabitants (Valmiera), the smallest – 1 176 (Subate together with rural territory). Ogre county (29 481 inhabitant) is the largest county, but Cibla county is the smallest (1 421 inhabitant). Kekava rural parish is the largest one in the group of rural parishes (12 825 inhabitants), Kalncempji rural parish is the smallest one (272 inhabitants). But irrespective of the area of the territory and the number of its population, each local municipality shall ensure the functions of a local municipality prescribed by law.

Latvia has many local municipalities (local municipalities of towns, counties and rural parishes) with small populations – in 38% of local municipalities the population is below 1 000. In 35% of local municipalities the population is within the range of 1 000 to 2 000, and in 16% - from 3 000 to 5 000. Only 10% of local municipalities have a population of at least 5 000 but they contain 71% of the total population of Latvia.

By reviewing only the rural local municipalities it should be noted that there are 200 local municipalities among them, whose population is below 1 000, and 174 local municipalities have a population of between 1 000 to 2 000. Only 13 local municipalities have a population above 5 000 (see Table 10).

Number of population	Number of parishes and rural counties	Proportion of population against the total population of the country, in %
up to 999	200	6.3
1000-1999	174	10.7
2000-2999	39	4.1
3000-3999	12	1.8
4000-4999	10	1.9
5000 and above	13	4.5
Total in Latvia	**448**	**29.3**

Table 10. Division of rural parishes and rural regions by population at the beginning of 2007.

Latgale region has the largest number of rural local municipalities with populations below 1 000 – 72. In Vidzeme region the number of such rural local municipalities is 49, in Kurzeme region – 38, Zemgale region – 31, and Riga region – 11. But rural local municipalities of at least 5 000 inhabitants are

* as of January 1, 2007, there were 553 municipalities – 26 district municipalities and 527 local municipalities: 7 city municipalities, 53 district town municipalities, 35 county municipalities, and 432 rural parish municipalities. At the moment of publishing the survey on September 1, 2008, there were 550 municipalities – 26 district municipalities and 524 local municipalities: 7 city municipalities, 52 district town municipalities, 37 county municipalities, and 428 rural parish municipalities.

mostly located in Riga region – 9, two more such local municipalities are located in Zemgale region and Latgale region. Vidzeme and Kurzeme regions do not have such large local municipalities (see Table 11).

Planning region	up to 999	1000-1999	2000-2999	3000-3999	4000-4999	5000 and above
Riga Region	10	20	13	-	3	9
Vidzeme Region	49	48	4	6	1	-
Kurzeme Region	38	34	7	1	1	-
Zemgale Region	31	32	11	3	5	2
Latgale Region	72	40	4	2	-	2
Total in Latvia	**200**	**174**	**39**	**12**	**10**	**13**

Table 11. Division of rural parishes and rural regions by population in planning regions at the beginning of 2007.

Within the framework of administrative territorial reform the merging of local municipalities is taking place in the country, and 36 counties were established in Latvia by 1st January 2008. 18 county centres are towns, but 18 counties consist only of territories of rural parishes. The largest number of counties with towns in them is situated in Riga region – 7. It is followed by Latgale region with a slightly lesser number – 5, and Kurzeme region – 4. Zemgale region and Vidzeme region each have 1 county whose centre is a town.
Riga region has the highest number of rural parts or counties without towns in their territories – 8, it is followed by Zemgale region with 4 such counties and Vidzeme region and Latgale region with 3 such counties in each. Kurzeme region has no such counties formed solely by territories of rural parishes. It should be marked that not all the counties are formed by combination of two or more local municipalities. In Riga region in several cases previously existing rural parishes are renamed as counties, because they have a sufficiently developed infrastructure for performing the functions of a local municipalities and a good dynamic of development.

In 2007 the total revenue of the consolidated budget of Latvian local municipalities stood at LVL 1 428 890 00, revenue of basic budget of local municipalities (net) – LVL 1 327 020 000, revenue of special budget of local municipalities (net) – LVL 101 880 000*.

* official monthly reports in the homepage of the Treasury (January – December 2007).

COMPARATIVE DESCRIPTION OF PLANNING REGIONS

DEMOGRAPHIC SITUATION

The demographic situation in the planning regions of Latvia has been described in the present survey for the period of five years. The accrued indicators have been analysed for the period from 2002 to 2006 whilst the momentary indicators have been analysed from the beginning of 2002 to the beginning of 2007. The following basic indexes were used for analysis: population, changes in the population and their factors of influence, namely, natural movement and migration. The level of demographic burden has been described in relation to the changes in the main age groups of population and the demographic forecast.

Population

The population of Latvia was 2 281 300 at the beginning of 2007. Significant differences can be observed among the planning regions in terms of population and its proportion against the total population in the country. This is mainly defined by the relatively large population of Riga region, particularly in the capital city.

As of the beginning of 2007: 1 095 700 or almost half (48.0%), of the total population in Latvia lived in Riga region. Two thirds of the total population of Riga region are the inhabitants of the capital city. One in three Latvians lives in Riga they make up 31.7% of the total population. In terms of population numbers disparities between the other four regions are minor, and the percentage of population is from 11% to 16% of the total population. Latgale region is the second largest region in Latvia (about 354 600 or 15.7% of the entire population). It is followed by Kurzeme and Zemgale regions. The smallest in terms of population is Vidzeme region where there are 240 300 inhabitants or one tenth (10.5%) of the total population (see Table 12 and Figure 5).

During the analysis period from 2002 to 2007 the population ratios in Vidzeme, Kurzeme and Latgale regions out of the total population, have dropped, in Zemgale region it remained at the level of 2002, but in Riga region it increased by 0.8 percentage points.

Planning region	Population	Proportion, in %
Riga Region	1 095 683	48.0
Latgale Region	354 554	15.5
Kurzeme Region	306 052	13.4
Zemgale Region	284 669	12.5
Vidzeme Region	240 347	10.5
Total in Latvia	**2 281 305**	**100.0**

Table 12. Population of planning regions and their percentage of the total country population as at the beginning of 2007.

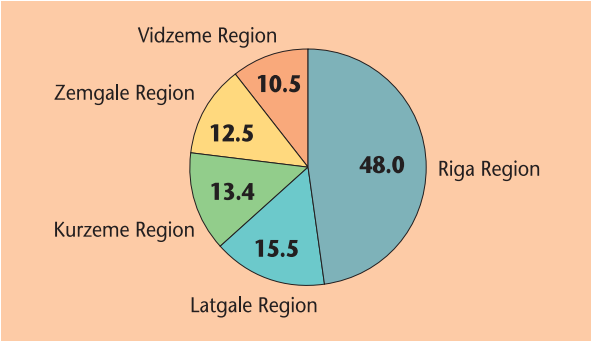

Figure 5. Population percentages of planning regions of the total country population as at the beginning of 2007, in %.

Population Density

The decrease in the population reflects on reducing the indicators of population density. At the beginning of 2007 the average population density in Latvia was 35.3 people per km², but at the beginning of 2002 this rate was slightly higher – 36.3 people per 1 km². In comparison – the average population density in EU-27 countries is equal to 115 people per 1 km².

Riga region mostly stands out with the highest population density – 104.9 inhabitants per 1 km²; population density there exceeds the average population density figure in the country three times over. Vidzeme region is the least populated; its population density indicator is 15.8 people per 1 km². The difference of population density in Riga and Vidzeme regions is almost 7 times. The population density in the other three regions is comparatively similar – 23-27 people per 1 km² (see Table 13 and Figure 6). With towns excluded from the population density estimates of regions, the differences between the regions have considerably dropped (see Figure 7). The population density maintains its significance as a statistical indicator only in the comparisons of large territories, but it becomes partial in assessments of smaller territories – unfortunately, regarding such administrative units as cities with rural territories, the statistics do not separate the territory of a town from rural territory.

Planning region	Population density	
	total	excluding cities
Riga Region	104.9	32.0
Zemgale Region	26.5	20.5
Latgale Region	24.4	14.5
Kurzeme Region	22.5	13.1
Vidzeme Region	15.8	15.7
Average in Latvia	**35.3**	**18.2**

Table 13. Population density in planning regions at the beginning of 2007, people per km².

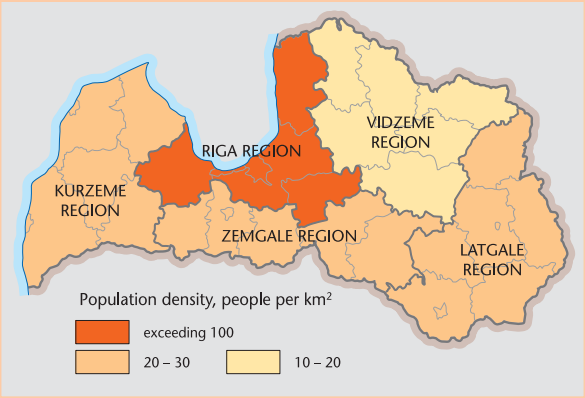

Figure 6. Population density in planning regions at the beginning of 2007.

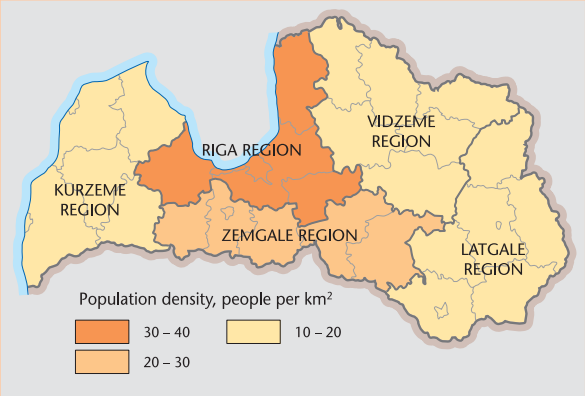

Figure 7. Population density in planning regions at the beginning of 2007, exclusive of cities.

Population Change

The data of demographic statistics collected by CSB prove that the population in Latvia is still continuing to drop both in the country in general and in each region individually. At the beginning of 2007, 2 281 300 people were living in Latvia, which is 13 300 less than a year ago. The population of Latvia has dropped by 64 500 within five years from 2002 to the beginning of 2007. The most considerable changes in the population according to absolute numbers can be observed in Latgale region, where the population dropped by 23 600 - it is one third of the total reduction of population in the country. The smallest reduction of population was observed in Zemgale region 7 400. The population of Kurzeme, Vidzeme and Riga regions dropped by almost 11 000 inhabitants in each (see Table 14 and Figure 8.)

The relative indicator best describes the rate of changes in the population, it is calculated by dividing the changes in the population within the period of five years against the population at the beginning of the period and expressing the result in percentage. This indicator provides the opportunity to single out the regions, which lose or attract inhabitants most rapidly. Compared with the beginning of 2002, in Latgale region the number of residents has dropped most considerably compared with other regions of Latvia – for 6.2%. This process was slightly slower in Vidzeme region – the

Planning region	2002	2003	2004	2005	2006	2007
Riga Region	1106.4	1098.8	1098.5	1097.8	1096.9	1095.7
incl. Riga	747.2	739.2	735.2	731.8	727.6	722.5
Jurmala	55.3	55.2	55.5	55.6	55.6	55.4
Vidzeme Region	252.1	251.0	248.2	245.4	243.0	240.3
incl. Valmiera	27.4	27.4	27.5	27.6	27.5	27.5
Kurzeme Region	317.1	315.6	313.3	310.7	308.4	306.1
incl. Liepaja	87.5	87.0	86.5	86.3	85.9	85.5
Ventspils	44.0	44.0	44.1	44.0	43.8	43.5
Zemgale Region	292.0	291.3	290.0	288.2	286.4	284.7
incl. Jelgava	65.9	65.8	66.1	66.1	66.1	66.1
Jekabpils	27.4	27.2	27.0	26.8	26.7	26.8
Latgale Region	378.1	374.8	369.2	364.3	359.8	354.6
incl. Daugavpils	113.4	112.6	111.2	110.4	109.5	108.1
Rezekne	38.1	37.8	37.2	36.8	36.6	36.3
Total in Latvia	**2345.8**	**2331.5**	**2319.2**	**2306.4**	**2294.6**	**2281.3**

Table 14. Population number in planning regions from 2002 to the beginning of 2007, in thousands.

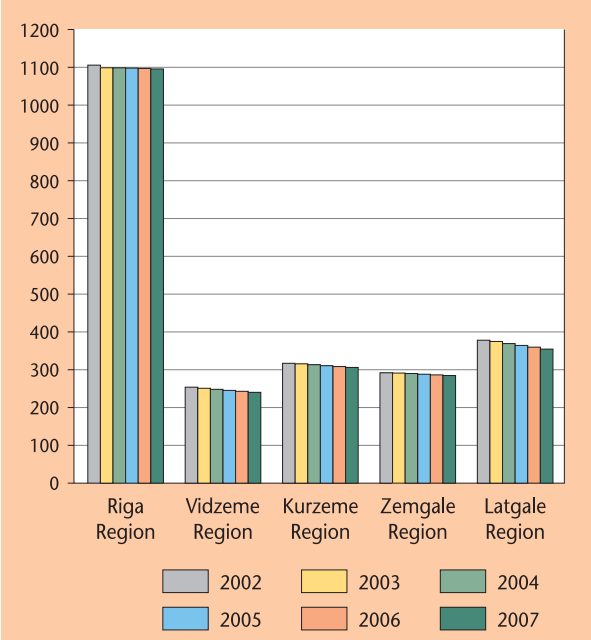

Figure 8. Dynamics of population number in planning regions from 2002 to the beginning of 2007, in thousands.

population dropped by 4.7% and in Kurzeme region – for 3.5%. The population in Zemgale region dropped by a lesser degree 2.5%. Riga region had the most favourable situation, where the population dropped the least – for 1.0% (see Table 15 and Figure 9). The decrease in population of Riga region was partially compensated by the increase of population in the local municipalities near to the capital city. Within this period the population of Riga district increased by 15 900, but in Ogre district by 1 000.

The rate of decrease in population has become slower in the country within the last five years. During the period from 1998 to the beginning of 2003 the population generally decreased in the country for 3.7%, but in the period from 2002 to the beginning of 2007 – for 2.7%. The rate of changes in the population has become slower in the country for 0.9 percentage points, including Riga region – 2.9 percentage points.

Planning region	1998–2003	1999–2004	2000–2005	2001–2006	2002–2007
Riga Region	-3.9	-3.0	-2.3	-1.7	-1.0
incl. Riga	-9.0	-7.7	-4.5	-3.8	-3.3
Jurmala	-6.9	-5.8	-0.1	-0.2	0.1
Vidzeme Region	-3.5	-3.9	-4.4	-4.5	-4.7
incl. Valmiera	-4.7	-3.8	-0.6	0.2	0.4
Kurzeme Region	-3.5	-3.4	-3.6	-3.4	-3.5
incl. Liepaja	-10.7	-9.4	-3.8	-2.9	-2.3
Ventspils	-5.9	-5.1	0.2	-0.1	-1.0
Zemgale Region	-1.8	-1.6	-1.7	-2.1	-2.5
incl. Jelgava	-8.0	-6.8	4.4	2.4	0.2
Jekabpils	-4.5	-5.0	-3.5	-3.4	-2.3
Latgale Region	-4.8	-5.2	-5.5	-5.9	-6.2
incl. Daugavpils	-3.5	-3.7	-4.1	-4.4	-4.7
Rezekne	-8.7	-8.2	-7.2	-5.3	-4.5
Average in Latvia	**-3.7**	**-3.3**	**-3.2**	**-2.9**	**-2.7**

Table 15. Changes in population number in the planning regions during successive periods of five years, in %.

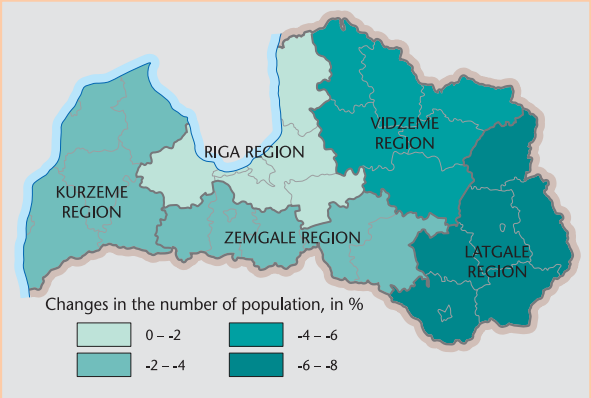

Figure 9. Changes in the population number in the planning regions from 2002 to the beginning of 2007.

During the review period the rate of decrease in the population of Kurzeme region has remained in the level of 3.5 percentage points, but the rates of Latgale, Vidzeme and Zemgale regions have accelerated (for 1.5, 1.2, and 0.7 percentage points, respectively).

Compared with the previous year, in 2002 the population in the country dropped by 0.61%, in 2003 – for 0.53%, in 2004 – for 0.55%, and in 2005 – for 0.51%. In 2006 the rate of decrease in the population – 0.58% from the total population – exceeded the rate of the previous year. Rates of decrease in the population in the country and the correlation of factors influencing the changes fluctuate by years. The decrease in the population is mostly influenced by the natural movement of inhabitants. Within the period of 2002-2006 the population has dropped by 0.53%, 0.49%, 0.50%, 0.49% and 0.47% from the total population due to the natural movement, and for 0.08%, 0.04%, 0.05%, 0.02% and 0.11% due to migration (see Figure 10).

Within a year, comparing data of 2000 and the beginning of 2007, the population in Latgale region has dropped by 1.7%, Vidzeme region – for 1.12%, Kurzeme region – for 0.78%, Zemgale region – for 0.61%, and Riga region – for 0.12% (country's average – 0.58%).

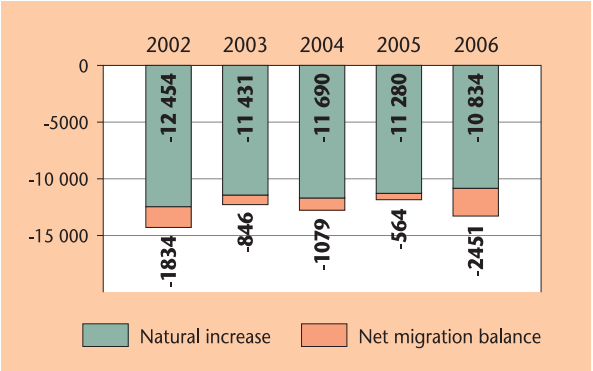

Figure 10. Changes in the population in Latvia and their factors of influence in 2002-2006, number of people.

The proportion of main factors influencing the decrease in population differs by regions. Basically the negative natural increase ensured the decrease of population in Latgale, Zemgale and Riga regions, but in Vidzeme and Kurzeme regions – similar extents of both migration and natural increase.

On an annual basis, from 2002 to 2005 the influence of migration in Latvia on the decrease in population reduced, but in 2006 the negative balance of international migration increased significantly and the population dropped by 2 451 people due to the migration (564 people in 2005). In the decrease in population the proportion of migration of inhabitants grew considerably– from 0.02% in 2005 to 0.11% in 2006.

Natural Movement of Population

According to definition of CSB the natural increase of population is the difference between the number of births and deaths in a certain period of time. The decrease or increase in population due to natural movement is a significant indicator of overall development and development of each individual territory, which points out to the development opportunities of a territory. The coefficient of population growth describes the trends in natural movement and provides the opportunity for comparison of territories. The coefficient of natural growth is the proportion of the natural growth (decrease) of population against the average population of the year expressed per 1 000 inhabitants.

Latvia has a negative balance of population natural movement since 1991. Within the last five years the net balance of natural movement, or the predominance of mortality over births, reduced slightly (see Table 16 and Figure 11).

It can be assessed positively that in the demographic situation of Latvia the trend for the birth rate to grow has become more vivid within recent years. Data of CSB show that in 2006 22 264 children were born in the country, which is 2 220 children more than in 2002. In 2006 the country had the highest number of births in the decade, when 9.7 children were born per 1 000 inhabitants (8.6 children in 2002). According to number of births per 1 000 inhabitants in 2006 the regions of Latvia can be arranged as

follows: Riga region – 10.5, Kurzeme region – 9.9, Zemgale region – 9.7, Vidzeme region – 8.8 and Latgale region – 8.0 children.

Planning region	2002	2003	2004	2005	2006	2002–2006
Riga Region	-5209	-4551	-4354	-3794	-3412	-21 320
incl. Riga	-3860	-3231	-3078	-2795	-2657	-15 621
Jurmala	-361	-295	-343	-299	-311	-1609
Vidzeme Region	-1238	-1314	-1350	-1276	-1337	-6515
incl. Valmiera	-117	-103	-80	-58	-107	-465
Kurzeme Region	-1272	-1218	-1410	-1323	-1192	-6415
incl. Liepaja	-433	-400	-297	-309	-290	-1729
Ventspils	-225	-228	-165	-170	-189	-977
Zemgale Region	-1326	-1077	-1243	-1350	-1327	-6323
incl. Jelgava	-261	-198	-203	-127	-199	-988
Jekabpils	-112	-83	-78	-126	-54	-453
Latgale Region	-3409	-3271	-3333	-3537	-3566	-17 116
incl. Daugavpils	-710	-728	-635	-764	-714	-3551
Rezekne	-278	-210	-287	-230	-220	-1225
Total in Latvia	**-12 454**	**-11 431**	**-11 690**	**-11 280**	**-10 834**	**-57 689**

Table 16. Natural movement of population in planning regions in 2002-2006, number of people.

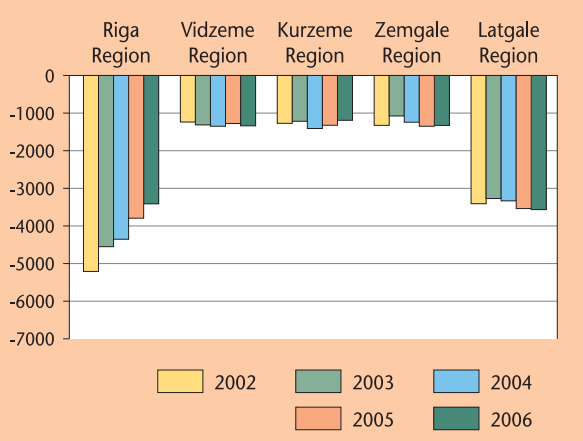

Figure 11. Dynamics of natural movement of population in planning regions in 2002-2006, number of people.

The average number of children, who could be born to a female during her lifetime, if the birth rate would remain in the level of review period in every age (summary birth rate), was 1.353 in 2006, which is more than 1.232 in 2002, but less than the figure required to alter generations – 2.1 – 2.2 (see Table 17).

Year	Number of children born alive in total	per 1000 inhabitants	Summary birth ratio
2002	20 044	8.6	1.232
2003	21 006	9.1	1.286
2004	20 334	8.8	1.240
2005	21 497	9.3	1.309
2006	22 264	9.7	1.353

Table 17. Birth rate trends in Latvia in 2002-2006

Within recent years the mortality rate has increased in Latvia, according to the increase in general mortality rate. The general mortality rate is the proportion of the number of deaths in a year against the average number of inhabitants in a certain territory, it is calculated per 1 000 inhabitants. It was 13.9 in 2002, but in 2006 – 14.5. The general mortality rate of the country on average in 2006 was the worst in the decade. Among the regions of Latvia the largest number of deaths per 1 000 inhabitants was in Latgale region – 18.0 people. In several districts of Latgale the indicators exceeded the average of the country by one and a half times – in Kraslava district the number of deaths reached the level of 21.7, Ludza district – 21.5, Rezekne district – 21.3 per 1 000 inhabitants.

A slight decrease in the negative value of natural population movement was observed in the period of 2002-2006. In 2002 the population in the country dropped by 12454 people and in 2006 – by 10 834 due to natural movement. But on an annual basis in Latvia the mortality rate exceeds the birth rate by on average 5 persons per 1 000. In the review period in general positive changes in natural movement have taken place in Riga region and very slightly in Kurzeme region, but in other regions the predominance of mortality over birth rate has increased (see Table 18 and Figure 12).

Planning region	2002	2003	2004	2005	2006	2002–2006
Riga Region	-4.7	-4.1	-4.0	-3.5	-3.1	-19.4
incl. Riga	-5.2	-4.4	-4.2	-3.8	-3.7	-21.3
Jurmala	-6.5	-5.3	-6.2	-5.4	-5.6	-29.0
Vidzeme Region	-4.9	-5.3	-5.5	-5.3	-5.6	-26.5
incl. Valmiera	-4.3	-3.8	-2.9	-2.1	-3.9	-16.9
Kurzeme Region	-4.0	-3.9	-4.5	-4.3	-3.9	-20.6
incl. Liepaja	-5.0	-4.6	-3.4	-3.6	-3.4	-20.0
Ventspils	-5.1	-5.2	-3.7	-3.9	-4.3	-22.2
Zemgale Region	-4.6	-3.7	-4.3	-4.7	-4.7	-22.0
incl. Jelgava	-4.0	-3.0	-3.1	-1.9	-3.0	-15.0
Jekabpils	-4.1	-3.0	-2.9	-4.7	-2.0	-16.8
Latgale Region	-9.1	-8.9	-9.1	-9.8	-10.1	-47.0
incl. Daugavpils	-6.3	-6.5	-5.8	-7.0	-6.6	-32.2
Rezekne	-7.4	-5.6	-7.8	-6.3	-6.1	-33.1
Average in Latvia	**-5.3**	**-4.9**	**-5.1**	**-4.9**	**-4.7**	**-25.0**

Table 18. Natural decrease of population in planning regions in 2002-2006, by estimates per 1 000 inhabitants, number of people.

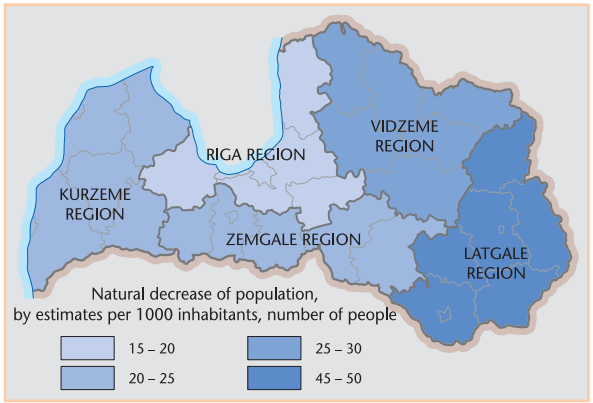

Figure 12. Natural decrease of population in planning regions in 2002-2006, by estimates per 1 000 inhabitants.

Long-term Migration of Population

CSB collects the information from the Office of Citizenship and Migration Affairs regarding the long-term migration* of populations. The difference between the number of people who left and people who arrived constitutes the net migration balance. This figure is considered to be one of the most significant indicators characterizing the popularity of a territory.

In the period 2002-2006 in general the net international long-term migration balance has been negative in Latvia. During the last five years the number of emigrants within a year has increased by almost 2 000. The trend of the number of emigrants reducing ended in 2006, when the number of persons leaving the country was double the 2005 figure. The number of persons leaving the country with the intention to change their permanent place of residence reached 2 450 in 2005, but in 2006 it was 5 252 (see Table 19 and Figure 13).

	2002	2003	2004	2005	2006
Emigration	3262	2210	2744	2450	5252
Immigration	1428	1364	1665	1886	2801
Net migration balance	**-1834**	**-846**	**-1079**	**-564**	**-2451**

Table 19. International long-term migration of population in Latvia in 2002-2006, number of people.

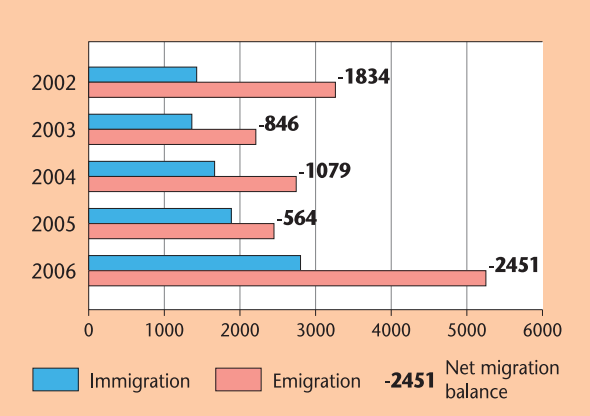

Figure 13. International long-term migration of population in Latvia in 2002-2006, number of people.

In 2006, 2 801 people arrived in Latvia for permanent residence or for at least a year from other countries, which is 915 people more than in 2005 and 1 373 people more than in 2002. Due to migration the population in the country dropped in 2002 by 1 834 people and in 2006 by 2 451 people.

Compared with the previous year the net migration increased four times in 2006. According to the opinion of CSB, it means that the inhabitants of Latvia, on migrating to other countries, have informed the institutions for declaration of place of residence thereof in 2006 in more cases compared with previous years. In general in the period 2002-2006 the population in the country dropped by almost 7 000 due to international long-term migration.

In 2006 the population increased only in Riga region (by 2 147 inhabitants) due to international and inter-regional migration, but it dropped in other regions. During the analysed period in general, the population in Riga region increased by 10 578 people due to migration. The net migration balance in Riga region has been positive since 2003 and it is defined by the predominance of immigrants over emigrants in Riga district and Ogre district. Among the districts of Latvia, in 2006 the total net migration balance of population was positive in Riga district (4 213 people), Ogre district (598), Jelgava district (87) and Ventspils district (3). Among the cities positive value of net migration balance was observed in Jelgava and Jurmala, where the population increased by 163 and 117 inhabitants, respectively. Net migration balance was negative in Riga. The reason – increasingly more inhabitants chose to reside in Pieriga and continue working, studying, shopping, doing business and spending parts of their free time in Riga (see Table 20 and Figure 14).

Planning region	2002	2003	2004	2005	2006	2002–2006
Riga Region	-2418	4277	3667	2905	2147	10 578
incl. Riga	-4065	-760	-401	-1389	-2436	-9051
Jurmala	189	591	494	298	117	1689
Vidzeme Region	125	-1466	-1428	-1111	-1355	-5235
Kurzeme Region	-235	-1003	-1251	-917	-1189	-4595
incl. Liepaja	-87	-109	85	-40	-148	-299
Ventspils	231	348	52	-41	-73	517
Zemgale Region	603	-259	-594	-395	-412	-1057
incl. Jelgava	88	532	251	78	163	1112
Latgale Region	91	-2395	-1473	-1046	-1642	-6465
incl. Daugavpils	-90	-650	-217	-133	-677	-1767
Rezekne	1	-344	-138	78	-81	-484
Total in Latvia	**-1834**	**-846**	**-1079**	**-564**	**-2451**	**-6774**

Table 20. Total net long-term migration balance of inhabitants in planning regions 2002-2006, number of people.

In Latvia the rates of international long-term migration have accelerated during the last five years. According to estimates per 1 000 people, 0.8 people on average left Latvia in 2002, but in 2006 – 1.1 people. The volume of net migration balance of 2006 has increased particularly rapidly, i.e., by almost five times compared with the previous year (see Table 21 and Figure 15).

According to international migration data from CSB, men dominated in immigration (54.6%), but women – in emigration (53.5%). In 2006, 437 children in the

* In accordance to recommendations made by the UN, long-term migrants are the persons, who arrive in the country for permanent residence or for staying for a year or more, and persons emigrating from one country to another with the intention to stay there permanently or for at least one year. This criterion of stay duration allows separation of long-term migrants from other groups of persons crossing the state border, for instance, tourists. Two types of migration are distinguished - external (international) and internal (within a country) migration. The statistics of internal migration does not include the change of place of residence of a person within the boundaries of a single town, rural parish or county.

age group of 0-4 entered Latvia due to international migration. Immigration of underage children (under the age of 5) is a new feature of international migration. Experts at CSB say that in many cases, children born

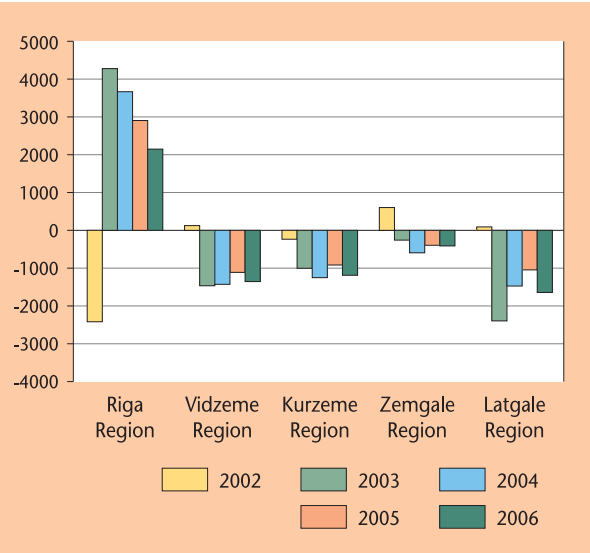

Figure 14. Dynamics of total net long-term migration balance of inhabitants in planning regions 2000-2006, number of people.

Planning region	2002	2003	2004	2005	2006
Riga Region	-2.2	3.9	3.3	2.6	2.0
incl. Riga	-5.5	-1.0	-0.5	-1.9	-3.4
Jurmala	3.4	10.7	8.9	5.4	-2.1
Vidzeme Region	0.5	-5.9	-5.8	-4.6	-5.6
Kurzeme Region	-0.7	-3.2	-4.0	-3.0	-3.9
incl. Liepaja	-1.0	-1.3	1.0	-0.5	-1.7
Ventspils	5.2	7.9	1.2	-0.9	-1.7
Zemgale Region	2.1	-0.9	-2.1	-1.4	-1.4
incl. Jelgava	1.3	8.0	3.8	1.2	2.5
Latgale Region	0.2	-6.5	-4.0	-2.9	-4.6
incl. Daugavpils	-0.8	-5.8	-2.0	-1.2	-6.3
Rezekne	0.0	-9.2	-3.8	2.1	-2.2
Average in Latvia	**-0.8**	**-0.4**	**-0.5**	**-0.2**	**-1.1**

Table 21. The total net long-term migration balance of population in planning regions in 2002-2006, by estimates per 1 000 inhabitants, number of people.

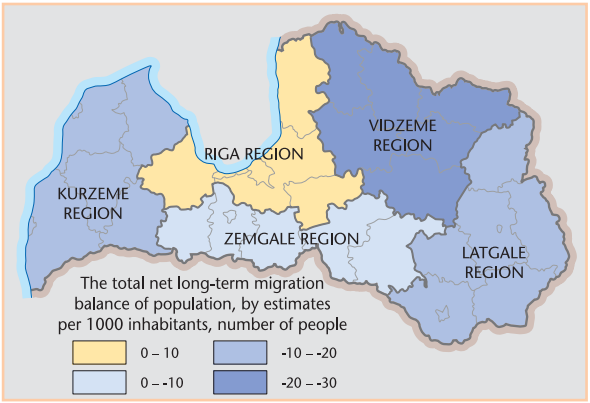

Figure 15. The total net long-term migration balance of population in planning regions in 2002-2006, by estimates per 1 000 inhabitants.

to Latvian inhabitants, who are working abroad, are raised by family members or other relatives in Latvia. In 2006 Latvia lost 2 270 inhabitants of working age (15-64 years).

Due to international migration of population in 2006 the number of Latvians in the country dropped by 695 people, Russians – by 1 282, Ukrainians – by 287, Belarusians – by 198 people. But due to migration in the country the number of Lithuanians increased by 79 people, Estonians – by 45, Germans – by 115, Swedes – by 31, and Danes – by 37.

According to the data of the research of the geographic mobility of the labour force*, the migration of labour force from Latvia to other, mainly European Union countries, does not usually entail changing the permanent place of residence, although the absence may be sustained. The younger generation aged up to 24 expresses the wish to go working abroad and they are mostly men with basic elementary and secondary education. Respondents name higher salaries as the most important reason for going abroad for work (87.4%). Many respondents also consider that the working conditions and social guarantees are better abroad. The wish to obtain experience and ensure better development opportunities in the future are also a significant motivation, and in particular, in the younger age groups. Obtaining the experience is often related to acquisition of language knowledge. It is characteristic that the younger age groups are more mobile, therefore their proportion in the total number of people working abroad is larger. The data of carried out surveys show that respondents name Great Britain, Ireland, Germany and U.S. as the most frequent target countries for labour migration. The territorial division of migration shows that Riga has considerably more intensive migration ties to foreign countries than other Latvian cities, towns and districts. The researchers of the University of Latvia forecast that the emigration volume most likely will reduce gradually within the following 5 years, which is related to the inevitable reduction of the number of inhabitants in the most mobile age in Latvia and the increase in remuneration due to the increasingly smaller supply of labour force. It can be expected that the proportion of persons returning back to Latvia will also increase due to the influence of this factor.

By analysing the internal migration of Latvians, it can be noticed that 52 500 people have changed their permanent place of residence from one administrative territory to another in 2006 (31 400 in 2002). By assessing the internal migration flows, domestic reasons are named for the main motivation for moving; it is followed by work and studies. When analysing the flows of migrants of the last 10 years, the researchers of the University of Latvia detected that in Vidzeme (60%), Kurzeme (66%), Zemgale (61%) and Latgale (69%) migrants have mostly stayed within their own regions, and most of the immigrants into Riga have moved in from Pieriga (32%), but most of the immigrants into Pieriga have moved in from Riga (65%). The trend of

* Geographic mobility of labour force - Riga: National program Labour Market Research of the European Union Structural funds, University of Latvia, 2007.

moving to Riga or territories of Pieriga for permanent residence is rather significant. The previous trends of the increasing intensity of migration between Riga and Pieriga have remained during the last year. For instance, according to data of CSB, in 2006 1 741 people moved for permanent residence in Riga from Zemgale region, 1 609 - from Latgale region, 1 404 – from Vidzeme region, 1 304 – from Kurzeme region, and 3 992 – from Pieriga.

Demographic Burden

Demographic burden is an indicator characterising the proportion of children and people of retirement age per 1 000 working age citizens. The division of the number of inhabitants into three main age groups – under working age, at working age and over working age, in the 2002 and at the beginning of 2007 is represented in Table 22.

Planning region	2002			2007		
	Below working age	At working age	Above working age	Below working age	At working age	Above working age
Riga Region	15.1	61.9	23.0	13.2	66.0	20.8
Vidzeme Region	19.1	58.5	22.3	14.9	63.9	21.2
Kurzeme Region	18.5	59.8	21.8	15.5	64.2	20.3
Zemgale Region	18.5	60.3	21.1	15.1	65.2	19.7
Latgale Region	16.6	59.9	23.5	13.4	65.2	21.4
Average in Latvia	**16.6**	**60.8**	**22.6**	**14.0**	**65.3**	**20.7**

Table 22. Division of inhabitants by age groups in planning regions in 2002 and at the beginning of 2007, proportion in the total population, in %.

In the terms of development of local municipality the division of inhabitants by different age groups is important, particularly by distinguishing the working age inhabitants, because it represents the perspectives for employment development or points out to the shortage of labour force resources. The highest percentage of working age inhabitants in 2007 was observed in Riga region (66.0%), followed by Zemgale and Latgale regions (65.2% each). Kurzeme region (64.2%), but Vidzeme region had the lowest rate (63.9%). Within five years the number of the country's working age inhabitants increased by 64 700; therefore the proportion of working age inhabitants in the total population of the country increased from 60.8% at the beginning of 2002 to 65.3% at the beginning of 2006.

The proportion of working age inhabitants considerably increased in Vidzeme, Latgale, and Zemgale regions (5.4, 5.2, and 4.9 percentage points, respectively). The percentage of working age inhabitants increased in Kurzeme and Riga regions slightly less (4.4 and 4.1 percentage points, respectively). At the beginning of 2007 Riga region had the smallest proportion of inhabitants under working age and the largest proportion of working age inhabitants. But Latgale region stands out of the other regions with the largest proportion of inhabitants at retirement age (21.4%).

The relation between the number of children and adolescents and the people at retirement age, which describes the structure of alternation of generations, should be taken into account for more absolute assessment of demographic burden indicators. In absolute figures the population at retirement age in Riga and Latgale regions exceeded the number of children and adolescents 1.6 times, in Vidzeme region – 1.4 times, in Kurzeme and Zemgale regions – 1.3 times.

Within five years the number of children and adolescents aged 0-14 dropped by more than 72 000, and their proportion in the total population of the country dropped from 16.6% at the beginning of 2002 to 14.0% at the beginning of 2007. At the beginning of 2007 Riga region had the smallest percentage of the number of children and adolescents among the planning regions – 13.2%, but Kurzeme region had the largest proportion – 15.5%. In Latgale region this indicator was 13.4%, Zemgale region – 15.1%, and in Vidzeme region – 14.9%. The reduction in the proportion of inhabitants under working age in the total population is related to the reduction of birth rate in the country, and it may cause negative consequences in further years – the working age population will drop and the population over working age will increase, which will increase the demographic burden.

The percentage of inhabitants who have reached retirement age exceeds the proportion of children and adolescents in the total population and this gap continues to expand. At the beginning of 2002 the difference between the proportions of children and inhabitants who have reached retirement age in the country was 6.0 percentage points, but at the beginning of 2007 – it had grown by 0.8 percentage points, because the proportion of children and adolescents dropped more rapidly compared with the proportion of inhabitants who have reached retirement age. Within the last five years the predominance of percentage of inhabitants who had reached retirement age increased by 3.0 percentage points in Vidzeme region, Zemgale region – by 1.9 percentage points, Kurzeme region – by 1.6 percentage points, Latgale region – by 1.1 percentage points, but in Riga region it dropped by 0.3 percentage points. Within the last five years in Riga region the proportion of inhabitants who had reached retirement age dropped more rapidly (by 2.2 percentage points) than the proportion of children and adolescents (by 1.9 percentage points) in the total population.

The changes of the age structure of populations influenced also the indicators of demographic burden. The demographic burden dropped considerably within recent years in Latvia (see Table 23 and Figures 16 and 17).

Planning region	2002	2003	2004	2005	2006	2007
Riga Region	614.8	576.6	565.4	541.5	533.4	514.9
Vidzeme Region	708.6	657.8	644.5	612.8	593.2	565.3
Kurzeme Region	672.8	627.2	617.7	593.2	582.4	558.2
Zemgale Region	657.3	611.0	598.7	571.7	557.6	533.8
Latgale Region	668.2	619.4	604.3	576.4	561.5	534.7
Average in Latvia	**646.0**	**602.9**	**590.8**	**565.0**	**553.4**	**531.2**

Table 23. Level of demographic burden in planning regions 2002 – beginning of 2007.

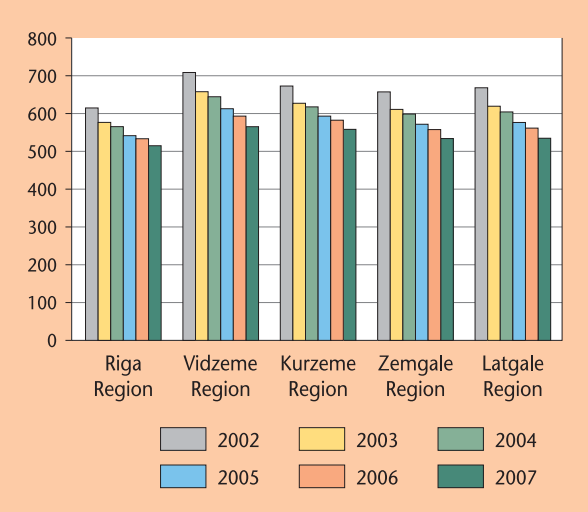

Figure 16. Dynamics of the level of demographic burden in planning regions 2002 – beginning of 2007.

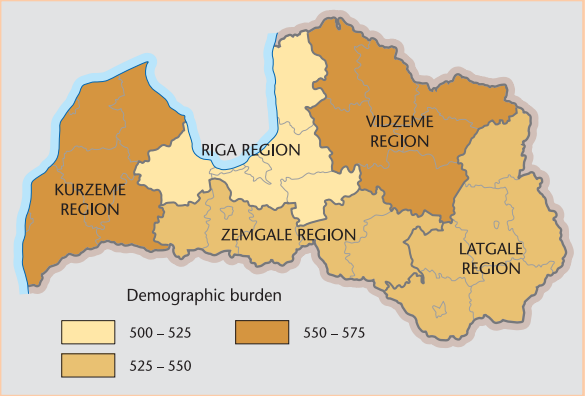

Figure 17. Level of demographic burden in planning regions at the beginning of 2007.

At the beginning of 2007 the country had 531.2 children, adolescents and inhabitants who had reached retirement age on average per 1 000 working age inhabitants. Since the beginning of 2002 the demographic burden level dropped both in the country in general and in all the regions: in Vidzeme and Latgale regions by 20% in each, in Zemgale region – by 19%, Kurzeme region – by 17%, and Riga region – by 16%. The highest indicator of demographic burden remained in Vidzeme region, but Riga region had the lowest indicator of demographic burden. The reduction of demographic burden mostly took place due to the low birth rate, but it is influenced also by the ageing of population and the increase in the age of retirement.

The average age of inhabitants is a good indicator of the level of ageing of inhabitants as a whole. At the beginning of 2004 the average age of inhabitants residing in Latvia was 39.8 years, but at the beginning of 2007 it was 40.4 years. Consequently, the indicator of average age has annually increased by 0.2 years from 2004 by the beginning of 2007. The population ageing processes are topical for all territories of the country. The districts of Latgale region (Ludza, Kraslava and Balvi districts) had the highest average age at the beginning of 2007. It was mostly defined by the intensive movement of the younger generation to the largest cities.

Breakdown of Population by Gender

Percentage of men and women in the total population in the country has not changed significantly in the period of time under review. At the beginning of 2007, similarly to the previous three years, the percentage of the number of men and women in the total population was 46.1% and 53.9% respectively. But at the beginning of 2002 and 2003 the proportion of men was slightly smaller – 46.0%.

At the beginning of 2007 the largest percentage of men in the total population was recorded in Zemgale region – 47.1%. In Vidzeme region this indicator was 47.0%, Kurzeme region – 46.8%, and Latgale region – 46.3%, which shows that the proportion of men in the four regions exceeded the country's average indicator. The lowest percentage of men was recorded in Riga region – 45.3%, and consequently it had the largest number of women per 100 men – 120.6. The number of women per 100 men in the other regions was within limits of 112 to 114 (see Table 24).

Planning region	2002	2003	2004	2005	2006	2007
Riga Region	121.1	121.4	121.2	121.0	121.0	120.6
incl. Riga	124.2	124.7	124.6	124.6	124.8	125.0
Jurmala	124.2	123.7	122.6	122.4	121.5	120.8
Vidzeme Region	112.9	112.9	112.9	112.7	112.8	112.7
Kurzeme Region	113.8	113.8	113.5	113.4	113.5	113.8
incl. Liepaja	120.5	120.9	120.8	120.6	121.0	121.2
Ventspils	118.2	118.6	118.2	118.1	118.5	118.7
Zemgale Region	113.0	112.8	112.6	112.5	112.4	112.1
incl. Jelgava	116.8	116.7	117.4	117.7	118.1	119.0
Latgale Region	114.9	114.9	114.7	114.7	114.9	116.1
incl. Daugavpils	121.6	122.1	122.4	122.6	123.2	126.2
Rezekne	120.6	121.1	121.3	121.3	121.5	122.9
Average in Latvia	**117.2**	**117.3**	**117.1**	**117.0**	**117.0**	**117.1**

Table 24. Number of women in planning regions and cities in 2002 – at the beginning of 2007, by estimates per 100 men.

Breakdown of population by gender forms the foundation for labour market analysis and the assessment of observance of gender equality principles. According to the conclusions of experts* the employment level

* Gender equality aspects in labour market. - Riga: National program Labour Market Research of the European Union Structural funds, SIA FAKTUM, Baltic Institute of Social Sciences, 2006.

both of men and women has increased, and the employment rate of women is only slightly lower than the employment rate of men. The inhabitants with higher education have a higher employment level both among women and men. But in the active age the proportion of female employment searchers is lower than the proportion of male employment searchers, because the reasons for not working (day-care, household) common among women hold them back from getting involved in the labour market. The hypothesis defined in the research has been proved that gender is a factor, which influences the remuneration, and influence of this factor differs in different fields of employment. The research confirms that age influences the risk of unemployment even more than gender.

Life Expectancy and Demographic Forecast

According to definition of CSB the average life expectancy of inhabitants at certain age is the number of years, which the persons, who have reached the respective age, would live on average, if in each age the mortality rate would remain in the level of the year of estimate. Within the last five years the best indicator in Latvia was registered in 2004, when the average life expectancy for newborns was 72.14 years, for men – 67.07 years and for women – 77.20 years.

According to the data of average life expectancy, a negative trend of lifespan dropping has been observed in the demographic situation since 2004 in Latvia. The average life expectancy for men has dropped by 1.22 years and for women by 0.42 years (see Table 25).

to 1 500 000. The range of forecasts is extensive; the diversity in forecasting considerations regarding the potential natural and migration movement of inhabitants defines the differences. The most favourable version has been elaborated with the condition that the highest birth rate variant will develop, but the most unfavourable variant includes the opposite situation (see Figure 18). Also the forecast version without migration growth has been elaborated, according to which the population in Latvia will drop to 1 800 000 in 2050. Unfortunately the conclusions expressed in the research Depopulation Today and Tomorrow conducted by the Latvian Academy of Sciences that "Latvia is experiencing

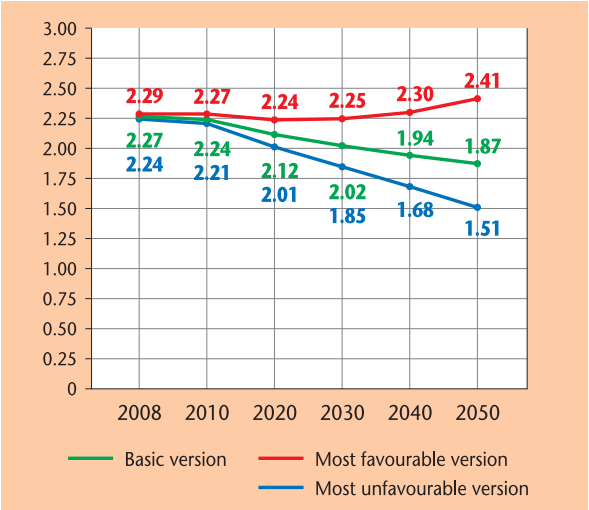

Figure 18. Forecast example of the population in Latvia in 2008-2050, in millions.

Year	In cities and towns			In rural areas			In Latvia		
	Women	Men	In total	Women	Men	In total	Women	Men	In total
2002	77.35	66.22	71.73	74.97	64.59	69.86	76.83	65.44	71.14
2003	77.18	67.08	71.90	75.92	64.75	69.94	76.86	65.91	71.37
2004	77.83	67.94	72.83	75.52	64.92	70.39	77.20	67.07	72.14
2005	78.45	66.53	72.31	75.03	64.80	69.90	77.39	65.60	71.79
2006	77.75	67.11	71.99	76.04	64.56	70.77	76.78	65.85	71.27

Table 25. Average life expectancy of newborns, by birth, in years.

The difference between the lifespan of women and men has dropped very slightly within five years and it remains very significant (11.4 years in 2002, 10.9 years in 2006).

The population in Latvia by 2050 is calculated by using the methodology of Eurostat according to different forecast variants*. According to the mean version of demographic development forecasts the population in Latvia will drop to approximately 1 900 000 in 2050, according to the most favourable development version – it will increase to 2 400 000, but according to the most unfavourable development version – it will decrease a severe demographic crisis, which is inescapable in the short and medium term" remain topical.

The demographic forecasts elaborated within the research of the University of Latvia* regarding the changes in the number and content of population show that the working age population will drop after 2010 more rapidly than the total population. It is forecasted that the proportion of the working age population will drop to 63.7% in 2030 (65.3% in 2007). The reduction of the total population and the working age population can be expected in all regions except for Pieriga (Riga planning region excluding the capital city Riga) in the forecast period by 2030. The most rapid decrease in the population can be expected in Latgale and Riga. After 2010 the ageing of the working

* Statistical Office of European Communities Eurostat elaborated the demographic development forecasts in 2004 in cooperation with Latvian scientists and statistical institutions. The assessment has been developed by considering the birth rate, mortality rate and migration of inhabitants.

* Detailed research of labour force and labour market by economic sectors. - Riga: University of Latvia, 2007.

age contingent and rapid reduction in the population aged 20-39 will become even more apparent. The wave of decline in birth rate observed within the last 15 years influences this process. The proportion of inhabitants in the age group 65-74 years will continue to grow both in the total population and the content of labour force. In the situation of the decrease of working age inhabitants, the increase in the number of pensioners and the elderly will cause additional burden to the state social security and medical care system and particularly to local municipalities.

ECONOMIC DEVELOPMENT

The following indicators were used to describe territory economic development of planning regions: Gross Domestic Product, total value added by types of operation, non-financial investments, statistical units of market sector by groups of volume and by types of operation, economically active enterprises, employment and unemployment rates, individual income tax. Territory development index has been used as a synthetic indicator for determining the development level.

Gross Domestic Product

Rapid economic development was registered in Latvia during the time period reviewed in this edition. Reforms implemented in the country and integration into the European Union have positively influenced the economic development. The most important basic indicator of economic development – the Gross Domestic Product per capita (GDP)* reflects the progress in this field in the best way. Unlike other indicators available up to 2006, data regarding the Gross Domestic Product are only available up to 2005, because the necessary calculations are complicated and require much time, particularly in division by districts and regions.

Regions of Latvia have significant differences by volumes of produced GDP. Riga region is the driving force of the Latvian economy – in 2005 the proportion of its GDP was two thirds or 68.5% of the GDP produced in the country in total. The proportion of GDP produced in 2005 in Kurzeme region was 10.7% of the GDP produced in Latvia, in Latgale region – 7.6%, Zemgale region – 7.0%, and Vidzeme region 6.2%. Within the five years the proportion of this indicator in the total GDP increased in two regions – in Riga region by 3.6 percentage points and in Vidzeme region – very slightly, by 0.2 percentage points. The quotas of the other three regions regarding GDP reduced. The largest reduction was registered in Kurzeme region where the quota of GDP reduced by 1.9 percentage points. The quota of Latgale region reduced by 1.8 percentage points, and the quota of Zemgale region – by 0.2 percentage points.

* GDP is the aggregate value of finished products and services made within the territory of a state, i.e., the sum of the total value added and product taxes (deductive of product subsidies).

Riga has the most significant quota in the GDP produced in Latvia. In 2005 the contribution of the capital city to the country was 57.4% of the volume of GDP, taking into account Riga region – 83.7%. The contribution of other cities to the GDP produced in the country is not so significant. The proportion of Liepaja to GDP was 3.5%, Daugavpils – 3.4%, Ventspils – 3.2%, Jelgava – 2.0%. Rezekne and Jurmala had the smallest contribution – the proportion was 1.1% and 0.9%, respectively. Within the five years the contribution of Daugavpils and Ventspils to the GDP reduced by more than one percentage point, but the contribution of the capital city increased by three percentage points.

In 2005 the GDP per capita was LVL 3 938.00 on average. In 2005 the volume of GDP per capita in Riga region was LVL 5 649.20, which exceeds the national average 1.4 times. The GDP per capita in Kurzeme region was LVL 3 118.00, in Vidzeme region – LVL 2 309.00, and in Zemgale region – LVL 2 192.00. The GDP per capita in Latgale region of LVL 1 910.00 was a third the figure of Riga region and half the national average. Compared with 2001, GDP per capita has increased in all regions. By absolute figures within the five years the largest increase in GDP per capita was observed in Riga region – by LVL 2 600, but in Vidzeme and Kurzeme regions the increase was less than a half of that –LVL 1 100 in each. The growth of GDP per capita in Zemgale region was LVL 900, but in Latgale region – LVL 600. According to the volume of increase in GDP per capita in 2001-2005 the regions of Latvia may be arranged in the following order: Vidzeme region – 87.5%, Riga region – 85.4%, Zemgale region – 72.5%, Kurzeme region – 51.3%, and Latgale region – 48.0%. Within this period of time GDP per capita increased in the country by LVL 1 700 or 77.7%.

From 2001 to 2005 the GDP per capita increased in all cities, but the increase fluctuated within a wide range – from 5 to 88%. The largest increase in the value of GDP per capita was registered in Riga – LVL 3 331.80 or 88.1%, but Jurmala had the smallest – LVL 73.60 or 5.1%. GDP per capita increased in Liepaja by LVL 1 547.00 or 71.0%, %, in Ventspils – by LVL 1 643.00 or 33.5%, in Jelgava – by LVL 1 124.50 or 68.8%, in Rezekne – by LVL 1 044.80 or 59.2%, in Daugavpils – by LVL 745.80 or 36.2% (see Table 26, and Figures 19 and 20).

Planning region	2001	2002	2003	2004	2005
Riga Region	3047.1	3541.8	3854.6	4586.1	5649.2
incl. Riga	3782.2	4470.2	4868.9	5881.2	7114.0
Jurmala	1445.4	1265.8	1250.5	1160.2	1519.0
Vidzeme Region	1231.5	1425.0	1645.7	1912.1	2309.0
Kurzeme Region	2061.4	2040.4	2412.0	2836.0	3118.0
incl. Liepaja	2179.0	2124.5	3061.3	3691.9	3726.0
Ventspils	4911.0	4164.4	5013.8	5458.7	6554.0
Zemgale Region	1271.0	1370.5	1574.1	1658.9	2192.0
incl. Jelgava	1634.5	1638.5	1829.0	2182.6	2759.0
Latgale Region	1290.5	1189.0	1418.0	1490.2	1910.0
incl. Daugavpils	2058.2	1574.4	1811.7	1856.4	2804.0
Rezekne	1766.2	1927.5	2945.7	2596.6	2811.0
Average in Latvia	**2216.5**	**2462.3**	**2749.2**	**3208.8**	**3938.0**

Table 26. Gross Domestic Product per capita in planning regions in 2001-2005 in real prices, LVL.

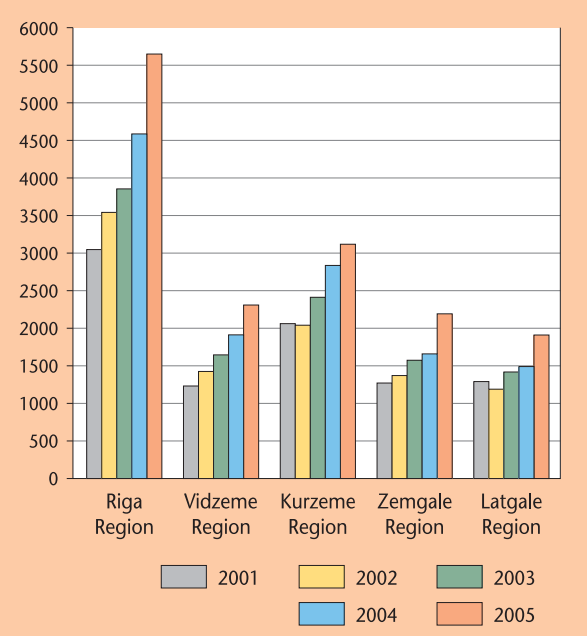

Figure 19. Dynamics of Gross Domestic Product per capita in planning regions in 2001-2005 in real prices, LVL.

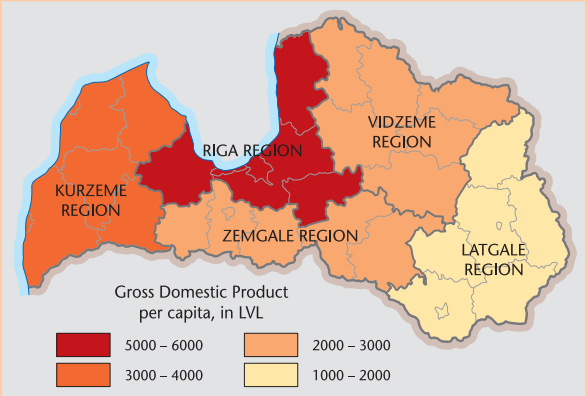

Figure 20. Gross Domestic Product per capita in planning regions in 2005.

In 2001-2005 among planning regions the national average volume of GDP per capita was exceeded only in Riga region. In 2005 the GDP per capita in Riga region was 143.5% of the average national figure in percentage. In other regions this indicator did not reach the national average level and fluctuated within the limits of 49-79% in 2005. The prevalence of GDP per capita of Riga region over the national average indicator within the five years and GDP per capita of Vidzeme region increased against the average level of Latvia, but Kurzeme, Zemgale and Latgale regions, in particular, are lagging further behind the national average indicator (see Table 27 and Figure 21).

Planning region	2001	2002	2003	2004	2005
Riga Region	137.5	143.8	140.2	142.9	143.5
incl. Riga	170.6	181.5	177.1	183.3	180.7
Jurmala	65.2	51.4	45.5	36.2	38.6
Vidzeme Region	55.6	57.9	59.9	59.6	58.6
Kurzeme Region	93.0	82.9	87.7	88.4	79.2
incl. Liepaja	98.3	86.3	111.4	115.1	94.6
Ventspils	221.6	169.1	182.4	170.1	166.4
Zemgale Region	57.3	55.7	57.3	51.7	55.7
incl. Jelgava	73.7	66.5	66.5	68.0	70.1
Latgale Region	58.2	48.3	51.6	46.4	48.5
incl. Daugavpils	92.9	63.9	65.9	57.9	71.2
Rezekne	79.7	78.3	107.1	80.9	71.4
Average in Latvia	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 27. Gross Domestic Product per capita in planning regions in 2001-2005 in real prices, in % against the national average indicator.

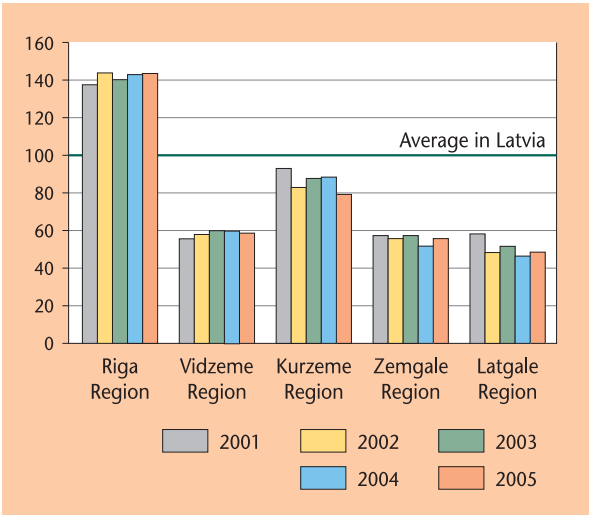

Figure 21. Dynamics of Gross Domestic Product per capita in planning regions in 2001-2005, in real prices, in % against the national average indicator.

The information regarding the total value added in breakdown by types of economic activity provides the opportunity to perform the assessment of economic activity, to observe the structural changes in the branches of national economy in the course of time. The total value added in terms of money is expressed in the data of CSB as the difference of output of goods and services and the value of intermediate consumption. The information regarding value added is obtained through sample selection process, but the State Law on Statistics prescribes that the obtained information must not be published or otherwise be made available in a way directly or indirectly allowing the identification of the respondent. By observing the confidentiality limitations

CSB points out that data are not publicly available about 4 out of 15 branches in the regional section and 8 out of 15 branches in the section of districts and cities. Due to confidentiality the total value added of agriculture, hunting and forestry has been represented in the data of CSB only regarding Kurzeme region. The contribution of fishery has not been represented for Vidzeme, Zemgale and Latgale regions, but the structure of the total value added in Vidzeme region does not reflect the contribution of mining industries, opencast pit development, electric energy, gas, and water supply.

Kurzeme Region had the largest proportion of transport, storage and communication (24.4%) in the total value added in 2005. The percentages are considerably high also for processing industry (17.6%), wholesale and retail trade, maintenance of cars, motorcycles, items of personal use, household appliances and equipment repairs (14.5%). In 2005 the proportion of total value added of agriculture, hunting and forestry reached 6.0% or 0.2 percentage points more than in 2001.

Within the five years Kurzeme region had increasing proportions of processing industry (by 2.1 percentage points), real estate operations, rent and other commercial activity (by 2.0 percentage points) and education (by 0.7 percentage points) in the total value added. But the proportion of wholesale and retail trade, automobiles, household appliances and equipment repairs reduced by 2.5 percentage points, and the proportion of construction reduced by 2.1 percentage points.

Latgale Region also had the largest contribution from transport, storage and communication (15.7%) in the total value added in 2005. Compared with other regions Latgale regions has a large proportion of state administration and defence and mandatory social insurance (15.2%) – which is double the national average (7.2%). Proportion of processing industry constituted 13.3% – only Riga region had a smaller proportion of this type of activity. Among other regions of Latvia Latgale region had the largest proportion of education and health- and social care in the total value added – 8.9% and 4.7%, respectively.

Within the five years Latgale region had the most significant reduction in the proportion of wholesales and retail trade, maintenance of automobiles, motorcycles, and items of personal use, household appliances and equipment (by 11.0 percentage points), but the increase was observed for transport, storage and communications (by 2.3 percentage points) and processing industry (by 2.0 percentage points).

In **Riga Region** more than one fifth of the total value added for 2005 (22.3%) is made up of wholesale and retail trade, maintenance of cars, motorcycles, household appliances and equipment. The proportion of this branch has increased by 4.9 percentage points within the five years. Among regions Riga also has the highest percentage of real estate operations, lease and other commercial activities; it is triple other regions. In five years time the proportion of this type of activity increased by 3.9 percentage points and reached 17.9% in 2005.

But compared with other regions Riga region has the smallest proportion of education and health- and social care (3.7% and 2.6%, respectively, from the total value added). The proportion of processing industry, transport, storage and communication, as well as the state administration and defence and mandatory social insurance in Riga region reduced in the total value added of the region since 2001.

In **Vidzeme Region** the largest percentages were for processing industry (19.1%), wholesale and retail trade, maintenance of cars, motorcycles, items of personal use, household appliances and equipment repairs (16.2%) in the structure of total value added in 2005. The proportion of state administration and defence and the mandatory social insurance constitutes more than one tenth of the value added in Vidzeme region; only Latgale region had larger proportion of these activities.

In 2005 compared with 2001 Vidzeme region had an increased proportions of processing industry (by 2.3 percentage points), real estate operations, lease and other commercial activities (by 3.1 percentage points), and wholesales and retail trade, maintenance of automobiles, motorcycles, and items of personal use, household appliances and equipment (by 2.4 percentage points). The percentage of state administration and defence and mandatory social insurance has reduced by 3.5 percentage points and the percentage of transport, storage and communication reduced by 2.7 percentage points.

In **Zemgale Region** the largest percentages were for wholesale and retail trade, maintenance of cars, motorcycles, items of personal use, household appliances and equipment repairs (16.7%) and the processing industry (16.4%) in the total value added in 2005. Among all regions of Latvia Zemgale region had the smallest proportion of transport, storage and communication (5.4%) in the total value added, which is just over a fifth of what it is in Kurzeme region and a third of the national average.

Within the five years the proportion of wholesale and retail trade, maintenance of cars, motorcycles, items of personal use, household appliances and equipment repairs and the proportion of construction have increased in the structure of value added of Zemgale region by 2.8 percentage points and 2.1 percentage points, respectively. The proportion was reduced in the processing industry (by 1.1 percentage points), transport, storage and communications (by 1.8 percentage points), and the state administration and defence and the mandatory social insurance (by 1.8 percentage points).

According to data of CSB the development of trade and construction ensured the increase of GDP in the state, their sum of value added (in the comparable prices of 2000) in 2005 increased by 63.7% and 64.9%, respectively, compared with 2001. In Latvia the service branches constituted three quarters of the total value added (74.5% in 2005). In 2001-2005 the sum of the value added of commercial services increased in the service branches for 38.7%, in processing industry – for 30.4%, real estate operations, lease and other

commercial activities – for 36.9%, and transport, storage and communications – by 40.9%. According to conclusions of CSB, more rapid development was observed in branches, whose produced production has a large demand in local market, except for food industry.

By analysing the structure of value added by types of activity in regions common trends can be detected. Similarly to the situation in the country in general, the service branches ensured the development in all regions, the proportion of real estate operations, lease and other commercial activities and the proportion of hotel and restaurant services increased in all regions. By increase in the income of inhabitants and the prevalence of consumer credits, the experts of the Ministry of Economics expects the increase in trade (particularly to the trade of non-food consumer goods) and other commercial services, but the growth rates will be slower compared with up to now.

Increase in investments influenced the development of construction favourably. The percentage of construction increased in the total value added of four regions and decreased only in Kurzeme region. Sufficiently high rates of construction development can be expected in the future due to the implementation of projects financed from EU funds.

The proportion of processing industry grew in Vidzeme, Kurzeme, and Latgale regions, but it decreased in Riga and Zemgale regions. The proportion of electric energy, gas and water supply reduced in all regions; proportion of transport, storage and communications reduced in four regions, except for only Latgale region. Proportion of financial intermediation increased in all regions except for Vidzeme region. Expenses for education increased in Kurzeme and Latgale regions.

From 2001 to 2005 the GDP annually increased in Latvia by 8.2% on average. The stable increase of internal demand, which was mostly promoted by the easy access to credit resources, was the main driving force of the rapid development. Both private consumption and investments increased in a considerable level. The rapid increase in salaries to employed inhabitants and credit opportunities also influenced the private consumption in a favourable way. Export volume growth had a smaller importance in the development, because the increase rates of export decreased materially. The balance of export-import in Latvia deteriorated, and the volume of imports was almost double the volume of exports. The development rates of one of the most important Latvian export branches, the woodworking, were considerably more moderate than before.

Non-financial Investments

Investments are among the most significant factors for economic development in Latvia. According to definition of CSB, non-financial investments comprise long-term intangible assets, residential buildings, other buildings and constructions, long-term plants, machinery and equipment, other fixed assets and inventory as well as building of capital assets and spending on unfinished construction and capital repairs. According to CSB methodology, the data of non-financial investments are obtained by inspecting all governmental and municipal companies, institutions and commercial companies, which employ more than 30 employees and whose net turnover exceeded LVL 500 000 in previous year. Other commercial companies are inspected by random selection, using the simple chance method.

The analysis of investment volume and inflow provides the opportunity to assess the economic growth potential of national territories, but by estimates per 1 000 inhabitants – to compare the territories.

Amount of non-financial investment per capita in the country on average in 2006 constituted LVL 1 504.10 (including private construction), which is considerably larger in Riga region –LVL 2 110.00. In the other regions this indicator was considerably lower than the national average. In Kurzeme region the volume of non-financial investments per capita in 2006 constituted LVL 1 244.00, in Vidzeme region – LVL 1 022.40, and Zemgale region – LVL 1 015.30. The lowest amount of non-financial investment per capita was recorded in Latgale region – LVL 584.60, which is just under a third of what it is in Riga region (see Table 28 and Figures 22 and 23).

Planning region	2002	2003	2004	2005	2006
Riga Region	1070.6	1230.1	1557.8	1829.8	2110.0
incl. Riga	1232.8	1400.9	1731.8	2009.9	2338.9
Jurmala	477.9	820.9	952.7	1697.8	1187.3
Vidzeme Region	511.5	534.5	777.9	914.3	1022.4
Kurzeme Region	764.1	859.0	1108.6	1189.5	1244.0
incl. Liepaja	790.9	886.6	1200.6	1378.8	1189.1
Ventspils	1736.1	2051.3	2189.5	1983.5	2965.1
Zemgale Region	566.0	609.0	768.0	1029.0	1015.3
incl. Jelgava	387.3	656.8	633.8	1114.8	980.8
Latgale Region	375.3	454.6	506.1	691.9	584.6
incl. Daugavpils	436.2	547.7	522.5	721.4	620.5
Rezekne	374.5	517.3	616.0	792.4	635.7
Average in Latvia	**794.0**	**903.6**	**1148.5**	**1367.3**	**1504.1**

Table 28. Dynamics of non-financial investments per capita in planning regions 2002-2006, in the comparable prices of 2006, in LVL.

There have been disparities identified in non-financial investment growth rate by regions. The most considerable increase in the amount of non-financial assets in absolute figures is seen in Riga region in the period 2002-2006 – by more than LVL 1 039.40 per capita (in comparable prices of 2006). The increase in Kurzeme, Vidzeme and Zemgale regions was relatively similar – LVL 450-500, while in Latgale region the increase has been half of that – LVL 209.30 per capita. According to the level of non-financial investment figures in 2002, planning regions can be ranked according to the percentage of growth, as follows: Vidzeme region – increase by 99.9%, Riga region – 97.1%, Zemgale region – 79.4%, Kurzeme region – 62.8%, and Latgale region – 55.8%.

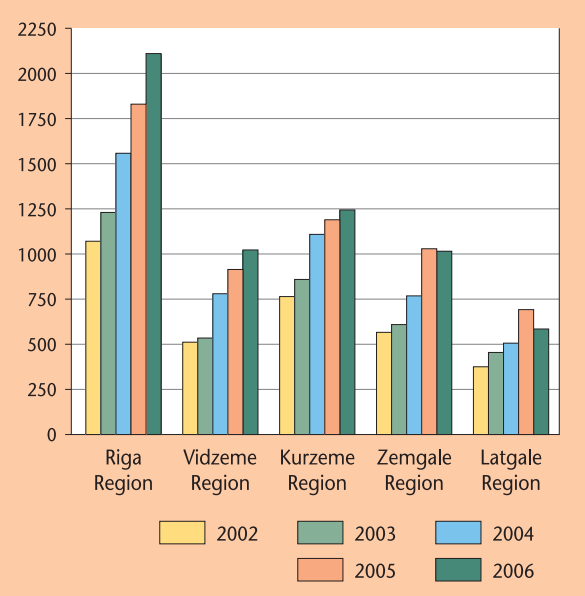

Figure 22. Dynamics of non-financial investments per capita in planning regions 2002-2006, in the comparable prices of 2006, in LVL.

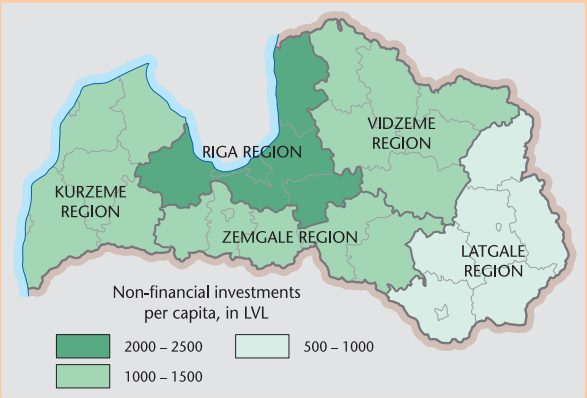

Figure 23. Non-financial investments per capita in planning regions in 2006.

Among the cities, according to the increase in non-financial investments per capita, Jelgava and Jurmala had the leading position, where the volume of non-financial investments per capita grew by 153.2% and 148.4%, respectively, within the five years. Non-financial investments per capita increased in Riga by 89.7%, in Ventspils – by 70.8%, and Rezekne – by 69.7%. The lowest increase has been recorded in Liepaja and Daugavpils – by 50.4% and 42.2%, respectively. In 2006 among other cities, the smallest sums of non-financial investments per capita was recorded in Rezekne and Daugavpils – LVL 635.70 and LVL 620.50, respectively, which is approximately less than half the national average.

Within the period of 2002 to 2006 the regional disparities in volumes of non-financial investments have increased. The highest indicator of non-financial investments per capita in 2006 exceeded the lowest indicator by a multiple of 3.6, but in 2006 this factor was 2.9 .

Economically Active Enterprises and Entrepreneurial Companies

Since 2004 CSB calculates the economically active statistical units of market sector by breakdown by regions. According to Eurostat methodology legal or physical entities, which mostly or completely sell their own products or services for an established and economically significant price, are considered as the statistical units of market sector. The self-employed physical entities (private individuals), individual businesses, entrepreneurial companies, farmsteads and fisheries are included in the market sector. The number of companies per 1 000 inhabitants, estimated by including all the statistical units of market sector, is currently used in EU practice for international comparison of economic activity.

In 2006 there were 119 530 statistical units of market sector in Latvia: self-employed entities (43 832 or 36.7%), individual businesses (7 631 or 6.4%), entrepreneurial companies (53 663 or 44.9%) and farmsteads and fisheries (14,404 or 12.0%).

In 2004-2006 the number of statistical units of market sector increased by almost 18 000. The contribution of Riga region was significant in this increase – 10 500 or 58.7% from the total increase in statistical units. Kurzeme region ensured 18.0% from the total increase, Zemgale region – 11.4%, Latgale region – 10.2% and Vidzeme region – only 1.7%.

By analysing the structure of statistical units in regions by types of commercial activity, it can be noticed that the structure is similar in four regions, except for Riga region. In Kurzeme, Vidzeme, Zemgale and Latgale regions the largest number and the respective proportion belongs to self-employed entities, followed by entrepreneurial companies and farmsteads and fisheries. Individual businesses constitute the smallest share of the statistical units. But in Riga region the largest proportion is created by entrepreneurial companies, self-employed entities and individual businesses, but the smallest share belongs to farmsteads and fisheries.

Among planning regions the largest proportion of self-employed entities was detected in Latgale region (53.4%), individual businesses – in Zemgale region (8.7%), entrepreneurial companies – Riga region (64.3%), and farmsteads and fisheries – in Vidzeme region (24.3%).

In 2006 in Latvia the number of statistical units of market sector per 1 000 inhabitants was 52.2 on average. In Kurzeme, Zemgale and Latgale regions this indicator was below the national average, but in Riga and Vidzeme regions this indicator was exceeded. The most significant number of statistical units per 1 000 inhabitants during the entire period of 2004-2006 was observed in Vidzeme region. It should be noted that the level of active statistical units region is higher in Vidzeme mostly due to the large proportion of farmsteads and fisheries and the self-employed entities. But the contribution of these units into building the GDP is expressly smaller than the contribution of entrepreneurial companies.

Among the cities in 2006 the largest number of statistical units per 1 000 inhabitants was observed in Riga (61.3), but in Ventspils and Daugavpils it was half (27.3 and 28.8, respectively). Rezekne had the second higher indicator – 41.8 units, in Jelgava, Liepaja, and Jurmala the indicators were similar – 34-36 units.

In the period of 2004-2006 the number of economically active statistical units per 1 000 inhabitants increased in the country by 8.3 units on average. In Kurzeme region the increase was 11.1 units, Riga region – 9.7, Zemgale region – 7.6, Latgale region – 6.1, and Vidzeme region – 2.4 units (see Table 29).

Planning region	2004	2005	2006
Riga Region	46.1	50.6	55.7
incl. Riga	51.9	55.6	61.3
Jurmala	26.1	27.6	34.2
Vidzeme Region	54.7	53.5	57.1
Kurzeme Region	39.3	43.3	50.4
incl. Liepaja	26.4	31.0	35.7
Ventspils	27.8	30.1	27.3
Zemgale Region	39.3	44.2	47.0
incl. Jelgava	25.1	29.1	35.8
Latgale Region	37.9	40.0	44.0
incl. Daugavpils	26.1	25.8	28.8
Rezekne	34.3	36.3	41.8
Average in Latvia	**43.9**	**47.5**	**52.2**

Table 29. The number of economically active statistical units per 1 000 inhabitants in planning regions in 2004-2006.

Riga region the proportion of SMC was 99.6%, Vidzeme region – 99.9%, but in the remaining three regions – 99.8% in each (see Table 30).

In 2006 in Latvia there were 372 large companies, three quarters of them were located in Riga region. The proportion of large companies formed 0.4% from the total number of statistical units in Riga region, in Vidzeme region – 0.1%, Kurzeme, Zemgale, and Latgale regions – 0.2% in each.

More than half of the total number of statistical units of market sector is formed of individual businesses and entrepreneurial companies (61 294 or 51.3%). Individual businesses and entrepreneurial companies are those statistical units, which perform the economical activities, produce production or provide services during entire review period or only in some period of the review year. The number of individual businesses and entrepreneurial companies per 1 000 inhabitants describes the economical activity of inhabitants, and it is important basic indicator in calculations of region and district development index.

In 2006 62% of the total number of economically active individual businesses and entrepreneurial companies were observed in Riga region, but in other four regions – less than 10%: Kurzeme region – 9.3%, Latgale region – 7.4%, Zemgale region – 7.2%, and Vidzeme region – 6.9%. Within the five years the proportion of Riga region in the total number of individual businesses and entrepreneurial companies increased in the country by 2.1 percentage points, but the proportion of other four regions reduced by 0.1-1.0 percentage point.

	2004	In percentage by size groups				2006	In percentage by size groups			
Planning region	Number	Micro	Small	Medium	Large	Number	Micro	Small	Medium	Large
Riga Region	50 593	83.7	13.2	2.6	0.5	61 092	84.7	12.3	2.6	0.4
Vidzeme Region	13 508	93.1	5.7	1.0	0.1	13 808	92.6	6.1	1.2	0.1
Kurzeme Region	12 271	89.7	8.2	1.8	0.3	15 496	91.0	7.1	1.6	0.2
Zemgale Region	11 371	91.7	6.6	1.5	0.2	13 410	92.3	6.2	1.3	0.2
Latgale Region	13 891	92.6	6.0	1.1	0.2	15 724	92.9	5.8	1.1	0.2
Total in Latvia	**101 634**	**87.8**	**9.9**	**2.0**	**0.3**	**119 530**	**88.3**	**9.4**	**2.0**	**0.3**

Table 30. Economically active statistical units of the market sector in 2004 and 2006 by size groups (according to their actual office addresses).

Number of employees is the main criteria for including the statistical units in the respective group by their extent. According to the Recommendation of European Commission No. 361 of 6th May 2003, the economically active statistical units of market sector are divided by the number of employees as follows:

large, number of employees exceeds 249;

- medium-sized, number of employees within limits of 50 to 249;
- small, number of employees within limits of 10 to 49;
- micro units, number of employees equal to or less than 9.

Micro companies and small and medium-sized companies (SMC) have a considerable significance in building the Gross Domestic Product and the employment. In 2006 SMC constituted a large part of national economy in Latvia – 119 158 companies corresponded to 99.7% of all statistical units of market sector by proportion. In

During the period of 2002 to 2006 the number of economically active individual businesses and entrepreneurial companies increased in the country by 18 700 or 44.1%. In Riga region their number increased by 13 800 or 48.5%, Zemgale region – by 42.9%, Vidzeme region – for 38.1%, Kurzeme region – for 34.4% and Latgale region – by 26.3%.

The share of towns forms 70.0% in the total number of businesses and entrepreneurial companies in the country; their total number in the seven largest cities is 42 900. In Riga city in 2006 their number was 56.6%, Daugavpils – 3.1%, Liepaja – 3.2%, Jelgava – 2.4%, Jurmala – 1.8%, Ventspils – 1.5% and Rezekne – 1.3% from the total number of economically active individual businesses and entrepreneurial companies in the country.

In 2006 in Riga region there were 38.7 businesses and entrepreneurial companies per 1 000 inhabitants, the figure in other regions is between a half or a third of that (Kurzeme region – 18.6, Vidzeme region – 17.6, Zemgale

region – 15.4, and Latgale region – 12.7 businesses and entrepreneurial companies per 1 000 inhabitants). Among cities in 2006 the largest number of businesses and entrepreneurial companies per 1 000 inhabitants was observed in Riga – 47.8, the smallest – in Daugavpils – 17.7.

Within the five years the number of businesses and entrepreneurial companies per 1 000 inhabitants in Latvia increased by 8.6 companies on average. In Riga region the number of businesses and entrepreneurial companies per 1 000 inhabitants increased by 12.8 companies, in Vidzeme, Kurzeme and Zemgale regions – by 5 companies in each, but in Latgale region – for 3 companies. In the capital city Riga the largest increase was observed – 16.4 companies, it was followed by Jelgava – increase in extent of 7.9 companies per 1 000 inhabitants, but the increase in other cities was within limits of 3-6 companies.

Regional disparities by the number of economically active businesses and entrepreneurial companies per 1 000 inhabitants have slightly reduced within the period of five years – from a multiple of 2.7 in 2002 to 2.3 in 2006 (see Table 31 and Figures 24 and 25).

Planning region	2002	2003	2004	2005	2006
Riga Region	25.9	28.0	32.9	35.1	38.7
incl. Riga	31.5	34.4	40.9	43.7	47.8
Jurmala	16.1	16.7	17.5	17.9	20.4
Vidzeme Region	12.2	12.9	13.8	14.9	17.6
Kurzeme Region	13.4	14.0	15.0	16.0	18.6
incl. Liepaja	16.7	17.5	18.5	20.2	23.1
Ventspils	17.9	18.7	20.2	20.5	21.2
Zemgale Region	10.5	11.0	11.7	12.4	15.4
incl. Jelgava	14.6	15.6	16.6	17.8	22.5
Latgale Region	9.6	9.9	10.5	11.0	12.7
incl. Daugavpils	13.7	14.4	15.3	15.7	17.7
Rezekne	15.8	16.1	17.5	18.3	22.0
Average in Latvia	**18.2**	**19.5**	**22.2**	**23.8**	**26.8**

Table 31. The number of economically active businesses and entrepreneurial companies per 1 000 inhabitants in planning regions in 2002-2006.

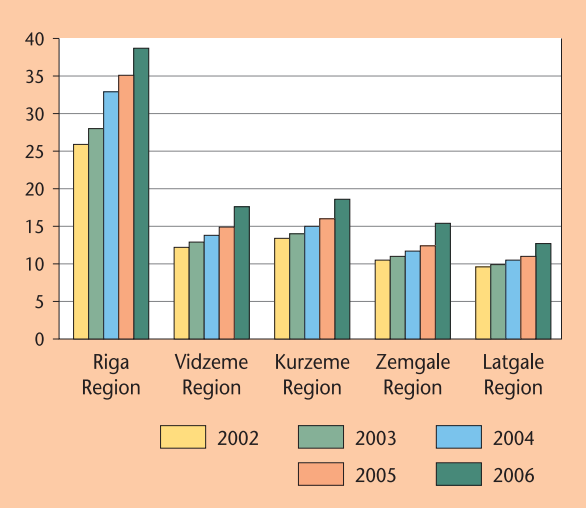

Figure 24. Dynamics of the number of economically active businesses and entrepreneurial companies per 1 000 inhabitants in planning regions in 2002-2006.

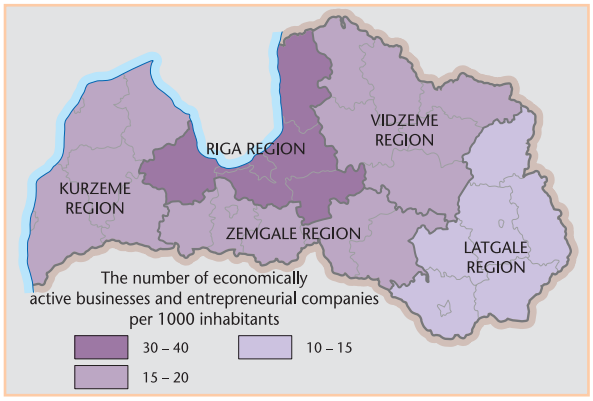

Figure 25. The number of economically active businesses and entrepreneurial companies per 1 000 inhabitants in planning regions in 2006.

The comparative analysis of the rates of companies being registered and liquidated by time dynamics describes the economic activity of inhabitants. In 2007 14 208 new companies were registered in Latvia, out of which 10 302 companies or 78.0% were registered in Riga region, 6.9% – in Kurzeme region, 5.5% – in Zemgale region, 5.1% – in Latgale region, and 4.5% – in Vidzeme region By analysing the statistics of Lursoft, positive trends can be detected in the dynamics of registering of companies. More significant activity in registering new companies was observed in Riga region, where the number of companies registered in 2007 exceeded the number of 2003 by 5 100. In Kurzeme region, by comparing 2003 and 2007, the number of companies registered within a year increased by 458, Zemgale region – 363, Latgale region – 334, and Vidzeme region – 300 companies (see Table 32).

Planning region	2003	2004	2005	2006	2007
Riga Region	5155	6986	8056	10 014	10 302
Vidzeme Region	496	605	657	693	796
Kurzeme Region	713	877	893	1069	1171
Zemgale Region	672	885	646	878	1035
Latgale Region	570	756	676	750	904
Total in Latvia	**7606**	**10 109**	**10 928**	**13 404**	**14 208**

Table 32. Number of registered companies in planning regions 2003-2007.*

11 186 companies were liquidated in Latvia in 2007. The largest part of liquidated companies was in Riga region – 9 177 companies or 82.0%. The proportion of Kurzeme region in the number of liquidated companies was 5.6%, Latgale region – 4.9%, Zemgale region – 3.8% and Vidzeme region – 3.7% (see Table 33).

Planning region	2003	2004	2005	2006	2007
Riga Region	1476	2330	3874	1630	9177
Vidzeme Region	230	401	747	351	415
Kurzeme Region	287	691	1174	511	621
Zemgale Region	291	588	1199	439	424
Latgale Region	621	718	1562	343	549
Total in Latvia	**2905**	**4728**	**8556**	**3274**	**11 186**

Table 33. Number of liquidated companies in planning regions 2003-2007.*

* data of Lursoft.

But by comparing the number of registered and liquidated companies and by assessing their operation within one year it can be noticed that the increase in the number of businesses and entrepreneurial companies has not been significant in 2007. The increase in Riga region formed slightly more than 1 000, but in other regions – 350-600 companies.

In 2006 the average number persons employed full time (by the actual place of residence) was 825 600 people in the country. The largest number of employed persons was observed in Riga region – 494 800 or 59.9% from the total number of employed persons in the country. 11.6% of the total number of employed persons in Latvia was working in Latgale region, Kurzeme region – 11.5%, Zemgale region – 8.9%, and Vidzeme region – 8.2%.

The number of employed persons increased in the country by 103 100 or 14.3% within the five years. The most rapid increase rate was observed in Riga region where the number of employed persons increased by 78 800 or 18.9%. Latgale region, which has the second place by the number of employed persons among regions of Latvia, took the last place by the increase in the number of employed persons – during 2002-2006 the number of employed persons increased in Latgale region by 4 300 or 4.7%. The increase in the number of employed persons in Vidzeme, Kurzeme, and Zemgale regions was within the limits of 6-8000. The number of employed persons increased in the country during the review period on annual basis, but the volume of increase fell in 2006 materially. The number of employed persons increased by 36 800 in 2005, but in 2006 – only by 7 400 (see Table 34).

Planning region	2002*	2003*	2004	2005	2006
Riga Region	416.0	435.0	462.4	488.3	494.8
Vidzeme Region	62.0	62.4	64.3	67.3	67.5
Kurzeme Region	86.6	87.1	90.9	94.7	94.7
Zemgale Region	66.7	68.6	69.6	72.8	73.1
Latgale Region	91.1	91.6	94.2	95.1	95.4
Total in Latvia	**722.5**	**744.7**	**781.4**	**818.2**	**825.6**

Table 34. The number of persons employed full time in planning regions in 2002-2006 (according to actual place of employment), thousands of people on average per year.

Most of the total number of employed persons is employed in the private sector (in 2006 – 551 500 people or 66.8% from the total number of employed persons). Riga region had the largest proportion of persons employed in the private sector (71.7% in 2006), but the smallest was in Latgale region (52.3%). Other regions are similar by the proportions of the numbers of persons employed in private sector (see Table 35).

Conditions favourable to development have been established in Latvia, and the business environment is gradually improving. As a response to the increase in

Planning region	2002*	2003*	2004	2005	2006
Riga Region	66.9	68.3	69.8	70.5	71.7
Vidzeme Region	55.7	56.2	58.3	60.3	61.1
Kurzeme Region	60.6	62.0	63.2	65.2	65.7
Zemgale Region	54.0	55.5	56.7	58.6	59.6
Latgale Region	47.1	47.4	51.3	52.0	52.3
Average in Latvia	**61.5**	**62.8**	**64.7**	**65.8**	**66.8**

Table 35. The number of persons employed in private sector in planning regions in 2002-2006 (according to actual place of employment), in % on average per year.

economic activity, the private sector strengthened its positions, the number of persons employed in private sector and their proportion in the total number of employed persons increased as well. In the period 2002-2006 the proportion of persons employed in private sector increased in the country by 5.3 percentage points on average. The smallest increase was registered in Riga region – 4.7 percentage points, but the largest increase was observed in Zemgale region – 5.6 percentage points. In other regions the proportion of persons employed in private sector increased in the total number of employed persons by 5 percentage points in each.

According to the results of the: Continuous Inspection of Labour Force in Latvia by CSB*, in 2006 the number of employed persons** in Latvia was 1 087 600, which exceeds the number of 2002 by 98 600. By the number of employed persons Riga region is the largest (553 900), followed by Latgale region (160 900), Kurzeme region (138 400), Zemgale region (129 400), and Vidzeme region (105 000). In 2006 Riga region had 50.9% from the total number of employed persons, Latgale region – 14.8%, Kurzeme region – 12.7%, Zemgale region – 11.9%, and Vidzeme region – 9.7% of the employed inhabitants.

Within the five years the largest increase in the number of employed persons was observed in Riga region (52 700), which exceeded the total of remaining four regions together (45 900). The number of employed persons increased in Latgale region by 26 100, Zemgale region – 11 000, Kurzeme region – 8 500, and Vidzeme region – 300.

Comparing the breakdown of employed persons by the main types of activity it can be assessed which branch has larger or smaller significance in the labour market of a region. The largest proportion of employed persons in trade and market services was in Riga region – 41.8%, but the smallest in Latgale region – 27.0%, from the total number of persons employed in a region in 2006. Proportion of persons employed in agriculture constituted 18.4% in Latgale region, but in Riga region it was only 5.1%. The largest proportion of persons employed in industry and energy in the total number

* the number of employed persons has been represented at the end of the year, till 2003 inclusive.

* Labour Force Survey: Main indicators in 2006, CSB, Riga, 2007.

** Employed inhabitants – all persons aged from 15 to 64, who performed any work during the reporting week either for a salary or were remunerated with goods or services. The self-employed persons in business, farmsteads or professional practice are also considered as employed inhabitants.

of employed inhabitants was observed in Kurzeme region – 21.1%, but the smallest was in Zemgale region – 16.9%. But in its turn Zemgale region stands out among all other regions with the largest proportion of persons employed in construction – 12.2%, the smallest proportion of persons employed in this type of activity was in Latgale region – 7.2%. Latgale region had the largest proportion of persons employed in branches, which provide services to society – 28.5%, but the smallest proportion in this field was in Kurzeme region – 22.8%. In 2006 the proportion of persons employed in trade and market services was 35.5% on average in the country, in industry and energy – 18.0%, agriculture – 11.1%, construction – 9.5%, but in the field of services for society – 25.8% (see Table 36).

Planning region	Agriculture	Industry and Energy	Construction	Trade and Services	Services to Society	Out-of-territory Organizations and Institutions	Total number of employed persons, in thousands
Riga Region	5.1	17.2	10.1	41.8	25.6	0.2	553.9
Vidzeme Region	17.6	17.9	8.1	28.8	27.6	0.0	105.0
Kurzeme Region	14.8	21.1	8.7	32.5	22.8	0.1	138.4
Zemgale Region	18.1	16.9	12.2	27.5	25.3	0.0	129.4
Latgale Region	18.4	18.8	7.2	27.0	28.5	0.0	160.9
In Latvia	**11.1**	**18.0**	**9.5**	**35.5**	**25.8**	**0.1**	**1087.6**

Table 36. Breakdown of employed persons by the main types of activity in 2006, in % from the total number of employed inhabitants.*

The different level of the economic activity of inhabitants in the regions of Latvia may be expressed by the percentage of the number of employed inhabitants in the total number of inhabitants at the respective age, namely, the age group of 15-74. In 2006 Riga region had the highest employment rate – 64.9%, but the lowest was in Latgale region – 51.6%. Within the five years the employment rate has grown in four out of five regions of Latvia. The increase was 4.5 percentage points in Kurzeme region, Zemgale region – 5.5, Latgale region – 5.6, but in Riga region the employment rate has grown most rapidly – 7.5 percentage points. But in Vidzeme region the employment rate reduced by 0.5 percentage points (see Table 37).

The Ministry of Economics has elaborated two forecast variants for Latvian national economy development for the medium-term period till 2013 – for moderate and dynamic development. Increase in GDP in extent of 5% or 8% has been forecasted according to these variants. Latvia already has chosen the dynamic development model, and several branches may experience shortage of labour force. The Ministry of Economics explains that by dynamic development of national economy the supply of labour force will not be able to comply with the demand in the current situation of labour force preparation.

Planning region	2002	2003	2004	2005	2006
Riga Region	57.4	59.4	60.4	61.5	64.9
Vidzeme Region	56.1	53.7	53.9	56.8	55.6
Kurzeme Region	52.9	54.9	56.2	55.5	57.4
Zemgale Region	54.8	54.0	52.2	54.7	60.3
Latgale Region	46.0	46.2	47.4	47.4	51.6
Average in Latvia	**54.4**	**55.4**	**56.1**	**57.1**	**60.1**

Table 37. Employment rate of inhabitants in 2002-2006, in %.*

* according to the data of labour force inspection by selection, persons aged 15 to 74.

The forecasts show that even by increasing the level of employment by 72% and by unemployment decreasing to the natural level of 4.2%, in 2013 the total demand will exceed the total supply by 4.6% or 54 000 of employed persons. In such case the shortage of labour force may be expected among physicians, drivers of transportation vehicles and construction specialists. But surplus of labour force might be observed among teachers, because the number of pupils and students will reduce due to the unfavourable demographic situation. The most significant shortage of labour force is expected for construction, which will be promoted by the increase in road construction and the comparatively high demand for lodgings and other buildings. The demand for labour force will also be insufficient in processing industry and in the most of service branches. But the persons employed in agriculture and public facilities may be supplementing the range of unemployed, in case they are not trained for a new occupation.

The specialists of the Ministry conclude that the labour market will be generally influenced by the changes in the demand for labour force, development of national economy, unfavourable demographic development, due to which the number of inhabitants at the age of working ability will reduce, and also the national employment policy. Regarding the improvement of situation the Ministry of Economics encourages changing the supply of education and performance of training for unemployed and persons searching for employment, and informing the inhabitants on regular basis on the vacancies in the labour market.

Individual Income Tax

The amount of individual income tax, estimated per capita, is one of the figures indirectly indicating the level of income and the living standards of population. The comparison of individual income tax among different territories provides an insight into a more comprehensive comparison of social economic situation of the respective territories, because the revenue from individual income tax is one of the most important types of revenue for local municipalities in Latvia. Since 2004 the share of individual income tax has increased on annual basis, it is transferred to the basic budget of the respective local municipality where the place of residency has been registered for the recipient. Until 2004 71.6% of the individual income tax revenue was transferred to the local municipality budgets, in 2005 local municipalities received 73%, in 2007 –

79%, but in 2008 it was 80%. In 2006 the volume of individual income tax reached LVL 149 880 000 of the local municipality budget revenue, which formed 44.5% from entire revenue of local municipality basic budgets, but the state basic budget received LVL 164 010 000 in 2006 of the revenue from individual income tax*. In 2007 the revenue from individual income tax reached LVL 701 490 000 in the local municipality basic budgets, in the state basic budget it was LVL 186 470 000.**

In Riga region in 2006 the revenue from individual income tax constituted 61.5% in local municipality budgets from the total sum in the state; consequently it is more than in the other four regions combined. The share of Kurzeme region individual income tax was equal to 10.8%, Zemgale region – 10.2%, Latgale region – 9.4% and Vidzeme region – 8.1%. Within the five years the proportion of the total sum of individual income tax reduced in Riga and Kurzeme regions (by 0.1 and 0.8 percentage points, respectively), but it increased slightly for Vidzeme, Zemgale and Latgale regions (by 0.3, 0.4 and 0.2 percentage points, respectively).

In terms of the volume of individual income tax per capita of inhabitants of local municipalities Riga region was the leader among the regions of Latvia within the analysis period – in 2006 the average revenue of individual income tax per capita reached LVL 276.20. In Latgale region the sum of revenue was half – LVL 130.80, but in Vidzeme, Kurzeme and Zemgale regions it was LVL 165.00, LVL 173.50 and LVL 176.20, respectively.

The revenue of individual income tax per capita has more than doubled in all regions within the five years in the local municipality budgets. Compared with the level of 2002, the largest growth in the revenue sum has been registered in Riga region – LVL 148.90 per capita, and in Zemgale region – LVL 100.10. The smallest increase was recorded in Latgale region – LVL 75.00 per capita. In Vidzeme region this sum increased by LVL 94.70, in Kurzeme region – LVL 90.40. The increase can be substantiated both by the considerable growth in the local municipality share of individual income tax since 2004 and the increase in the income of inhabitants. It should be noted that in case of the existing system for equalization of finances of local municipalities and by increasing the local municipality share of individual income tax, the differences in the finances of local municipalities are also growing, which is demonstratively represented by analysis data. If the grant of state budget, for instance, in the Municipality Financial Equalization Fund, had been increased by a corresponding amount, all local municipalities would have seen an increase in this revenue.

In 2006 the volume of individual income tax per capita in the local municipality budgets of Riga region was approximately 128% from the national average; in other regions it fluctuated within the limits of 62-82% (see Table 38 and Figures 26, 27 and 28).

Planning region	2002	2003	2004	2005	2006
Riga Region	127.2	148.0	172.6	205.7	276.2
incl. Riga	139.6	160.3	186.8	224.5	296.2
Jurmala	111.6	139.7	160.9	190.1	276.9
Vidzeme Region	70.3	85.0	103.4	124.3	165.0
incl. Valmiera	120.5	142.0	169.9	199.5	270.0
Kurzeme Region	83.1	96.5	113.3	136.6	173.5
incl. Liepaja	92.0	106.8	127.0	155.7	193.2
Ventspils	149.7	160.7	174.7	208.0	255.3
Zemgale Region	76.1	91.0	109.2	130.8	176.2
incl. Jelgava	105.0	120.7	144.8	169.7	226.2
Jekabpils	71.8	89.3	107.5	125.9	168.6
Latgale Region	55.8	66.1	79.9	97.7	130.8
incl. Daugavpils	73.4	82.6	99.4	120.7	160.6
Rezekne	85.2	100.9	124.1	146.9	196.0
Average in Latvia	**97.2**	**114.1**	**134.7**	**161.5**	**215.6**

Table 38. Amount of individual income tax per capita in the local municipality budgets, in planning regions, in 2002-2006, in LVL.

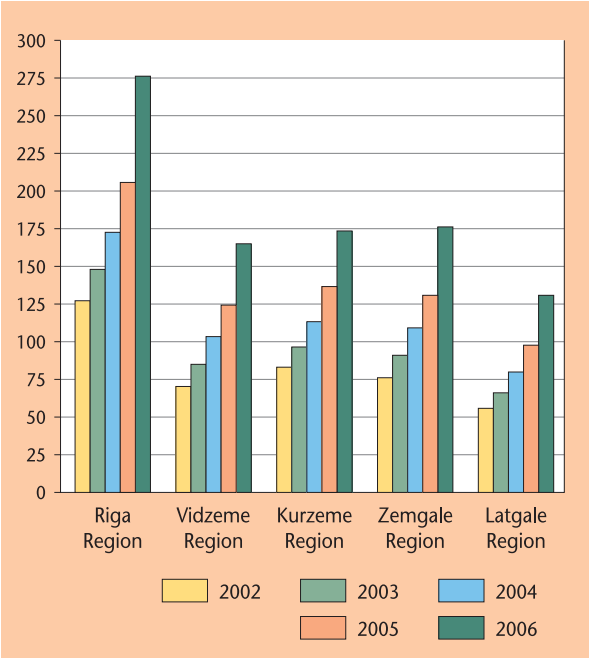

Figure 26. Dynamics of the amount of individual income tax per capita in the local municipality budgets, in planning regions, in 2002-2006, in LVL.

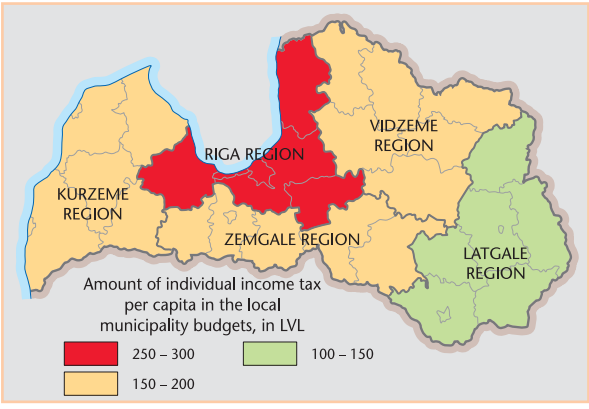

Figure 27. Amount of individual income tax per capita in the local municipality budgets, in planning regions, in 2006.

* Accounting year report on the performance of state budget and the local municipality budgets. 2006, Volume No. 3

** Official monthly report. January – December 2007. Homepage of the Treasury.

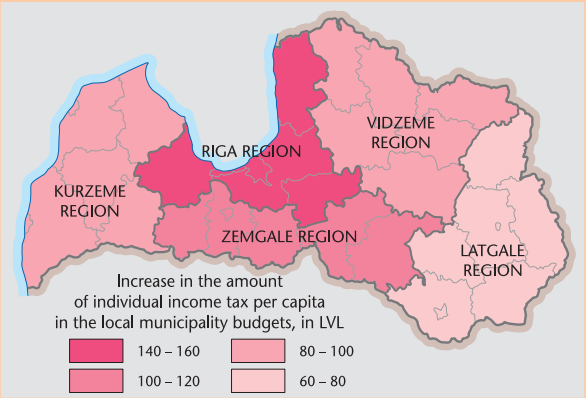

Figure 28. Increase in the amount of individual income tax per capita in the local municipality budgets, in planning regions, in 2002-2006.

Among the cities, including Valmiera and Jekabpils, the capital city Riga stands out with the largest individual income tax per capita in the local municipality budgets (LVL 296.20 in 2006), followed by Jurmala (LVL 276.90), Valmiera (LVL 270.00) and Ventspils (LVL 255.30). Smaller rates are characteristic for Jekabpils and Daugavpils (LVL 168.60 and LVL 160.60, respectively). In Riga region, excluding the cities of Riga and Jurmala, the individual income tax per capita exceeds the national average anyway.

proportion was in Riga region. The other regions can be arranged in diminishing order as follows: Vidzeme region, Kurzeme region and Zemgale region The number of such employees in the country gas generally reduced by 84 800 and their proportion has reduced from 65.5 in October 2006 to 50.5% in October 2007 in the total number of employed persons, including the Riga region – from 61.0% to 46.1%, Vidzeme region – from 74.1% to 59.2%, Kurzeme region – from 72.8% to 57.6%, Zemgale region – from 70.7% to 57.0% and Latgale region – from 79.6% to 64.7% (see Table 39).

Comparing the data of October 2006 and October 2007 by all groups of salary volumes starting with LVL 300 and more, the increase in the number of employed persons can be observed. Proportion of the persons employed in salary group from LVL 300 to 400 per month increased within a year from 12.5% to 13.1%. During this period the largest increase in the number of employed persons was in the salary group of LVL 400 to 600 – the proportion of employees in this salary group increased by 49 900, i.e., from 13.4% to 18.7%. Within the salary group from LVL 600 to 800 the proportion of employees increased from 4.4% to 9.0%, in the salary group from LVL 800 to 1000 – from 1.9% to 4.0%, but in the salary group above LVL 1000 the number of employees increased by 20 000, or, in terms of proportion – from 2.4% to 4.7%

Gross remuneration, in LVL	Riga Region		Vidzeme Region		Kurzeme Region		Zemgale Region		Latgale Region	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
120 and less	20.9	8.0	25.4	8.6	30.9	11.5	25.8	9.4	34.6	15.7
120 - 200	21.1	22.0	27.1	30.8	22.5	29.6	24.7	29.2	24.1	30.6
200 - 300	19.0	16.1	21.6	19.8	19.4	16.5	20.2	18.4	20.9	18.4
300 - 400	13.1	12.8	11.7	14.6	10.7	13.3	12.6	13.6	10.2	14.2
400 - 500	9.1	11.4	7.2	9.5	7.2	9.5	7.8	10.6	5.6	9.4
500 - 600	5.7	8.4	3.5	6.8	4.0	6.9	4.2	7.2	2.5	5.8
600 - 800	5.4	10.3	2.3	6.3	3.1	7.2	3.1	7.4	1.4	4.2
800 - 1000	2.5	4.9	0.7	2.1	1.0	2.8	0.9	2.5	0.4	1.0
1000 and more	3.2	6.1	0.5	1.5	1.1	2.8	0.7	1.8	0.4	0.7
Total in Latvia	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 39. Breakdown of the number of employed persons by volume of monthly gross salary, by planning regions in October 2006 and October 2007, in %.*

Within the five years the regional disparities among the local municipality budgets by the volume of the revenue from individual income tax have remained – in 2002 in Riga region the revenue from individual income tax per capita was 2.3 times more compared with Latgale region, but in 2006 – 2.1 times larger.

The inspection data* collected by CSB are indicative of the changes in the terms of material welfare of inhabitants, taking the rapid increase in salaries into consideration. In 2006 and 2007 the breakdown of the number of employees by the gross salary in the country indicates that the number of employees receiving salary up to LVL 300 has reduced in the country. Latgale region had the largest proportion of employees remunerated with up to LVL 300, but the smallest

Significant differences among regions were observed in terms of the proportion of employees receiving the salary exceeding LVL 600 per month. The proportion of the employees of this salary group in the total number of employed persons fluctuated within the range of 6% to 31%: Latgale region – 5.9%, Vidzeme region – 9.9%, Zemgale region – 11.7%, Kurzeme region – 12.8%, and Riga region – 21.3%

In 2007 the number of employees receiving the minimum state provided monthly salary increased slightly compared with 2006. According to information of CSB, in October 2006 66 200 employed persons received the minimum salary (LVL 90), which is 8.9% from the total number of employed persons, but in October 2007 73 300 or 9.2% received the minimum salary (LVL 120). In the public sector the number of such employees increased by 1 200, but in the private sector – by 5 900. 88.2% of the total number of persons

* regarding the breakdown of the number of employed persons by the volume of salary in October 2007. Informative report, CSB, 2008.

employed in the country, receiving the minimum monthly salary in October 2007, were working in the private sector.

For the purposes of comparing the levels of economic development in regions the researchers of the Latvian University of Agriculture* proposes usage of the indicator of private consumption structure. It is proven that as the income of households increase, also the consumption amounts of food commodities increases absolutely, but they are relatively reducing compared with expenses for other commodities. Therefore the region with higher development level should have a smaller proportion of food commodities in the structure of private consumption. Similar conclusions were made regarding the changes in apartment lease amounts. As the household income increases, the apartment lease amounts are growing in absolute terms, but, in the relative terms, they decrease compared with other expenses.

By the increase in the material welfare and the income people may spend more money also for other purposes other than the commodities required for living. Part of the additional income may be spent for products of higher quality and other necessities, but more money is spent for travelling during vacations, visiting cinema and theatre, more expensive purchases and luxury events. But persons, who are not as well situated, are spending proportionally larger share of their income for food and settlements for their lodgings.

By analysing the content and structure of consumption in Latvian regions in 2006, it may be observed that spending on food constituted the largest share in Latgale region (37.6%), which is exactly the area, where the total expenses are the smallest. In Zemgale region spending on food constituted 31.9%, Vidzeme region – 29.8%, Kurzeme region – 28.7% from the entire consumer spending of inhabitants. The lowest proportion of food commodities in the structure of private consumption was observed in capital city Riga – 23.9%, but in the remaining area of Riga planning region it was 28.6%. Comparing the data of 2005 and 2006, a positive trend was observed in al regions for the proportion of food commodities to reduce in the structure of private consumption.

If the territories are arranged by spending on recreation and culture, then in 2006 the largest proportion of these expenses was registered in Riga – 9.2% from the total private consumption, but in Latgale region it was the smallest – 4.7%.

The structure of spending by pensioners is considerably different from the overall structure of the spending by inhabitants. According to the data of the Research of Household Budgets carried out by CSB, in 2006 pensioners spent almost a half (43%) from their consumption expenses for purchasing foodstuff, 19% – for settling lodging, water, electric power, gas and other fuel bills, and 9% – for healthcare.

* Arhipova I, Bāliņa S, Rudusa I. Quantitative Analysis of the Indicators for the Development of Latvian Regions. Articles of University of Latvia. Volume No. 690, Academic Publishers of University of Latvia, Riga, 2005.

In 2006 the inhabitants of Latvia spent 28.1% on average for purchasing food commodities from the total consumption expenses (35.2% in 2002), for settling lodging, water, electric power, gas and other fuel bills – 12.2% (13.0% in 2002), recreation and culture – 7.5% (6.5% in 2002), transport – 13.1% (9.7% in 2002).

By using the indicator of the structure of private consumption the researchers of the Latvian University of Agriculture state that only Riga region corresponds to the status of highly developed region, but Kurzeme, Vidzeme, Zemgale and Latgale have the status of problematic regions. All regions significantly differ from each other, except for Vidzeme and Zemgale regions. The development of regions in Latvia takes place very unevenly, and four groups of regions may be distinguished in Latvia:

- highly developed region – Riga region;
- average developed region – Kurzeme region;
- average poorly developed region – Vidzeme and Zemgale region;
- poorly developed region – Latgale region.

Ranging of regions by their development level does not differ, if such factors as Gross Domestic Product per capita, number of economically active individual businesses and entrepreneurial companies per 1 000 inhabitants, non-financial investments per capita, or the main synthetic indicator – development index of planning regions, are selected for assessment indicators.

Unemployment

Unemployment rate represents the number of the registered unemployed as a percentage of the working age population*. The data regarding the registered unemployed are obtained from the State Employment Agency, but the number of working age population – from CSB. The unemployment rate is calculated for each administrative territory in the level of local municipalities (town, rural municipality, county) as well as for planning regions and districts. The unemployment rate is one of the eight basic indicators used for calculations of the territory development index.

In Latvia at the end of 2006 there were 68 944 registered unemployed. 33.0% of them were registered in Riga region, and almost the same number – 31.1% – also in Latgale region, although it has a third the population. In Kurzeme region there were registered 13.2%, %, Zemgale region – 12.2% and Vidzeme region – 10.5% from the total number of unemployed. In each region the number of unemployed has reduced within the five years.

* in the data collections of CSB the unemployment rate is calculated for cities, districts and statistical regions as the proportion of unemployed in the total number of economically active population. Since the number of economically active population is smaller than the number of working age inhabitants, then according to the calculation method used in this survey the analysed unemployment rate is below the rate published in statistical issues.

During the analysis period the number of unemployed reduced in Zemgale region for 35.2%, Kurzeme region – by 31.8%, Latgale region – by 25.4%, Vidzeme region – by 24.6%, Riga region – by 15.7%, but in the country on average – by 22 700 or 24.8%. Within this period the unemployment level reduced in the country on average by 1.8 percentage points – from 5.9% at the beginning of 2003 to 4.1% at the beginning of 2007. The reduction of the same volume was observed in Vidzeme region. The most significant reduction in employment was registered in Latgale region – for 3.4 percentage points. In Zemgale region the unemployment rate reduced by 2.8, in Kurzeme region – 2.4 percentage points, but in Riga region – by 0.8 percentage points.

Similarly to previous years, also in 2007 the highest unemployment rate remained in Latgale region (9.3% at the beginning of 2007), which is 2.3 times higher than the national average and 2.9 times higher than in Riga region, where the lowest unemployment rate was registered – 3.2%. In Vidzeme, Kurzeme and Zemgale regions the unemployment rate was almost equal at the beginning of 2007 – in the level of 4.5-4.7% (see Table 40 and Figures 29, 30 and 31).

Planning region	2002	2003	2004	2005	2006	2007
Riga Region	3.9	3.9	3.8	3.9	3.4	3.2
incl. Riga	3.6	3.6	3.4	3.6	3.2	2.9
Jurmala	6.6	6.6	5.9	6.0	4.6	4.0
Vidzeme Region	6.5	6.2	6.7	6.5	5.5	4.7
incl. Valmiera	6.4	6.0	5.3	4.9	4.7	3.8
Kurzeme Region	7.0	6.9	7.2	6.8	5.3	4.6
incl. Liepaja	10.0	9.7	9.2	8.0	5.8	4.9
Ventspils	5.7	5.7	5.8	5.2	4.6	3.7
Zemgale Region	7.4	6.6	6.7	6.4	5.6	4.5
incl. Jelgava	6.7	5.5	5.2	4.8	3.8	3.4
Jekabpils	9.4	7.6	7.9	7.2	6.7	5.3
Latgale Region	12.7	11.9	12.2	12.2	10.8	9.3
incl. Daugavpils	8.3	7.6	6.8	7.2	5.1	4.3
Rezekne	11.4	10.6	9.7	9.9	8.3	7.5
Average in Latvia	**5.9**	**5.7**	**5.5**	**5.5**	**4.6**	**4.1**

Table 40. Unemployment rate in planning regions 2002 – beginning of 2007, in %.

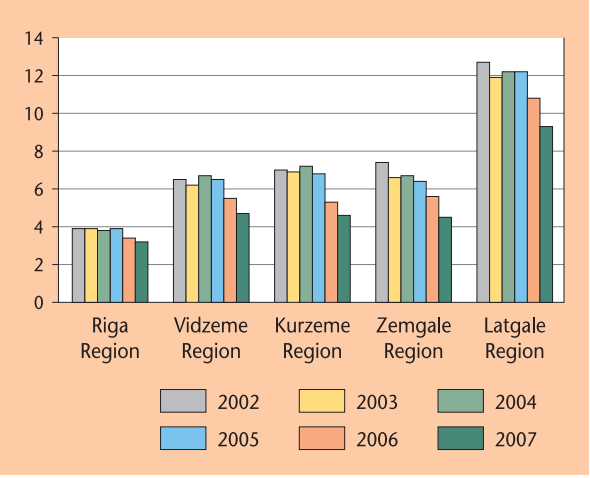

Figure 29. Dynamics of unemployment rate in planning regions 2002 – beginning of 2007, in %.

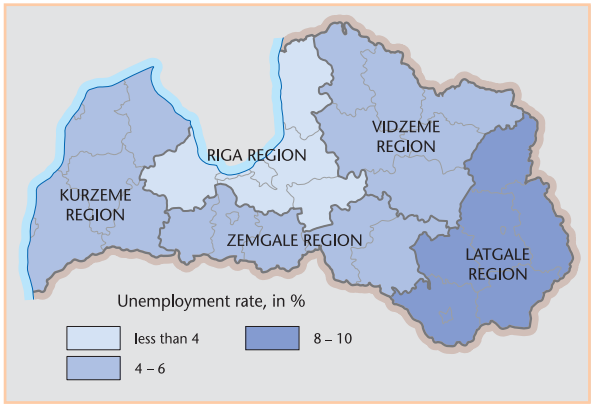

Figure 30. Unemployment rate in planning regions at the beginning of 2007.

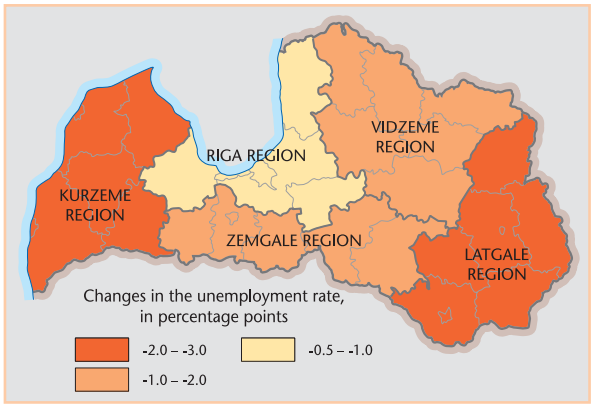

Figure 31. Changes in the unemployment rate in planning regions 2002 – beginning of 2007.

By exclusion of yearly fluctuations and assessing the changes in unemployment rate at the beginning of 2007 against the average indicator of five-year period (at the beginning of 2002-2006), it can be noticed that the reduction of unemployment rate has not been so significant – Latgale region – 2.7 percentage points, Kurzeme and Zemgale region – 2.0 percentage points each, Vidzeme region – 1.5, and Riga region – 0.6 percentage points.

Regional disparities have remained during the review period – the unemployment rate in Latgale region was 2.9 times higher compared with Riga region at the beginning of 2007, but at the beginning of 2002 – 3.2 times higher.

At the end of 2006 the number of unemployed women was 41 980 and their proportion in the total number of all registered unemployed reached 60.9% at the beginning of 2007. The lowest such rate was observed in Latgale region – 55.2%, in other regions the proportion of unemployed women was above the national average in the number of all registered unemployed. Within the five years the proportion of women in the number of all registered unemployed has increased in all regions (see Table 41).

14 700 of unemployed women are registered in Riga region, which is equal to 35.0% of the total number of unemployed women, Latgale region – 11 800 or 28.1%, in other regions it is between a half or a third of that (Kurzeme region – 5 800 or 13.7%, Zemgale region – 5 300 or 12.5%, Vidzeme region – 4 400 or 10.6%.

Planning region	2002	2003	2004	2005	2006
Riga Region	61.9	62.2	62.6	63.9	64.5
Vidzeme Region	59.7	57.9	57.9	59.4	61.4
Kurzeme Region	61.1	61.1	60.8	62.0	63.4
Zemgale Region	59.9	59.7	60.9	61.2	62.7
Latgale Region	53.6	53.4	54.0	54.7	55.2
Average in Latvia	**58.7**	**58.5**	**59.0**	**59.9**	**60.9**

Table 41. Proportion of women in the total number of all registered unemployed in planning regions at the end of 2002-2006, in %.

The economic development of Latvia influenced the situation in labour market positively, i.e., the number of individual businesses and entrepreneurial companies increased, also the number of economically active inhabitants increased and the employment rate grew, number of registered unemployed reduced as well as the unemployment rate, respectively. But it should be considered that low unemployment rates limit the labour market, economic development and attraction of investments. Therefore the significance of these issues will not reduce by reduction of unemployment rate.

The experts of the University of Latvia* note that the geographic mobility of labour force is a significant factor, which influences the labour market situation, including the migration of labour force away from Latvia to other countries, mostly – EU countries – international migration and internal migration. Migration is expected to continue intensively, unless the economic situation changes. By 2010 the annual number of persons going abroad might exceed 10-16 000 people and reach 50-80 000 people in the entire period. Approximately one half of the inhabitants of Latvia, who have gone abroad, might incorporate in the returning immigration flow. The researchers have concluded that the salary, working conditions and social guarantees should be approximated on maximal level to the available in the recipient countries, for the purposes of preventing the analysed causes for going abroad and for reduction of emigration.

Territory Development Index

Development index is a synthetic indicator, which reflects the comparative development rate of planning regions. The development index is calculated by collection of the eight basic indicators, but data are obtained from CSB, Treasury, State Employment Agency and State Land Service.

During the years under review, among the regions of Latvia, Riga planning region was the only one with a positive value of the development index, for the other planning regions – the value of development index was negative. Such feature of the development index is determined by its calculation principles – firstly, the arithmetic average figures of all basic factors of development are calculated as the weighted-average in the statistical scale before they are standardized, by using the number of the population in each territory (it is much larger in Riga region compared with others), and, secondly, all basic factors of developments are standardized, namely, the standardized average values and also the development index are always zero in the group of reviewed territories.

Riga region represented a good development dynamics during 2002-2006 according to changes in development index, and it improved the positive value of development index. Within the recent year or two the negative value of development index improved slightly in Vidzeme, Zemgale and Latgale regions, which previously decreased on annual basis. But the negative value of development index in Kurzeme region actually did not change in the middle of the reviewed period, but at the beginning of the period and within the recent year it decreased considerably. Comparing the value of development index in 2002 and 2006 it may be noticed that the value of development index has grown only in the Riga region, but in other four regions of Latvia the development index has reduced (see Table 42 and Figure 32, 33 and 34).

Planning region	2002	2003	2004	2005	2006
Riga Region	0.909	0.975	0.995	1.003	1.011
Vidzeme Region	-0.835	-0.885	-0.895	-0.877	-0.851
Kurzeme Region	-0.303	-0.429	-0.428	-0.431	-0.520
Zemgale Region	-0.440	-0.469	-0.533	-0.590	-0.574
Latgale Region	-1.257	-1.310	-1.339	-1.346	-1.341

Table 42. Development index of planning regions, according to data of 2002-2006.

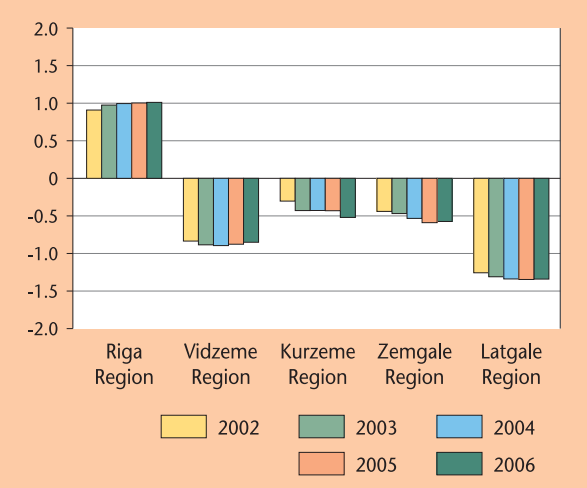

Figure 32. Dynamics of development index of planning regions, according to data of 2002-2006.

The development index is calculated for regions by summarizing the eight basic factors or components, whose significance is not equal for all regions of Latvia. Among the development components the main one can be determined as the one, which provides the numerically largest item in the development index of a particular territory. The component of the development index may be both positive and negative figure, according to whether the basic indicator exceeds or is below the average figure of the indicator in the country. Riga region has a stable first place by all eight indicators,

** Geographic mobility of labour force. - Riga: University of Latvia, 2007.*

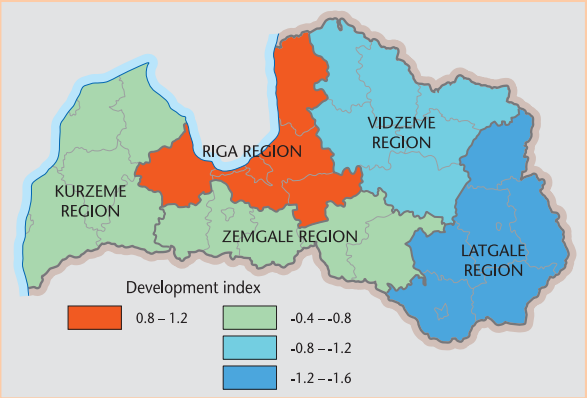

Figure 33. Development index of planning regions, according to data of 2006.

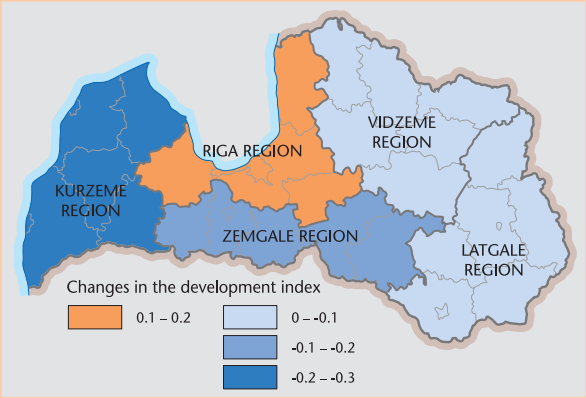

Figure 34. Changes in the dynamics of development index of planning regions, according to data of 2002-2006.

which describe the development, but Latgale region has the fifth, namely, the last place, by six indicators, but it has the third place among the regions of Latvia according to the indicators of demographic burden and population density.

By analysing the components of the development it can be noticed that GDP per capita is the main indicator characterizing the development in all regions, to which the experts have assigned the largest weight of importance. In Kurzeme region more than half of the development index is made up of GDP per capita, but in other regions it is one third. In Riga region GDP per capita becomes the main positive factor of the development index, but in other regions – the main factor of a negative development index.

Population density is the second most important factor in the development index for Riga region, in Vidzeme and Kurzeme region – it is level of demographic burden, in Zemgale region – number of economically active individual businesses and entrepreneurial companies per 1 000 inhabitants, but in Latgale region – the unemployment rate.

The volume of individual income tax is the third most important basic factor for development in Riga, Kurzeme and Zemgale regions, but in Vidzeme and Latgale region it is the changes in the number of population. Other basic factors have a relatively smaller influence on the volume of the development index.

The disparities in the social economic development of planning regions have grown slightly within the five years. Comparing the development index of Riga region to the lowest development index, which belongs to Latgale region, it can be concluded that in 2002 the difference was 2.166, but in 2006 it is 2.347.

By collection of available data it can be also concluded that the economic development level is considerably different for planning regions. Riga region has the highest level, which is followed by Kurzeme region. The development levels of Vidzeme and Zemgale regions do not differ much, but it is a little lower than in Kurzeme region. Latgale region has the lowest development level.

The specific trends and problems of Latvian regions in terms of social economic development may be identified by supplementing the collection of statistical data with results of thematic researches. That would provide an opportunity to determine the causes for disparities in the development of regions and to provide alternative solutions for the problems.

TRENDS OF POPULATION STRUCTURE AND ECONOMIC DEVELOPMENT IN LATVIA IN GENERAL AND IN PLANNING REGIONS: FINDINGS AND CONCLUSIONS

Trends

The number of population in Latvia continued decreasing during the review period. It reduced both in Latvia in general and in each separate planning region mostly due to the negative natural growth. Reduction of the number of population was territorially differentiated and it was more typical in the large cities of Latvia, where parts of their inhabitants changed their place of residence to the vicinity of nearby suburbs. Also the gradual decreasing of population continued in the rural territories of the national frontier and in the remote territories of administrative districts. During the review period the intensity of reduction of population decreased by a little improvement in the indicators of natural movement and decline in migration volumes, and the daily mobility of inhabitants increased in the same time.

During the review period the average age of population continuously increased, consequently the reduction of physical potential of economic activity of inhabitants gradually continued, but the raising of retirement age and reduction of the number of children and adolescents caused a decline in the level of demographic burden. Disparities in demographic indicators are not significant among regions; consequently they reflect the features of changes in the population structure caused by general social and economic conditions, where the influence of regional conditions is insignificant. Although a small but stable trend for the number of newborns to increase was observed during the recent years, the demographic situation can be considered as critical in Latvia and all the planning regions, because the natural reproduction of the number of population have not taken place for almost 20 years and the prevalence of the mortality rate over the birth rate also remained during the review period.

The specific problems in the age structure of population describe the disparities in demographic burden in the level of territories of local municipalities. Comparatively more favourable indicators describe towns and their adjacent rural territories, but comparatively high level of demographic burden features in the remote rural territories of administrative districts.

The prevalence of international migration over the immigration in Latvia has slightly influenced the reduction in the number of population, by approximately 2 000 people per annum, in general and evenly in each region. Internal migration of inhabitants marks the disparities much more expressively. Riga and Zemgale regions have a positive time-enduring balance of internal migration compared with other regions of Latvia. The mutual functional relations between Riga and Jelgava provide the economic diversity and an attractive environment for persons searching for new social services and employment opportunities.

In the period from 2002 by 2006 the trend for the inhabitants of towns to move to suburban territories has grown. Therefore the proportion of inhabitants of towns slightly reduced in the total number of the national population. It was mostly determined by the reduction in the number of population in the large cities, in Riga in particular. The mobility of inhabitants of large cities is higher, and its influence to the changes in the total breakdown of the region's inhabitants is also relatively larger.

Breakdown of inhabitants by density is stable due to the historically developed structure of density of population and economy. It is changing gradually, mainly due to the influence of migration processes, but it is indirectly related to the social economic development of regions. By the density of population territories have developed largely in relation to the locations of towns. The process of cities attracting the most significant internal migration flows persistently continued during in the recent decades and in the review period. And the largest cities attract relatively larger volumes of these flows. Therefore regions with more significant proportion of large cities attract comparatively larger number of inhabitants on account of migration. Large cities and district centres as well are, in general, also economically more related to the rural territories of regions, therefore also the proportion of population keeps growing directly in the district centres and their vicinities due to inhabitants changing their place of residence. Population density is larger also in territories located by the state importance arterial roads.

Demographic problems can be identified within the entire review period. The analysis performed draws attention to the aggravation of such indicator as forecasted living standard which is related to the decline in living standard for a significant part of population to a certain extent, which also marks the process of social stratification. It is expressed not only in the breakdown of disparities in living standard of the aggregate of population, but also in territorial terms.

During the analysis period constant and rapid rates of economical development were observed in Latvia. The rapid incline of the internal demand ensured the economical development by increasingly larger volumes of crediting and attraction of funds from EU funds, and this process was accompanied by quite rapid increase in prices. In general it influenced both economic activity and the rapid increase in GDP value. Booming service sector, construction, transport, and communications influenced the indicators of GDP development in Latvia in a positive way. Real estate transactions ensured a significant proportion in the growth of national GDP. The comparatively small significance of industry maintained in the economic structure creating the GDP of Latvia.

During the period from 2002 by 2006 the disparities among regions by GDP produced per capita continued to increase a little. The economic structures of towns incorporated in the territories of regions and the development dynamics determined the disparities among regions on a large scale, because directly the proportion of towns is prevalent in creation of GDP of a region. Therefore the cities incorporating the development centres, which maintain the human resources, and places of employment, and their related infrastructure of traffic and energy transmission have determined the main structures of economic development and the disparities of tempos among regions. In the case of Riga region it is most visible, where the capital city not only constitutes more than 80% of the region's GDP, but it is also the force, which drives the development and influences an extensive locality. The most of economic activities taking place in the country are concentrated in Riga. Population of the capital city was 66% of the total population of Riga planning region, and they produced 84% of region's GDP in 2005. In 2005 73% from all non-financial investments into Riga region were concentrated in Riga, and 82% of the economically active enterprises and entrepreneurial companies of the region were located in Riga. Inhabitants of Riga footed 71% of the individual income tax of the Riga region. Therefore Riga region considerably exceeds other regions both by GDP in general and by GDP per capita persistently and also in the terms of volume. Also the largest national GDP growth is still created in Riga.

By GDP per capita Kurzeme region has had the second place after Riga region within the entire period of five review years. It reduced relatively due to the relative reduction in the contribution of Ventspils during this period.

According to the dynamics of economic development level, as well as to GDP, also the territory development index describes the increase in disparities among planning regions in an integrated way during the period of five years. The value of development index of Riga region has increased on a lasting basis in respect to other regions. Disparities have increased also by several indicators forming the calculation of the index. The income of inhabitants, created GDP, and non-financial investments grew in Riga more rapidly than in other regions, particularly in comparison to Latgale region. The indicator of GDP per capita expressly marks the disparities among regions. In 2001 the GDP per capita of Riga region was 2.4 times higher than in Latgale region, but in 2005 it was already 3.0 times higher. The disparities among regions maintained their high levels and they even increased also by other indicators describing the development structure and dynamics. After a little decline in 2001-2003 the differences in the volume of non-financial investments per capita have increased in 2004, but in 2005 they decreased. In 2002 the volume of non-financial investments per capita of Riga region was 2.9 times higher than in Latgale region, but in 2006 it was already 3.6 times higher.

Within the review period the unemployment rate materially decreased in Latvia in general, but it maintained the highest level in Latgale and the lowest – in Riga region. Both at the beginning of 2002 and 2006 in Latgale region it was 3.2 times higher than in Riga region. A slight decrease in disparities was observed regarding the volume of individual income tax per capita. In 2002 the volume of individual income tax per capita in the local municipality budgets of Riga region was 2.3 times, but in 2006 – 2.2 times larger than in Latgale region.

In the scale of Latvia the value of territory development index, which describes the development level of local territories, has been differentiated both among regions and in the internal comparison of territories of regions. The development level of Riga and Riga region territories is noticeably higher compared with other regions. Within regions the differentiation of development level indicator is more expressed in the level of regions – in places where the cities of district centres and their adjacent territories prevail over the remote territories of a district in terms of index value. The comparatively highest increase in the development index in the level of districts has been observed in territories initially having a lower index value.

By the increase in economic activity the volume of non-financial investments increased both in Latvia in general and in all regions. Breakdown of finances still had no observable relation to the disparities in the development of regions. Also the breakdown of non-financial investments and the increase in its volume was mostly depending on the economic significance and activity by using the concentration of economic and technical infrastructure developed during previous decades in the large cities.

In the conditions of rapid development of national economy, when in the same time the funds from EU funds were received, the business activity has not been sufficiently high. It is proven by the dynamics of the number of economically active entrepreneurial companies. Insufficient level of business activity reflected in comparatively low level of demand for labour force and creation of new vacancies. No material changes have taken place in the direction of increasing the diversity and competitiveness of the types of operation. Breakdown of the number of employed by types of operation indicates a sustainable trend for the proportion of employed to increase in the service sector and in construction, but the number and proportion of employed in agriculture and forestry sectors decreased in the same time.

Companies of service branches dominate in all regions of Latvia. This has created a certain structure of demand for labour force. Within the five years the business activity, according to the number of new companies in Latvia, has increased very slowly in general, compared with the economic growth. According to the breakdown of economically active statistical units by size groups, micro-companies still had the highest proportion, but the proportion of large companies remained small, and their placement was related to Riga in almost every case. In the country and in all regions the proportion of small companies increased a little in the total number of companies, but the proportion of large companies remained stable.

Disparities among regions by individual income tax per capita continued increasing during the five review years, and therefore no trends were observed for the disparities of living standard of inhabitants to equalize. The disparities in the living standard of Riga region and other regions, cities and rural areas, large and other cities remained and even increased. Within the five years the volume of individual income tax increased in Riga region relatively more rapidly, but in the remaining area of Latvia it grew equally in towns and their adjacent rural territories. It has taken place by the movement of migration and pendulum migration processes, which simultaneously both reflects and promotes the business activity and the increase in economic potential in large towns and their adjacent territories. Therefore during the review period the average indicators were influenced by the proportion of large towns even more significantly, and they could influence the relation of the inhabitants of surrounding territories to the town as an employment centre.

During the review period the shortage of qualified labour force is characteristic to the Latvian labour market in the conditions of rapid economic development. Within the five years the situation has become more expressed that the education level of the group of unemployed becomes lower compared with employed persons; this fact underlines the insufficient skills and experience of a certain part of society in conditions of new demand of labour force. The proportion of unemployed women has increased within the five years in the total number of registered unemployed. It is not related to the education level or ability to adapt to the dynamic demand of labour market psychologically, but it is related to, most credibly, to the diversification of social roles, increased activity in acquisition of education, relatively more intensive involvement of men in less qualified work, and increased socially determined readiness of labour mobility. During the review period the common feature of the development of Latvia was the decreasing unemployment rate in towns, rural municipalities and counties in the territories, where the unemployment rate was relatively higher before; consequently slow equalization of unemployment rate took place in groups of similar territories (towns, suburbs, remote rural territories of districts) in Latvia in general.

Findings and Conclusions

The indicators describing the disparities in development levels of regions of Latvia reflects the overall picture, but they do not explain the causes. The regional development policy of Latvia is directed towards the well-balanced and sustainable development of the country, by promoting the usage of potential of each territory and reduction of unfavourable disparities among the territories in order to ensure equal living, working and environmental conditions for all inhabitants of the country. However its influence is insufficient, and the unfavourable disparities in the standard of living and economic activity opportunities, which developed over a considerable period of time, still remain and they have become even more magnified in Latvia. They become apparent through insufficient economic development, low economic activity, high unemployment rate and low income level of inhabitants in separate territories.

But in places with comparatively high level of economic activity the development potential is not used to its full capacity, and the specific character of their development is sometimes interfering with the development in other parts of the country. A territorially uniform increase in the living standard of inhabitants requires more effective territorially differentiated social and economic development policy in the country in general and in each region, where the development centres are expected to achieve a particular significance. Economically powerful cities may become development centres, if they integrated the rural areas and if they could be accessed by these territories. Furthermore, if they ensured the development of regional infrastructure networks and provided territorial support for specialized commercial activity, which would also be oriented towards a larger market, thereby having an impact on reducing unfavourable territorial disparities.

Within the review period the following processes described the development of Latvia:

- concentration of social and economic activities, EU, national and private investments into Riga and its near vicinity; it becomes more powerful as a financial, international business, culture and political centre of the Baltic States;
- processes of ex-urbanization or changing the place of residence from cities to rural areas in the central part of Latvia, where inhabitants with very low or very high income level have the main role;
- aggravation of social issues – existing structural unemployment, increasing social expenses, increasing social rejection, stratification, high criminal situation tending to increase among youth;
- traditional economic sectors are developing – construction, transit, timber industry, food industry, and the service sector in particular; the potential of knowledge-intensive economy increases – science parks and technology centres are developing, and companies working within those institutions apply the latest technologies.
- significant changes are taking place in the traffic structure, problems related to traffic and transport infrastructure become aggravated by the declining role of public transportation, accessibility level decreases for separate large groups of inhabitants and also the speed of accessibility is decreasing.

Within the review period both very positive and negative development features have emerged in the regional development of Latvia. But their progress, promoted by management of regional development, as a result of application of regional policy instruments is only indirect due to the ineffectiveness of the policy. Increasing disparities in the development of territories of Latvia are indicative of not only the current ineffectiveness of existing instruments of regional development policy, but also of structural differences

of national economy and territorial disparities of social situation, regarding which the utilization of strengths and prevention of weaknesses might become the main object for the regional development policy. The public's ability of creating new knowledge and using them in every process oriented towards territory development by promotion of the development of national economy and improvement of the overall living standard should become the long-term foundation for the development of Latvia and regions. General availability of information (completeness, speed, simplicity, etc.), ability for its transformation into knowledge, development of information services and their global compatibility are the precondition for increase in economic activity in good quality and creation of new and well-paid jobs, which may be followed further by sustainable and territorially balanced development of regions.

Sustainable development of Latvia requires for the country and its regions and towns being specialized and competitive in the context of development in Europe; promotion of knowledge-based economy and attraction of information and innovation technologies are necessary by supporting the emergence of clusters – the functionally and spatially meshed economical structures. Meanwhile the number of companies, which apply the latest technologies, has a slow rate of growth. The operational scope of structures promoting innovations, i.e., industrial parks and technology centres, is narrow. Cooperation among businessmen and centres of science and higher education develops slowly. Research resources increase slowly; therefore the opportunities for innovative fields of national economy and companies to emerge are limited. By the growing range, speed and volume of using the communication networks and by the increasing requirements from the public, new requirements emerge for education and the information society needs psychological openness, knowledge and accessibilities to application of information technologies in all the territories in Latvia.

Meanwhile increasing support in the development of infrastructure and concentration of human resources is taking place in some large cities, but the development in remote areas of the country and regions is considerably falling behind. It is closely related also to the increasing disparities in the potential of human resources among cities and remote areas. Provision of human resources is strategically the most important issue for ensuring a sustainable and territorially balanced development.

Ensuring a sustainable and territorially balanced development increasingly requires good quality social, information and technical infrastructure, which would also correspond to the development trends of the modern world. Establishing it carries comparatively high costs and therefore the required infrastructure is not widely available in Latvia. Infrastructure in the regions of Latvia is lagging behind therefore it does not attract of investments and the development of modern production units, which in its turn increases the social economic inequality in the country even more. The low quality of infrastructure reduces the utilization of resources and consequently the effectiveness of economic activity; it also limits the volume of potentially new funds, which in their turn could be invested in the development of the infrastructure.

DESCRIPTION OF GROUPS OF LOCAL MUNICIPALITIES

DESCRIPTION OF TOWNS AND CITIES

At the beginning of 2008 and when this survey was published, on 1st September 2008, there were 7 cities, 52 district towns and 18 counties with a town as its hub* had the status of an administrative territory in Latvia. Towns within the counties have no status of an administrative territory. For the purposes of comparative description of development it is useful to observe both the entire group of cities together and sometimes to use another breakdown of the towns and cities of Latvia – 7 cities, 20 district centres and 50 district towns or provincial towns. It should be noted that according to the administrative territorial division project, which was approved by the Cabinet of Ministers on 12th December 2007 in a government meeting, the establishment of nine cities is planned to be completed by the local municipalities' election in 2009 – this status is due also to Valmiera and Jekabpils.

The total number of towns includes 25 towns with attached rural territory, which is including towns in counties. The data regarding towns with rural territories and urban counties include all the territorial units in their area – towns, rural territories of towns and parishes, and basically they cannot be separated from the indicators describing the development of the respective towns.

The description of town development uses basic indicators forming the development index calculation and size of population and economically active businessmen and companies. City and town development index is calculated by taking the following four indicators into consideration: unemployment rate, amount of individual income tax per capita, level of demographic burden, and changes in size of population within the five years.

Population

The cities and towns of Latvia are very different in terms of population. At the beginning of 2007 the average population in a single city or town of Latvia was 20 900, but by excluding the cities – 7 100, in the district centres – 13 600 and in provincial towns – 4 400 inhabitants. The smallest local municipality in the town group, Subate and its rural territory, had 1 200 inhabitants at the beginning of 2007.

At the beginning of 2007 almost a half – 36 towns – of all the cities and towns of Latvia had a population at or below 5 000, 17 – between 5 000 to 10 000, 13 – between 10 000 to 20 000, 4 – between 20 000 to 30 000 and 5 – between 30 000 to 100 000. A population of 100 000 was exceeded in two cities – in Riga and Daugavpils. At the beginning of 2007 there were 722 500 inhabitants residing in Riga.

Population Change

At the beginning of 2007 the population in cities, towns and urban counties of Latvia was 1 612 000. During the analysis period from the beginning of 2002 to the beginning of 2007 the population reduced in the local municipalities of this group by 43 100 or 2.6%. Reduction in the population took place more slowly than in previous periods – from 1998 to the beginning of 2003 the reduction in the population in cities and towns reduced by 7.0%, but from 2001 to the beginning of 2006 – by 2.9%.

During the five years the population grew in 14 towns and cities, by 5 400 people in total, but reduced in 63 towns and cities by 48 500 in total. The largest increase in population was observed in Ikskile county, where it increased by 1 100 inhabitants in absolute numbers, but by expressing the change in percentage against the population at the beginning of 2002 the population increased 17.7%. In Balozi the population increased by 700 or 17.0% during this period. Significant increase in population was observed also in Baldone and its rural territory (by 8.3%) and Saulkrasti and its rural territory (by 7.3%). Increase in population is mostly observed in the towns and cities of Riga and Ogre districts, the population increased only in Jaunjelgava and its rural territory, Tukums and Valmiera (by 2.4%, 2.1% and 0.4%, respectively), and in the cities Jelgava and Jurmala (by 0.2% and 0.1%, respectively).

The largest reduction of population was observed in the following cities by absolute numbers – in Riga by 24 700, Daugavpils by 5 300, Liepaja by 2 000 and Rezekne by 1 700. Considering the population at the beginning of 2002, the population reduced in 6 towns and cities by 10 per cent or more: Ainazi and its rural territory – by 12.9%, Vilaka – by 11.3%, Ligatne – by 10.4%, Durbe county – by 10.3%, Subate and its rural territory and Viesite and its rural territory – by 10.0% each. This group includes towns and cities from all five regions of Latvia. In 23 towns and cities the population reduced within limits of 5-10%, but in 34 towns and cities – by less than 5% (see Figure 35).

In Riga the demographic situation is basically continuing to develop in relation to territories outside the administrative borders of the capital city. Currently the increasing trend for the labour force to commute to Riga remains. According to assessments of experts, approximately 10% of the workforce commutes to Riga. The largest proportion in this labour force

* On 1st January 2007 - 7 cities, 53 district towns and 17 counties with a town as its hub; at the moment of issuing the survey, on 1st September 2008, similarly as at 1st January 2008, 7 cities, 52 district towns and 18 counties with a town as its hub.

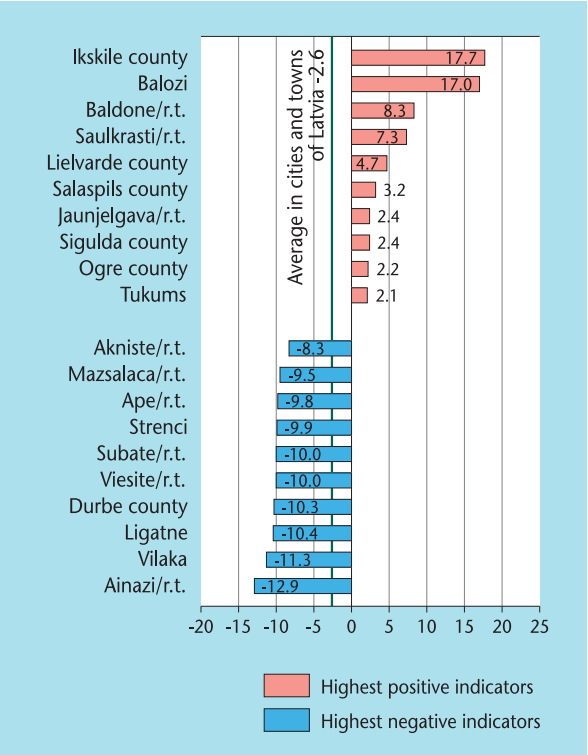

Figure 35. Largest change in population in towns and cities and urban counties 2002 – beginning of 2007, in %.

belongs to inhabitants of Jurmala and Riga district local municipalities; the inhabitants of Ogre district, Jelgava and Jelgava district, Bauska district, and Aizkraukle, Tukums and Limbazi districts also constitute a significant part.

The statistical data only permits excluding the inhabitants of parishes of urban counties out of the group of local municipalities of cities and towns; by such calculations the proportion of inhabitants of towns and cities and their rural territories reduced from 69.1% at the beginning of 2002 to 68.8% at the beginning of 2007 in the total national population within the five years, but the proportion of the inhabitants of the entire town and city group increased slightly during the review period.

Figure 48 represents the change in population in local municipalities 2002-2007.

Demographic Burden

Age structure of population is a significant indicator, which describes the demographic situation in a particular region, and, which is especially important, it shows the potential and opportunities of social economic development. Demographic burden is one of the indicators, which reflects the population's age structure, it describes the proportion of children, adolescents and retired inhabitants against working age inhabitants.

At the beginning of 2007 the average demographic burden in cities and towns of Latvia was 520.5 inhabitants below and over working age per 1 000 working inhabitants, which is consequently lower than the national average (531.2). Compared with the beginning of 2002 the demographic burden rate has decreased in towns and cities by 15.8%, but in the country in general – by 17.8%.

At the beginning of 2007 in the group of towns and cities four towns had the highest demographic burden rate (above 700 children and retired inhabitants per 1 000 working age inhabitants) – Ligatne (731.2), Varaklani (729.9), Mazsalaca and its rural territory (726.4) and Saka county (706.2). But at the beginning of 2002 the demographic burden of equal amount was observed in 31 cities and towns.

The lowest demographic burden rate was registered in the towns of Riga district – Balozi (385.0), Vangazi (465.7), Salaspils county (466.3) and Olaine (472.5), as well as in Balvi (468.8), but among cities – in Daugavpils (479.7) and Rezekne (492.5). In Riga the demographic burden reached 511.7 children and people at retirement age per 1 000 working age inhabitants (see Figure 36).

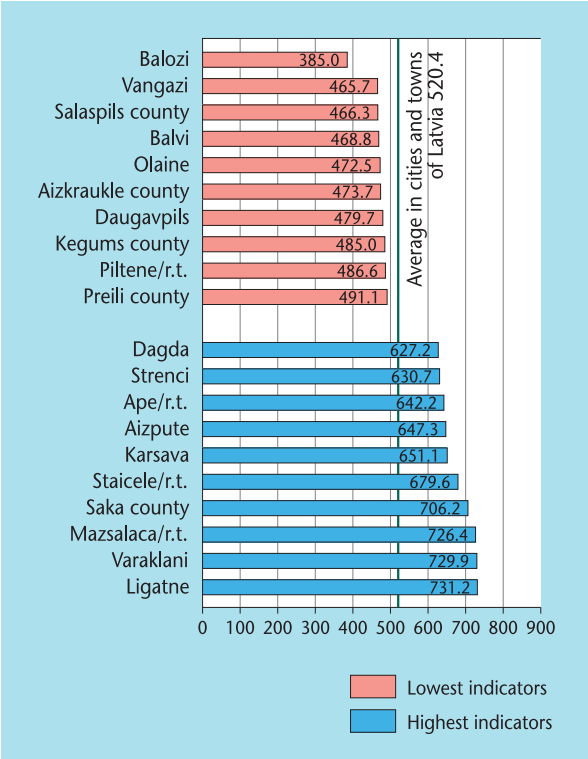

Figure 36. Highest and lowest rates of demographic burden in towns and urban counties at the beginning of 2007.

At the beginning of 2007 Latvia had 11 towns and cities with demographic burden where the number of children and retired inhabitants was below 500 by estimates per 1 000 working age inhabitants, but at the beginning of 2002 – it was only one (Balozi).

The low level of demographic burden is not a deciding factor of development. Additionally the proportion of numbers of children and pensioners should be assessed, because in case the number of children is small, then consequently the territory also has negligible opportunities for sustainable development. In the group of towns and cities the number of retired inhabitants exceeds the number of children and adolescents by a factor of 1.6. It should be noted that the demographic situation is slightly better in the counties, which are

included in the group of towns and cities, where the number of retired age exceeds the number of children and adolescents by a factor of 1.3.

From 2002 to the beginning of 2007 the reduction of demographic burden could be observed in all 77 territories of towns and cities. Most rapidly the demographic burden has reduced in Akniste and its rural territory – by 284 inhabitants below or above working age per 1 000 working age inhabitants, in Saka county – by 237, Vilaka – by 215, and Staicele and its rural territory – by 200.

Raising the retirement age and the small increase in the birth rate are the main causes of the reduction in the demographic burden. Demographic processes in the country influence also the age structure of inhabitants in cities and towns. In the terms of development of a territory the division of inhabitants by different age groups is important, particularly a working age group, because it represents the perspectives for employment development or points out to the shortage of labour force resources.

At the beginning of 2007 in towns and cities of Latvia the proportion of working age inhabitants was 65.8% of the total population in towns and cities, which is relatively more than in rural areas, where this indicator was equal to 64.2%. On average the proportion of working age inhabitants was 65.3% from the total national population.

The indicators of demographic burden in local municipalities at the beginning of 2007 are represented in Figure 49.

Individual Income Tax

The amount of revenue of individual income tax in the budgets of local municipalities and their yearly changes reflect the income of inhabitants and describes the material welfare indirectly. The analysis of this indicator cannot be directly used for describing the dynamics of income, because since 2004 the share of individual income tax, which is transferred to the budgets of local municipalities has annually increased. Consequently the increase in the yearly indicator has been related not only to the increasing income of inhabitants but also to the increasing share of the tax transferred to the budget of local municipalities, and also the amount of taxable income has changed during the review period.

In 2006 in the towns and cities of Latvia the amount of individual income tax per capita in the budgets of local municipalities was LVL 246.50, which exceeds the figure of rural areas by LVL 105 and the national average by LVL 31. In 2006 the average indicator of individual income tax of 63 towns and cities out of 77 was lower than the average indicator of all cities and towns of Latvia.

Among cities and towns in 2006 the highest amounts of individual income tax per capita in local municipalities budgets were observed in Ikskile county, which is included in the group of provincial towns, (LVL 305.50) and Balozi (LVL 303.60), the capital city Riga had a little lower amount (LVL 296.20). If the indicators of all local municipalities are used for comparison, they show that the highest indicators of individual income tax are registered directly in the local municipalities of Pieriga, which may considerably exceed even the indicators of Riga. This situation can be explained with the fact that by the present tax system the settlement of individual income tax by declared place of residence gives advantage to local municipalities with larger population and comparatively smaller number of employees in their territories.

In 2006 among cities the largest amount of individual income tax per capita in local municipalities budgets in Riga (LVL 296.20) was almost double the smallest amount in Daugavpils (LVL 160.60). In Jurmala the revenue from individual income tax in the budget of local municipalities constituted LVL 276.90 per capita, in Ventspils – LVL 255.30, Jelgava – LVL 226.20, Rezekne – LVL 196.00, Liepaja – LVL 193.20. Ventspils had the leading position in the amount of individual income tax per capita among the local municipalities of the group of towns and cities in 2002, but in 2006 it was only the 11th among the cities and towns.

By the amount of individual income tax in 2006 Aizkraukle county (LVL 272.60), Valmiera (LVL 270.00), and Dobele (LVL 267.10) had a stable high places in the group of district cities and towns. The smallest revenue of individual income tax was observed in Kraslava county (LVL 143.20), Ludza (LVL 160.20) and Preili county (LVL 166.10). But in the group of provincial towns the lowest revenue of individual income tax per capita in the local municipalities budgets was registered in Subate and its rural territory (LVL 66.90), Zilupe county (LVL 91.20), and Ape and its rural territory (LVL 96.80) (see Figure 37)

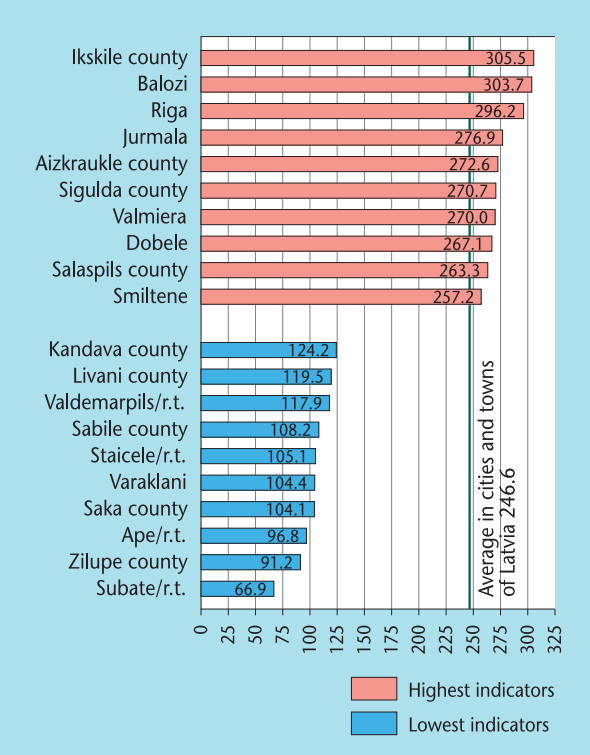

Figure 37. Towns and cities and urban counties with the highest and lowest amount of individual income tax per capita in local municipalities' budgets in 2006, in LVL.

Figure 50 represents the amount of individual income tax per capita in local municipalities' budgets in 2006, but its changes in 2006 against the average indication in 2002-2005 – in Figure 51.

Unemployment Rate

At the beginning of 2007 the unemployment rate in the group of towns and cities was 4.1%, or 0.5 percentage points lower than the national average and 1.9 percentage points lower than in rural local municipalities. During the analysis period, i.e., from the beginning of 2003 to the beginning of 2007, the unemployment rate dropped in the group of towns and cities reducing in line with the national average – by 1.8 percentage points.

Among the cities at the beginning of 2007 the lowest unemployment rate was registered in Riga – 2.9%, but in the group of all towns and cities it was the fifth highest indicator. The highest unemployment rate among the cities was registered in Rezekne – 7.5%.

In district centres the best situation in terms of employment was observed in Saldus, where at the beginning of 2007 the unemployment rate was 3.4%, and in Cesis and Valmiera (3.8% each), but the highest level of employment was detected in Ludza (12.9%) and Balvi (7.3%). By separately distinguishing counties the lowest unemployment rate was registered in Kegums county (2.6%) and Ikskile county (2.6%), but the highest rate was registered in Zilupe county (20.6%, the highest unemployment rate in the group of towns and cities) and Livani county (12.3%). These local municipalities had also the smallest settlements of individual income tax per capita among the urban counties.

Among the small towns at the beginning of 2007 the lowest unemployment rates were registered in Baldone and its rural territory (1.8%, the best indicator in the group of towns and cities) and in Ligatne (2.8%). In Baldone and its rural territory the reduction in unemployment rate took place together with a general positive development, but the rapid decrease in population had a significant role in Ligatne (by 10.4% within the five years). But the highest unemployment rate among small towns at the beginning of 2007 was registered in the towns and cities of Latgale – Vilani (17.7%), Karsava (15.9%) and Vilaka (14.2%) (see Figure 38).

Significant contrasts can be observed in the group of towns and cities by the unemployment rate. Unemployment rate of all towns and cities fluctuate within the limits of 2-21%. The lowest unemployment rate differs from the highest among the cities by a factor of 2.6, in district centres – 3.8 and among provincial towns – 11 .

During the review period both the large cities and small towns and cities, particularly in the vicinity of Riga, influenced the reduction of the average unemployment rate indicator in the group of towns and cities. Within the recent five years the unemployment rate dropped in all seven cities and in Liepaja most considerably (by 5.1 percentage points). A slightly smaller decrease was observed in Daugavpils (by 4.0 percentage points)

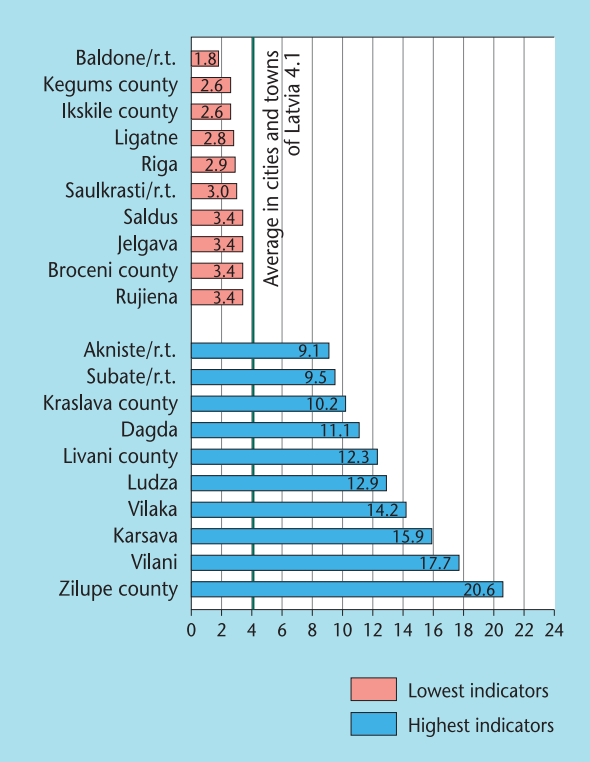

Figure 38. Highest and lowest rates of unemployment rate in towns and urban counties at the beginning of 2007, in %.

and Rezekne (by 3.9 percentage points). In Jelgava the unemployment rate decreased by 3.3, in Jurmala by 2.5 and in Ventspils by 2.0 percentage points. The smallest reduction in unemployment rate was registered in Riga (by 0.7 percentage points); however at the beginning of 2007 there were the lowest unemployment rate among the cities.

In district centres the unemployment rate dropped within the five years in almost all towns and cities, except for Aluksne, where the unemployment rate increased by 0.2 percentage points. The largest decrease in the indicator was registered in Preili county, Dobele and Jekabpils, where the unemployment rate changed by 5.8, 4.3 and 4.0 percentage points, respectively.

Among provincial towns the most significant decrease in unemployment rate was observed in Livani county – by 10.6 percentage points, but at the beginning of 2007 the unemployment was still comparatively high – 12.3%. In Priekule the unemployment rate reduced within the five years by 6.7, in Kalnciems and its rural territory – by 6.5, and in Vilaka – by 5.9 percentage points. Although the unemployment rate declined in the cities and towns in general, in 13 provincial towns it increased. In Plavinas the unemployment rate increased by 1.7, in Salacgriva and its rural territory – by 2.2, but in Zilupe county – by 2.4 percentage points, reaching the highest increase during the review period and the highest value at the beginning of 2007 among the cities and towns of Latvia.

Disparities in the unemployment rate among the towns and cities of Latvia with the highest and lowest indicators significantly increased during the period of five years – from a factor of 7.9 at the beginning of 2002, to 11.4 at the beginning of 2007.

The unemployment rate in local municipalities at the beginning of 2007 is represented in Figure 52, but its changes at the beginning of 2007 against the average indicator 2002 - at the beginning of 2006 – in Figure 53.

Economically Active Businessmen and Companies

According to the data of CSB registers of companies and organizations, in 2006 two thirds of the total number of statistical units of market sector in the country were in the group of towns and cities (79 300 or 66.3%). companies were the most widespread form of commercial activity in the group of towns and cities, which constituted more than one half of the total number of statistical units of market sector (59.3%). The proportion of self-employed entities was 30.4%, individual businessmen – 8.0%, and farmsteads and fisheries – 2.3%. Similar breakdown by the forms of commercial activity was observed also in the country in general, but in the group of rural local municipalities self-employed entities had the largest proportion, which was followed by farmsteads and fisheries, companies and individual businessmen (see Table 43).

	Number of statistical units of market sector	In percentage			
		Self-employed entities	Individual businessmen	Companies	Farmsteads and fisheries
In cities, towns and urban counties	79 282	30.4	8.0	59.3	2.3
In parishes and rural counties	40 248	49.1	3.2	16.5	31.2
In Latvia	**119 530**	**36.7**	**6.4**	**44.9**	**12.1**

Table 43. Breakdown of economically active statistical units of market sector by forms of commercial activity in 2006.

In the local municipalities of the group of towns and cities in 2006 there were 53 400 individual businessmen and companies, which constituted 87.1% from the total number of businessmen and companies in the country. Among the individual businessmen and companies, in accordance to the number of employed, there were 339 large companies with the number of employed exceeding 249. The group of town and city territories had the number of companies with the number of employees up to 9 (micro-companies) in extent of 41 500, with the number of employed from 10 to 49 – 9 500, and with the number of employed from 50 to 249 – 2 100. In the total number of businessmen and companies the proportion of micro-units constituted 77.7%, small units – 17.8%, medium-sized units – 3.8%, and the large units – 0.6% (see Table 44).

In 2006 in local municipalities of the group of towns and cities employed 680 800 or 82.3% of the total number of employed in the economically active statistical units of the national market sector. Compared with 2005 the number of employed has increased by 25 700. The increase in the number of employed individual businessmen and companies (by 24 100) mostly ensured that growth. In 2006 economically

	Number	In percentage by size groups			
		Micro	Small	Medium	Large
In cities, towns and urban counties	53 366	77.7	17.8	3.8	0.6
In parishes and rural counties	7928	77.1	18.7	3.8	0.4
In Latvia	**61 294**	**77.6**	**17.9**	**3.8**	**0.6**

Table 44. Economically active businessmen and companies by breakdown by size groups in 2006.

active businessmen and the employees of companies constituted 61.6 of the workforce in the group of towns and cities and nationally 50.8% of the workforce.

In 2006 the group of local municipalities of towns and cities had 49.2 economically active statistical units of market sector per 1 000 inhabitants, rural areas – 60.1, Latvia in general – 52.4. The large proportion of farmsteads and fisheries in rural areas influences these indicators. In 2006 the average number of individual businessmen and companies per 1 000 inhabitants in the group of towns and cities was 33.1, in rural areas – 11.8, and in the country in total – 26.9.

Territory Development Index

Development index represents the comparative development, i.e., whether the territory compared with other territories included in the group has overtaken or fallen behind within the assessment year.

By analysing the change in development index of towns and cities and urban counties and their climbing up or dropping down the ranking tables, the following territories can be identified,

- those developing at a quite rapid rate,
- those whose development did not experience any significant turning point,
- those with negative trends in their development compared with most of the other territories.

The practice of development index analysis shows that rapid development dynamics can be achieved either through increasing already existing positive development index or through increasing the negative development index, by which most attention will be drawn to the upward movement of territories or their dropping down the ranking table according to the values of development index instead of the changes in the development index.

City and town development index is built up by four components, in accordance to the basic indicator of development. In separate territories some parts of these basic indicators exceed, whilst other parts do not reach the average amounts of indicators in the group of towns and cities. Consequently both positive and negative components form the development index. In 2006 all development index components were positive in 4 cities and towns (5.2% of the total number of towns and cities). In these towns and cities all basic indicators of development exceeded the average indicator of the group of towns and cities, and the development of these places can be assessed as comprehensively positive. But in 31 towns and cities all components of development index were negative. The values of

development basic indicators of these towns and cities were below the average level of all towns and cities, and the development of these places can be assessed as falling behind or comprehensively negative. Such towns and cities constituted 40.3% from the total number of towns and cities. There were also 40 towns and cities or 54.5% from the total number of towns and cities, where the development index is formed both by positive and negative components. Development of these towns and cities can be assessed as uneven or composite. In order to conclude that the development of a town or city has been more uneven than the development of other similar territories, and which of the development components has determined the value of development index most considerably, a more profound study of the development index components is required.

According to data of 2006 Riga had the highest position (7th place) of all cities in the city and town ranking table, it was followed by Jurmala (12th place), Jelgava (16th place), Ventspils (17th place), Daugavpils (24th place), Liepaja (33rd place) and Rezekne (37th place). According to development index values in 2006 and compared with 2002 six cities climbed the ranking table by 5-19 places upwards, but Ventspils dropped down from 8th place to 17th place (see the Annex to the edition).

Within the recent five years Riga represented good development dynamics by increasing the already existing positive development index, Liepaja increased the negative, but Jurmala and Jelgava changed the development index value from negative to positive. In Ventspils the value of development index was positive during all review years, but it declined in the ranking table by relative falling behind the course of changes in the development index values of other towns and cities. Negative value of development index dropped down for Rezekne and Daugavpils within the review period.

Unlike other cities, Riga, Ventspils, and Jelgava have been in the top ten of the ranking table of all towns and cities in some separate years. Riga took its highest place, the 7th, in 2006 due to the main factor determining the development index – the amount of individual income tax per capita, but in 2003, 2004 and 2005 it had places from 9 to 10. Ventspils had the 9th place in 2002 due to comparatively large amounts of individual income tax per capita, and 8th place in 2004 – due to the increase in population. But in 2004 Jelgava had the 6th place – mostly due to the rapid increase in permanent population during the period 2000-2005.

Among District Centres, 12 towns and cities climbed up in the ranking table by 1-14 places during the five years, but 4 local municipalities maintained their positions. But due to the decrease in the value of development index 4 towns and cities dropped down in the ranking table, i.e., Valka (from 33rd to 40th place), Kuldiga (from 35th to 39th place), Limbazi (from 15th to 26th place) and Saldus (from 16th to 21st place). The value of development index changed from positive value in 2002 to negative in 2006 for the two latter towns and cities.

Stable positive development dynamics was observed in Ogre county, Aizkraukle county and Valmiera where the development indexes were completely positive during the analysis period. By increasing the development index value Ogre county leaves the 11th place in ranking able in 2002 and occupies the 6th place in 2006, Valmiera moved from 18th to 10th place, but Aizkraukle county remained in the 14th position. By improvement in the value of negative index Dobele moved from 34th to 20th place, Jekabpils – from 39th to 32nd place, but Tukums – from 24th to 18th place. Bauska, Aluksne and Ludza maintained their positions in the level of 2002, similarly to Aizkraukle county (22nd, 36th and 58th place, respectively)

Among Small Towns contrasting changes took place in terms of development. Movement within the ranking table within the five years took place within the range of climbing 26 places and dropping 30 places.

Within the analysis period 10 small towns had positive development indexes in each year. Those were the local municipalities of Riga planning region – towns and cities and counties of Riga and Ogre Districts. Development indexes of all remaining 40 small towns were negative in 2006.

Three towns and cities, Jaunjelgava and its rural territory, Smiltene and Ainazi and its rural territory, changed their development index values from positive in 2002 to negative in 2006 with a consequent dropping down in the ranking table. Jaunjelgava and its rural territory moved from 13th to 30th place, Smiltene – from 10th to 34th, and Ainazi and its rural territory – from 20th to 50th place. The relatively significant fall of Ainazi and its rural territory in the ranking table can be explained with the rapid decrease in population in 2002-2007 by 12.9%. But by improving the existing negative development index ensured by reduction unemployment rate from 11.4% at the beginning of 2003 to 3.9% at the beginning 2007 Kalnciems and its rural territory moved from 56th to 29th place in the ranking table.

In terms of development positive changes took place in Baldone and its rural territory, which significantly improved the value of development index and moved from 17th place in 2002 to 4th place in 2006. Saulkrasti town and its rural territory moved from 19th to 11th place, Strenci – from 69th to 53rd place, Priekule – from 74th to 59th place. Smiltene was described by negative changes – fall in the ranking from 10th to 34th place and Seda and its rural territory fell from 42nd to 65th place.

Similarly to previous years, in 2006 the lowest end of the ranking table is dominated by the cities and towns and rural counties of Latgale region – Zilupe county, Karsava, Vilani, Vilaka, Subate and its rural territory, Dagda. The group of less developed towns and cities included also local municipalities from other planning regions – Varaklani, Ape and its rural territory, Mazsalaca and its rural territory (Vidzeme region), Viesite and its rural territory (Zemgale region), Saka county (Kurzeme region).

In general 17 towns and cities of the total number of towns and cities of Latvia had a positive development index according to data of 2006 (according to data of 2002 – 20 towns and cities), the remaining 60 towns and cities had the index negative. The

positive development index range is balanced by the numerically more territories with negative index values, because the arithmetical means of basic factors is estimated as weighted means taking into account size of population in the respective territory – Riga City has a very considerable influence, and it has a positive development index and many times larger population compared with other towns and cities.

As the analysis show the extent of territory by population and the value of development index are unified by a general connection, which is not as significant as among parishes, but it is still convincing. The analysis of the connection show that in small local municipalities the territory development index and also the level of social economic development respectively is lower, but in the large local municipalities it is higher (see Figure 39).

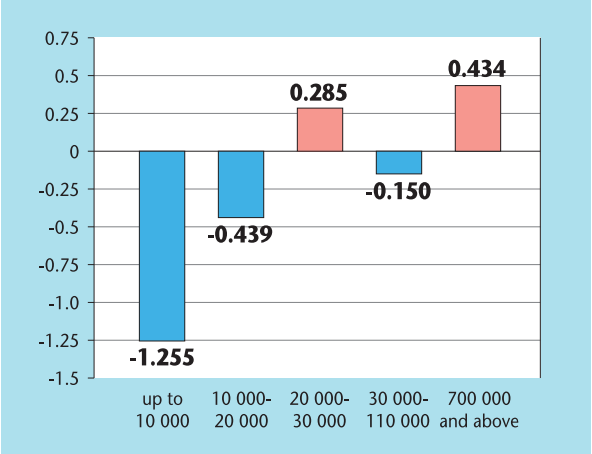

Figure 39. Connections of size of population and development index of cities and towns and urban counties in 2006.

The average development index with the highest negative value was registered for two groups of towns and cities with the smallest number of population (up to 10 000 and from 10 000 to 20 000) including 66 towns and cities or 86% of all towns and cities in Latvia. The negative development indexes in the two largest cities of this group, Daugavpils and Liepaja, determine the negative average development index in the group of towns and cities with population from 30 000 to 110 000. The influence of negative development index of Rezekne is less significant because it is the smallest city in this group by size of population.

Positive development index was observed in two groups of towns and cities. In the first group of population from 20 000 to 30 000 the positive average development index is determined by the development index of Valmiera, Ogre county and Salaspils county, but in the other with population of 700 000 and more only Riga is included.

In 2002 the development index of town and city group fluctuated within the range of 1.105 to -3.116, but in 2006 cities and towns with particularly positive assessments can be distinguished, and the development index range has grown more in the positive direction – from 2.596 to -3.617. Upon examination this variation range can be divided into several ranges and assessment of qualitative conformity level can be attributed to each of them (see Table 45. Ranges of equal length applied). Such method was described in details in the common edition of the Latvian Institute of Statistics and the State Regional Development Agency Diverse Latvia 2005 (*Dažādā Latvija 2005*).

Qualitative assessment of development of local municipalities of cities and towns	Assessment of development index	number of cities and towns	proportion of cities and towns
Extreme	3.0 and above	-	-
Very good	2.0 - 3.0	1	1.3
Good	1.0 - 2.0	1	1.3
Relatively good	0 - 1.0	15	19.5
Relatively poor	0 - -1.0	29	37.7
Poor	-1.0 - -2.0	15	19.5
Very poor	-2.0 - -3.0	12	15.6
Extreme	below -3.0	4	5.2

Table 45. Breakdown of towns and cities and urban counties by development groups in 2006.

Reviewing the table it can be noticed that compared with the total number of territories there are few territories with an extremely high or an extremely low assessment of development. Four towns and cities have extreme negative values of development index, but there are no towns and cities with expressly positive assessment in the group. As there are very few territories with extreme assessments of development, it can be concluded that the development index describes the overall development level for the most part of territories well or at least satisfactory. This is approved also by the concentration of most of territories in the central ranges and the reduction in the number of territories by moving away from the centre.

Development index of local municipalities of the group of towns and cities and the ranking according to data of 2002-2006 is represented in the annex of the editions, development index according to data of 2006 – in Figure 54, but the changes in the development index in 2006 against the average indicator in 2002-2005 – in Figure 55.

DESCRIPTION OF RURAL TERRITORIES

At the beginning of 2008 there were 430 local municipalities of parishes and 18 local municipalities of rural counties in Latvia – 448 rural local municipalities in total*. It should be recognized that it is not objective to classify all the parishes and counties formed by parishes as rural territories, because the distribution of population and operating structure of national economy in Pieriga is getting increasingly similar to an urban environment. But by continuing the assessment of indicators included in the surveys of previous years in the present survey (by maintaining the opportunities to assess the dynamics of indicators in time), the present grouping of towns and cities and parishes (rural local municipalities) is used for analysis of local municipalities. Other grouping of local municipalities will be required for applying after the administrative territorial reform.

Within the period from the beginning of 2002 to the beginning of 2008 the number of rural local municipalities dropped in Latvia by 23 units. Some of them amalgamated into rural counties in this period, but some incorporated into the territories of urban counties with a city or a town as its hub. Data regarding the urban counties are collected within the group of territories of towns and cities.

Considering that the basic development indicators fluctuate yearly more visibly in the small local municipalities, the average values of indicators are frequently used for describing the development of rural territories, but the value of the indicator of the most recent analysis year has been compared to the average value of previous four years for the purposes of development analysis in dynamics.

Four out of six basic indicators forming the calculation of development index of these territories have been used for description of development of rural territories – change in population, level of demographic burden, amount of individual income tax per capita, and unemployment rate, and similarly as to the description of towns and cities – also size of population and economically active businessmen and companies. Rural local municipalities have not been described by population density and the average cadastral value of land; these are the indicators which are included into the calculation of development index, but they are not the most significant ones.

Population

At the beginning of 2007 there were 669 300 inhabitants in parishes and rural counties of Latvia, 1 500 on average in each rural local municipality. Rural local municipalities of separate planning regions differ by the average number of population. The largest rural local municipalities were located in Riga region – 2 700 inhabitants on average, but in Latgale region they were half the size – 1 200 inhabitants on average. In Zemgale region there were 1 700 inhabitants on average living in a single local municipality, in Vidzeme and Kurzeme region – 1 300 inhabitants on average in each.

In 2007 in Latvia 200 or 45% of the total number of rural local municipalities had less than one thousand inhabitants. There were 174 local municipalities with a population of 1 000 to 2 000, 39 with a population of 2 000 to 3 000, 12 with a population of 3 000 to 4 000 and 10 with a population of 4 000 to 5 000. In 13 local municipalities the population exceeded 5 000 inhabitants, including two local municipalities, where the population exceeded 10 000. Those were Kekava parish and Marupe parish of Riga district with 12 825 and 11 017 inhabitants, respectively (see Figure 40).

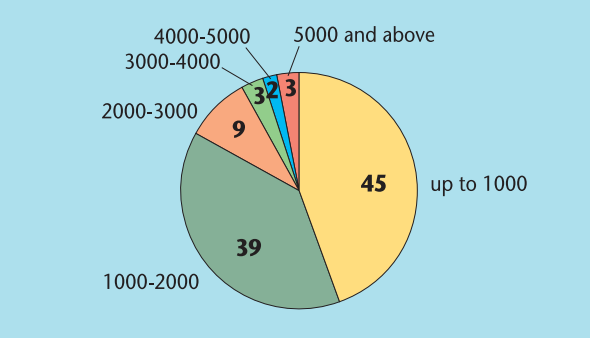

Figure 40. Division of parishes and rural counties by size of population at the beginning of 2007, in %.

At the beginning of 2007 21.6% of the population of rural territories or every fifth inhabitant of rural areas was living in a small local municipality with population of up to 1 000. The same number of inhabitants were living in the 13 relatively larger rural local municipalities with a population above 5 000.

Population Change

Population change takes place as a result of two different processes – the natural movement of inhabitants and migration. Here the general indicators of population change will be assessed, which reflect the total view of both processes. As yearly this indicator is very fluctuating in small territories, the process shall be assessed in a longer period, in terms of this survey – a period of five years, the increase of reduction of population can be attributed to size of population at the beginning of the period and by expressing it in percentage. Change in the permanent population is also called the indicator of territory appeal.

* At the beginning of 2007 there were 432 local municipalities of parishes and 18 local municipalities of rural counties – 450 rural local municipalities in total. At the moment of issuing the survey on 1 September 2008 - 428 local municipalities of parishes and 19 local municipalities of rural counties – 447 rural local municipalities in total.

In general in the rural areas of Latvia, similarly to the cities and towns and the country, the population has reduced within the recent years. In the period from the beginning of 2002 to the beginning of 2007 the population decreased in 393 rural local municipalities or in 87.7% of the total number of rural local municipalities. Population of rural areas reduced by 36 600 in total. In 55 local municipalities the population increased by 15 200 in total. The population of rural territories the population reduced by 21 400 or 3.1% in total within the review period.

The largest increase in population within the five years was observed in rural local municipalities in the vicinity of the capital city. Population increased by 1 000 and more inhabitants in eight local municipalities of Riga districts, including Marupe parish – by 2 200, Garkalne county – by 2 100, Adazi county – by 1 500, Kekava parish – by 1 400, Stopini county and Babite parish – by 1 200 in each, Olaine parish – by 1 100 and in Carnikava county – by 1 000 inhabitants.

Compared with size of population at the beginning 2002, in 2007 the population in Garkalne county increased by 57.0%, Marupe parish – by 25.0%, Olaine parish – by 21.9% and Adazi county – by 21.4% Population increased not only in the local municipalities of Riga vicinity but also, for instance, in several parishes nearby Rezekne city – in Griskani parish, Stolerova parish and in particular in Ozolaine parish, where the population grew by 193 inhabitants or 10.7%.

The population considerably increased in Seme parish of Tukums district – by 15.3% and in Lapmezciems county – by 6.6%. Positive changes in terms of population were observed in several rural municipalities of Jelgava districts, but most visibly – in Ozolnieki county – by 5.0% and Livberze parish – by 4.8%.

In 16 rural local municipalities the population decreased within the five years by more than 15%, including in 4 of them – by more than 20% – in Kepova parish of Kraslava district (by 21.7%), Kalncempji parish of Aluksne district (by 21.4%), Kuprava parish of Balvi district (by 21.2%) and Berzini parish of Kraslava district (by 20.8%). Local municipalities with population decreasing within the limits of 15-20% include Brivzemnieki parish of Limbazi district, Ipiki parish of Valmiera district, Embute parish of Liepaja district, Ukri parish of Dobele district, Vecumi parish of Balvi district, Vadakste parish of Saldus district, Skaista and Graveri parishes of Kraslava district, Veclaicene parish of Aluksne district, Malnava, Nirza and Nuksi parishes of Ludza district (see Figure 41).

Rates of population change have stabilized in the group of rural territories. Population dropped by 3.1% both in the period of 2001-2006 and the period 2002-2007. But in the group of rural territories the population dropped more rapidly than in the group of towns and cities and the national average – the reduction was by 2.6% and 2.7%, respectively.

Figure 48 represents the change in population in local municipalities 2002-2007.

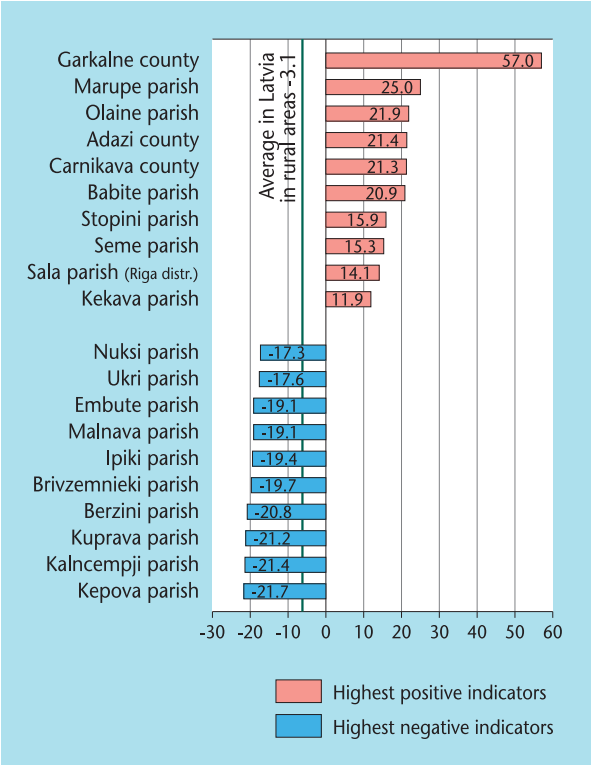

Figure 41. Largest change in population in parishes and rural counties 2002 – beginning of 2007, in %.

Demographic Burden

Demographic burden describes the proportion of children, adolescents and retired inhabitants against working age inhabitants. Within the period from the beginning of 2002 to the beginning of 2007 the level of demographic burden in rural areas of Latvia has dropped by 21.9% on average. At the beginning of 2002 there were 714.3 children, adolescents and inhabitants at the retirement age on average, but at the beginning of 2007 – 557.7 children, adolescents and inhabitants at the retirement age per 1 000 working age inhabitants. The indicators of demographic burden are higher in rural areas than in towns and cities (520.5) and in the country in general (531.2).

In the rural areas of Latvia at the beginning of 2007 there were 49 local municipalities with low indicators of demographic burden – not more than 500 children and pensioners per 1 000 working age inhabitants. Zemgale region had 12 such local municipalities, in Kurzeme region – 10, Riga, in Vidzeme, and Latgale regions – 9 local municipalities in each. In the group of parishes the lowest indicators of demographic burden were observed in Gailisi parish in Bauska district (399.2 inhabitants below and above working age per 1 000 working age inhabitants) and in Saldus parish of Saldus district (401.7). Low demographic burden was observed also in Serene parish of Aizkraukle district, Valmiera parish of Valmiera district, Ziras parish of Ventspils district, Garsene parish of Jekabpils district, Olaine and Salas parishes of Riga district, and in Adazi county.

At the beginning of 2007 in 19 local municipalities there were more than 700 children, adolescents and retired inhabitants per 1 000 working age inhabitants, 14 of them were located in Latgale region – in the territory with comparatively high unemployment rate and low revenue from individual income tax. The largest demographic burden was observed in Kubuli parish of Balvi district – 795.4, but a slightly better situation was detected in two local municipalities of Vidzeme region – Varaklani parish of Madona district (778.8) and Liepna parish of Aluksne district (775.0). At the beginning of 2002 the group of rural local municipalities had 25 local municipalities with the level of demographic burden exceeded 900 inhabitants below and above working age per 1 000 working age inhabitants (see Figure 42).

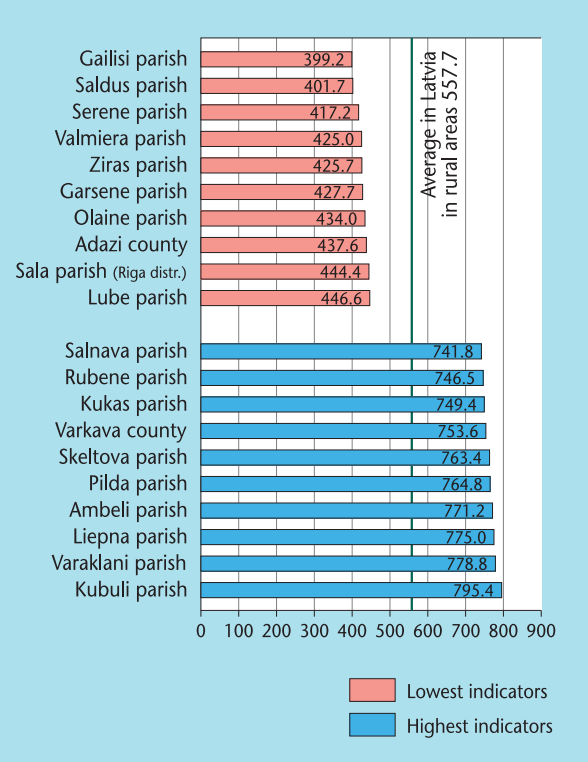

Figure 42. Highest and lowest rates of demographic burden in parishes and rural counties at the beginning of 2007.

The level of demographic burden dropped down in all rural local municipalities during the period of 2002 to the beginning of 2007. The reduction fluctuated within limits of 4 to 40%. The most significant drop in demographic burden was observed in Ile parish of Dobele district (by 40.0%), Rundeni parish of Ludza district (by 39.2%) and Ipiki parish of Valmiera district (by 38.9%), the smallest – in Ranka parish of Gulbene district (by 4.1%) and Priekuli parish of Cesis district (by 4.3%)

The indicators of demographic burden in local municipalities at the beginning of 2007 are represented in Figure 49.

Individual Income Tax

The revenue of individual income tax in the budgets of local municipalities is the best available indicator for describing the income of inhabitants and consequently also the material welfare. The calculated indicator per capita in yearly dynamics reflects also the stratification of population in terms of material welfare, although the increase in the indicator is influenced not only by the growing income of inhabitants but also the increase of tax share transferred into the budget of local municipalities.

In 2006 the amount of individual income tax per capita in budgets of local municipalities in rural territories was LVL 141.40 on average, which is considerably less than the average in cities and towns and in the country in general (LVL 246.50 and LVL 215.60, respectively). The amount of individual income tax transferred to the budgets of local municipalities within the five years in the rural areas of Latvia increased by a factor of 2.6, but as mentioned above it cannot just be explained by the increase in the income of inhabitants.

Highest revenue of individual income tax per capita among rural local municipalities and in the country in general was registered in parishes and rural counties of Riga district. By amount of individual income tax Riga holds only eighth place among all local municipalities, but Ikskile county with the highest indicator in the group of towns and cities holds fifth place.

In 2006 in 368 parishes and rural counties the individual income tax per capita in budgets of local municipalities did not reach the average indicator of rural areas of Latvia, and only 80 local municipalities or 17.8% of the total number of rural local municipalities exceeded the average figure. The aggregate of relatively prosperous local municipalities with revenue describing indicators above the average level included 23 rural local municipalities in Zemgale region, 22 – Riga region, 17 – Vidzeme region, 16 – Kurzeme region, and only 2 – in Latgale region (Ziguri parish of Balvi district and Veremi parish of Rezekne district).

By the amount of individual income per capita in 2002 Incukalns county (LVL 175.00) held the first place in the ranking table of rural territories, in 2003, 2004 and 2005 – Kekava parish (LVL 183.90, LVL 210.20 and LVL 235.80, respectively), but in 2006 the leading position belonged to Garkalne county (LVL 350.50). In 2006 the first 19 places, where the revenue amount of the tax per capita exceeded LVL 200, were occupied by 15 local municipalities of Riga district and Priekuli parish of Cesis district (LVL 232.40), Ozolnieki county of Jelgava district (LVL 213.30), Lapmezciems county of Tukums district (LVL 208.60) and Valmiera parish of Valmiera district (LVL 207.60).

Amounts of individual income tax per capita transferred to budgets of local municipalities were below LVL 50 in 11 parishes of Latgale region and in Pededze parish of Aluksne in 2006. Berzini parish of Kraslava district with LVL 38.60 per capita had the lowest indicator not only in the group of rural local municipalities but also among all local municipalities of Latvia. In the group of local municipalities, the parishes of Kraslava district dominated the lowest indicators of individual income tax (see Figure 43).

During the analysis period the amounts of individual income tax per capita increased in the budgets of local municipalities in all rural territories of Latvia.

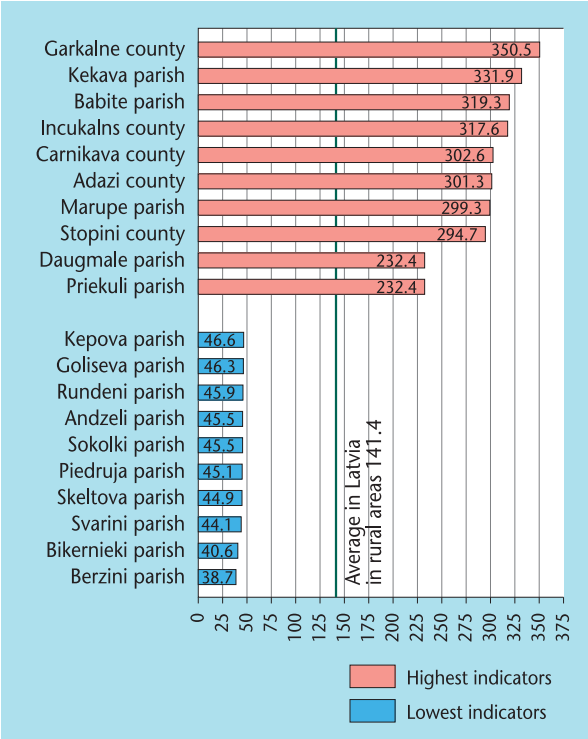

Figure 43. Highest and lowest indicators of individual income tax per capita in budgets of local municipalities in parishes and rural counties in 2006, in LVL.

The amount of increase fluctuated within the range of LVL 11-223. In local municipalities with the largest revenue of individual income tax per capita also the largest increase in the amount of individual income tax was registered. Parishes and rural counties of Riga district stand out most visibly. During 2002-2006 the increase in the individual income tax in the budgets of local municipalities per capita reached LVL 233.20 in Garkalne county, in Babite parish – LVL 184.20, Kekava parish – LVL 180.50, Marupe parish – LVL 175.40, Daugmale parish – LVL 174.80, Carnikava county – LVL 171.30, Adazi county – LVL 167.10, Stopini county – LVL 155.80. The settlements of individual income tax per capita increased considerably also in Priekuli parish of Cesis district – by LVL 146.30, Serene parish of Aizkraukle district – by LVL 130.90, Ozolnieki county of Jelgava district – by LVL 129.10, Valmiera parish of Valmiera district – by LVL 123.90, and Lapmezciems county of Tukums district – by LVL 120.90.

But within the five years the smallest increase in individual income tax in budgets of local municipalities per capita was observed in Latgale region, particularly, in rural local municipalities of Kraslava and Ludza districts.

By assessing the significance of increase in individual income tax inflation should be taken into consideration, namely the rise in prices of goods and services decreasing the growth of actual income of inhabitants.

Revenue from individual income tax is one of the main types of revenue for local municipalities; funds obtained are used both for performing their obligatory functions, for provision of the range of required services, and for development as well. In this regard it is significant that in 2008 80% of the revenue from individual income tax is already channelled to local municipalities.

In rural areas of Latvia the level of material welfare increases more slowly than in cities and towns. In the group of rural local municipalities during the period of 2002-2006 the settlements of individual income tax in the budgets of local municipalities increased by LVL 86.80 per capita on average but in the group of local municipalities of towns and cities – by LVL 131.10 per capita. Within the five years the smallest settlement of individual income tax in the budget of a local municipality per capita increased by a factor of 8, but the largest doubled, and thereby the disparities dropped from a factor of 35 in 2002, to 9 in 2006. However a high stratification rate is characteristic to rural local municipalities in terms of income of inhabitants.

Figure 50 represents the amount of individual income tax per capita in local municipalities' budgets in 2006, but its changes in 2006 against the average indication in 2002-2005 – in Figure 51. It should be noted that in this case, by excluding the fluctuations of yearly indicators, the increase in the individual income tax has a narrower range of LVL 14-188 than comparing 2002 to 2006 – then the increase had the range of LVL 11-233.

Unemployment Rate

At the beginning of 2007 the average indicator of unemployment rate in rural areas of Latvia was 6.0%, which exceeds the average of towns and cities (4.1%) by 1.9 percentage points. Within the five years, from the beginning of 2002 to the beginning of 2007, the unemployment rate dropped in rural areas by 1.7 percentage points, almost matching the group of towns and cities, where the decline was 1.8 percentage points.

In rural areas of Latvia the indicators of unemployment rate fluctuated at the beginning of 2007 within the range of 0.5-27.8%. Smiltene parish of Valka district had the lowest unemployment rate, but the highest rate was registered in Goliseva parish of Ludza district. The unemployment rate of Baltinava parish of Balvi district (27.4%), Pasiene (27.0%) and Brigu (26.8%) parishes of Ludza district, Sokolku parish of Rezekne district (26.8%) was almost equal to the extremely high indicator of Goliseva parish. At the beginning of 2007 the unemployment rate of Goliseva parish exceeded the average indicator of rural areas of Latvia by a factor of 4.6 (see Figure 44).

A 3.0% lower unemployment rate was registered at the beginning of 2007 in 53 rural local municipalities. Number of these local municipalities, compared with the beginning of 2002 has more than tripled. Number of local municipalities with an unemployment rate above 15% reduced – at the beginning of 2002 there were 70 such local municipalities, but at the beginning of 2002-47. Parishes with employment rate above 15% at the beginning of 2007 were mostly located in Latgale region, mainly in districts of Balvi, Kraslava, Ludza and Rezekne.

The highest indicators of unemployment rate and the lowest transferred amounts of individual income tax per capita in the same time are characteristic for separate parishes of Latgale region, for instance, Goliseva and

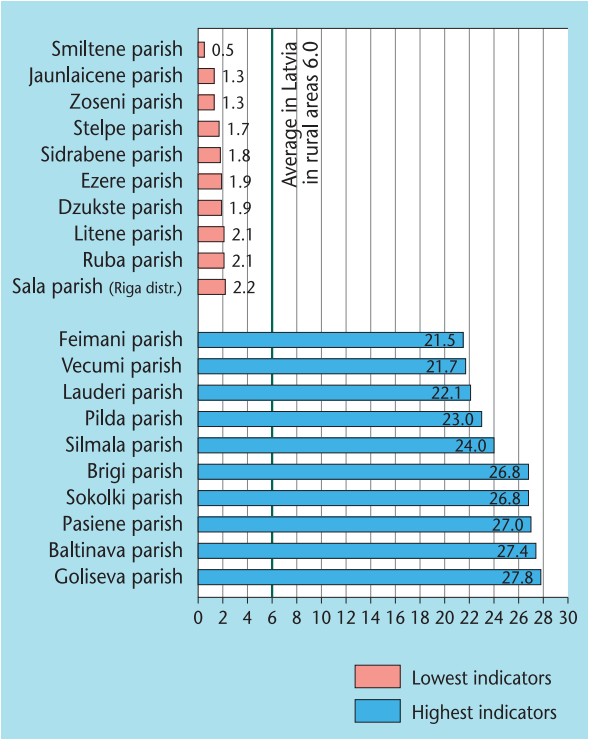

Figure 44. Highest and lowest rates of unemployment rate in parishes and rural counties at the beginning of 2007, in %.

Lauderi parishes of Ludza district, Sokolku parish of Rezekne district, Piedruja parish of Kraslava district.

In the period from 2002 to the beginning of 2007 the unemployment rate dropped down in 346 rural local municipalities or in 77.2% from their total number. Unemployment rate grew in 102 local municipalities. The reduction range was from 0 to 16 percentage points, but regarding increase – from 0 to 13 percentage points. Unemployment rate dropped by more than 10 percentage points in 10 parishes – this list includes also Dunika parish of Liepaja district, Metriena, Marciena and Laudona parishes of Madona district, besides parishes of Latgale. In these terms Kepova parish of Kraslava district and Krisjani parish of Balvi district were the leaders – the registered unemployment dropped in these territories by 16.1 and 14.2 percentage points, respectively. The largest increase in unemployment rate within the five years was observed in rural local municipalities of Ludza district – Pilda parish – by 13.3, Brigu parish – by 11.2, Pasiene parish – by 11.0, and Istra parish – by 10.8 percentage points.

By assessing the changes in unemployment rate at the beginning of 2007 against the average indicator in the period of 2002 to the beginning of 2006 and thereby excluding the fluctuations of yearly indicators, it can be noticed that the decline in unemployment rate concerns a larger number of rural local municipalities – 385, but the amounts of changes are not so sharply divided. Change in unemployment rate by more than 10 percentage points took place only in Kepova parish of Kraslava district, where the unemployment rate dropped by 10.7 percentage points. The largest increase in unemployment was registered by such assessment method in Brigu parish of Ludza district – by 8.5 percentage points.

Both lowest and highest values of unemployment indicator dropped within the five years, but rates were different. The smallest unemployment indicator dropped more than two-thirds – from 1.8 to 0.5%, but the largest – only by 6.2 percentage points – from 34.0 to 27.8%, and consequently the disparities increased significantly.

Indicators of the unemployment rate are sensitive even to small changes in business activity in their territory or in their vicinity. The migration flows influence the unemployment indicators, and also the changes in the dynamics of State Employment Agency registering the unemployed persons have a considerable significance, namely, how actively the persons searching for employment are registering themselves in the Agency. The closeness of large cities where the inhabitants of rural local municipalities find their employment also influences the situation of unemployment in rural areas in positive way.

As the results of research* show, the decline in unemployment indicators takes place in such groups of inhabitants as the inhabitants with elementary and secondary education, youth and non-residents. The fact stems from the indicators of the duration of registered unemployment that the unemployed at the age of pre-retirement, unemployed living outside district centres, unemployed without work experience, and inhabitants of Latgale are most subjected to increased risk of long-term unemployment. But the data of the research survey show that the registration in the State Employment Agency (*Nodarbinātības valsts aģentūra* - NVA) does not reflect the activity of inhabitants in searching for employment completely. Only one half of the registered unemployed perceive the registration in NVA as an adequate way of searching for employment. During the five years only 7% of inhabitants who were unemployed or searching for employment have found employment through the assistance of NVA.

According to the opinion of research experts, establishment and development of infrastructure in its territory is one of the main tasks of local municipalities in reducing unemployment. Good traffic routes provide the opportunity for commuting to work to nearby local municipalities with vacant jobs. Experts also emphasize that the local municipalities are unable of performing all the required activities for reducing the unemployment; also the state has its level of competence and respective leverages for implementing the process of reducing unemployment.

The unemployment rate in local municipalities at the beginning of 2007 is represented in Figure 52, but its changes at the beginning of 2007 against the average indicator 2002 – at the beginning of 2006 – in Figure 53.

* Causes and Duration of Unemployment and Social Alienation. - Riga: Agency of University of Latvia LU Filozofijas un socioloģijas institūts, in association with Baltic International Centre for Economic Policy Studies, SIA Socioloģisko pētījumu institūts, 2007.

Economically Active Businessmen and Companies

In 2006, according to data of CSB registers of companies and organizations, the group of parishes and rural counties included 40 248 market sector statistical units (by the actual location of an office). By assessing the breakdown of statistical units by types of commercial activity, it can be observed that almost half of them include self-employed entities – 49.1%, farmsteads and fisheries – 31.2%, companies – 16.5%, and individual businessmen – 3.2%. But the largest group of statistical units of the country is constituted by companies, the second – self-employed entities, third – farmsteads and fisheries. In the country in general and similarly to the group of rural local municipalities the individual businessmen have the smallest proportion (see Table 43). Proportion of individual businessmen and companies forms 19.7% of the total number of market sector statistical units in the group of rural local municipalities, which is significantly less than in towns and cities (67.3%) and in the country in general (51.3%).

In the group of rural local municipalities in 2006 there were 7 928 individual businessmen and companies registered, which constituted 12.9% from the total number of individual businessmen and companies in the country. In conformity to the number of employed in rural areas of Latvia there were 32 large companies with the number of employed above 249 and their proportion formed 0.4% (national average – 0.6%) in the total number of companies in rural areas. In the group of rural territories there were 6 113 companies or 77.1% with the number of employed up to 9 (micro-companies) in the total number of companies in rural areas, 1 482 or 18.7% with the number of employed from 10 to 49, 301 or 3.8% with the number of employed from 50 to 301 (see Table 44).

In 2006 in Latvia the number of employed in the market sector statistical units was 822 700, out of which businessmen and persons employed in companies constituted 756 200 or 91.9%. In 2006 the economically active businessmen and employees of companies constituted 24.0%, but in the country in general – 50.8% of working age inhabitants of the group of rural local municipalities.

17.2% of all employed in the market sector statistical units and 13.6% of the national total number of businessmen and persons employed in companies were employed in the rural areas of Latvia.

In 2006 the number of economically active statistical units of the market sector per 1 000 inhabitants was larger than the national average – 60.1 and 52.4, respectively, which can be explained with the significant proportion of farmsteads and fisheries in rural territories. The number of individual businessmen and companies per 1 000 inhabitants was 11.8 in parishes and rural counties, but in the country on average – 26.9.

Territory Development Index

The development index of each parish and rural county is more or less influenced by all basic factors of development, but usually in each territory some certain factor becomes the main one and influences the development factor either in a positive or negative way. In the first case the leading development basic factor ensures also a high development index for the territory in general and consequently high position in ranking table by specifying in which aspect the development of territory is pulling ahead of development of territories of similar level most visibly. In the second case when the leading basic factor of the development index is far above the average, it will be visible in which aspect the development of particular territory is falling behind most and what is pushing it downwards in the ranking table.

The profound analysis* regarding the role of different basic factors of development of the development index in separate territories of Latvia shows that those, to which the experts have assigned the most significant weights of importance – unemployment rate and amount of individual income tax per capita in budgets of local municipalities, become the main basic factors of development actually in all the territories. But their dominance is not equal for all territories, it is particularly characteristic that one named indicator is prior to one part of territories and the other basic indicator – in the other part.

The most significant lack of uniform development was observed in the local municipalities of Latgale region, assessing by the main basic factor of development index. According to analysis results, in 73% of parishes and rural areas of Latgale unemployment rate was the main basic factor forming the development index. In all rural territories of Latgale the aforementioned development component is negative, which means a high level of unemployment. If the unemployment rate in Latgale region was lower, it would not seem to be lagging as far behind other regions as it currently does.

Unemployment rate is the main development component also for almost one half (45.5%) of parishes and rural counties of Riga region. But only in this case it has a positive mark, which means that the unemployment rate is below the average of entire group of parishes and rural counties of Latvia.

Amount of individual income tax becomes the basic development factor in Kurzeme and Vidzeme regions. It does not mean that the inhabitants of these regions are settling larger tax amounts than the inhabitants of Riga or Zemgale regions, but that in rural local municipalities of Kurzeme and Vidzeme other basic development factors are close to the average figures of rural territories of the entire country.

Demographic burden shall be assessed as the third basic development factor. Low demographic

* What improves and what aggravates the rural areas of Latvia in separate regions. - Scientific Research Results of Statistics 2008, Scientific Articles, Riga, LR Central Statistics Board, 2008.

burden (small proportion of children and old people) within the development index of one year increases the development index, and vice versa. But this refers only to short-term view, because low birth-rate and small number of children cannot ensure a sustainable development for any territory. It is a serious threat for the entire development of Latvia. Demographic burden becomes the leading basic factor for development index approximately in every fourth parish and rural county of Zemgale and Vidzeme regions increasing or reducing the value of the development index.

Other basic factors of the development index become the leading ones comparatively rarely, but they obtain uncharacteristic or even with the statistic set incompatible values more frequently than other basic factors.

According to data of 2006 the top fifty of parishes and rural counties includes 20 local municipalities of Riga region, 17 – of Zemgale region, 7 – of Vidzeme region, 5 – of Kurzeme region and only one parish of Latgale region – Naujiene parish of Daugavpils district Marupe parish (development index value – 4.023) and Stopini county (3.442) of Riga district had the first two places in the group of rural local municipalities. These are the only local municipalities with territory development index above 3. The high average cadastral value was the determining basic factor in development index of Marupe parish, but in Stopini county it was the high population density. Average cadastral value of land in Marupe parish was 30 times the national average indicator, but the population density in Stopini county was 14 times the national average indicator.

Only the local municipalities in vicinity of the capital city Riga reached the highest values of development index, according to data of 2006. Parishes and rural counties of Riga district occupied 10 of the first 11 places in the ranking table, but Ozolnieki county of Jelgava region had the 8th place. The value of development index for Ozolnieki county was influenced both by the high average cadastral value of land and the high population density, which was significantly higher than the average indicators in the group of rural local municipalities.

According to data of 2006 the top fifty weakest local municipalities by development index included 46 rural territories of Latgale region and 2 in each region of Zemgale and Vidzeme. This group had no rural local municipalities of Riga and Kurzeme regions. Baltinava parish of Balvi district took the last place in the ranking table of the group of rural local municipalities with the development index -1.972. Pilda and Brigu parishes of Ludza region, which had the last two but one positions in ranking table had a very slightly better development index.

According to data of 2006, among 448 parishes and rural counties 147 local municipalities had positive development index, but 301 or 67.3% of their total number had negative development index. If the group of rural local municipalities had two local municipalities with particularly positive extreme values above 3, then the group of negative values had mostly moderately negative values and there were no negative indexes with extreme values. Therefore also larger number of local municipalities established with negative development indexes, because the range of the positive development index is balances with larger number of territories with relatively small negative indexes.

Similarly to the description of development level of towns and cities, the most of attention will be drawn to the increase or decline of rural local municipalities in the ranking table according o the values of development index instead of changes in the value of development index. As previously described in the section of description of towns and cities of this survey, good development dynamics can be achieved not only by exceeding the zero mark but also by increasing the existing positive development index or by improving the negative development index.

According to whether the value of basic indicators exceeds or fails to reach the average indicators in the group of rural territories, the development index is formed by either positive or negative components, respectively. In order to reflect the lack of uniform development the authors of the research* propose arrangement of parishes and rural counties in three groups, by taking the algebraic mark of development index component into consideration.

The first group includes the territories with positive components of development index and their development is persistently positive – parishes of good development. According to data of 2006, rural areas of Latvia had 32 parishes and rural counties with all basic development indicators exceeding the average indicator in the group of parishes and rural counties (7% of the total number of all rural local municipalities). In 8 rural territories out of 32, by 25%, respectively, low demographic burden was the main basic factor determining the development index value for these territories and thereby also their development level, and demographic burden is not a convincing development factor. Both amount of individual income tax and unemployment rate took the following places among basic factors, but high development is based also on population density as the most significant basic factor in almost the same number of cases.

The second group is built of rural municipalities with negative components of the development index and where the development is negative in all aspects. According to data of 2006, all components of the development index were negative in 94 parishes and rural counties, or in 21% of the total number of parishes in Latvia. The main factor decreasing the development index in this group has much larger significance than the factor, which highlights the territories in the group of local municipalities with positive components of the development index. In 94 rural local municipalities in low positions by the total development index, in 61% of cases the high unemployment rate caused the main difficulties, in 25% of cases – low income determining low settlements of individual income tax, and in 13.8% of cases it was the considerable demographic burden.

* Opportunities for profound analysis of territory development indexes. - Scientific Research Results of Statistics 2008. Scientific Articles, Riga, LR Central Statistics Board, 2008.

Third group includes territories with both positive and negative components of the development index according to data of 2006. This group has the largest number of rural local municipalities – 322 parishes and rural counties or 72% from their total number. Such development of local municipalities cannot be assessed unequivocally; profound analysis should be performed with the aim to determine which of the development components determine the value of the development index most significantly, and which development component has the largest proportion in forming the value of the development index.

Authors of profound analysis of territory development index formulated a general conclusion – as larger the proportion of a separate component, as more uneven the development, and vice versa.

Within the five years, from 2002 by 2006, significant change took place in the development of 56 parishes and rural counties. In 35 cases the index value of the local municipalities rose above zero, namely, they showed a positive turn in their development by changing their value of development index from negative to positive, but in 21 local municipalities a turn in the opposite direction took place by changing the value of the development index from positive to negative.

Development of 116 parishes and rural counties took place in the range of positive development index; development index was positive for these territories in all the reviewed years. But in 276 rural local municipalities the development index was negative during the five review years showing various negative values.

Amongst local municipalities, whose indexes climbed from negative positions to positive ones within the period of 2002 to 2006, Garsene parish of Jekabpils district (climbed from 317th to 129th place in the ranking table), Palsmane parish (from 255th to 71st place) and Smiltene parish (from 160th to 40th place) of Valka district, Veselava parish of Cesis district (from 203rd to 62nd place). This list includes also parishes of Latgale region – Griskani parish of Rezekne district (from 58th to 99th place) and Laucesa parish of Daugavpils district (from 157th to 121st place).

Ive parish of Talsi district (fell from 131st to 303rd place in ranking table), Zlekas parish of Ventspils district (from 95th to 200th place), Snepele parish of Kuldiga district (from 151st to 254th place), and Brivzemnieki parish of Limbazi district (from 114th to 210th place), are the most vivid examples amongst rural local municipalities with negative turns in development.

According to data of 2006 there were three counties of Latgale region and two counties of Vidzeme regions amongst 18 established rural counties with a negative development index – Varkava county of Preili district (388th place in the total ranking table of parishes and rural counties), Cibla county of Ludza district (377th place), Riebinu county of Preili district (376th place), Burtnieki county of Valmiera district (242nd place), and Ergli county of Madona district (224th place). The other 13 counties had a positive development index and most of them are the local municipalities in the direct vicinity of Riga.

Practice has already shown us that an interrelationship exists between the amount of territory development index and size of population. The analysis of the interrelationship in parishes and rural counties shows clearly that the territory development index, namely the level of social economic development, is lower in small local municipalities, but it is higher in large local municipalities (see Figure 45).

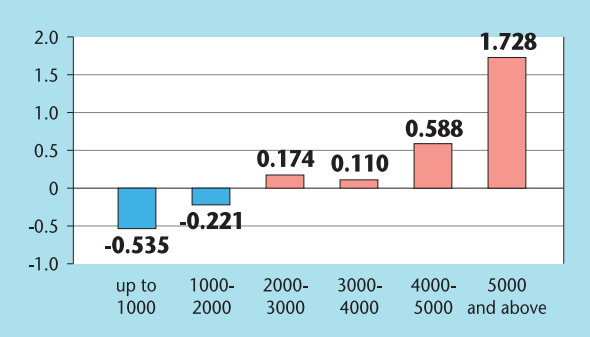

Figure 45. Interrelationships between population of rural local municipalities and territory development index in 2006.

According to data of 2006, in rural local municipalities with up to 1 000 inhabitants residing, 44.5% of such local municipalities in the total number of rural local municipalities, the average territory development index is the lowest – -0.535, in local municipalities with population from 1 000 to 2 000, which comprise 38.8% in the total number of rural local municipalities, the development index is higher, but it is still negative - -0.221. Largest rural local municipalities with 5 000 and more inhabitants have the highest positive territory development index – 1.728. Aforementioned examples prove the necessity for administrative territorial reform and its close relation with the development of local national economy. In terms of population, larger local municipalities also have more considerable opportunities for financial development, diversity of economic structure, and the opportunities to ensure more stable territory development and provision of modern services of good quality to inhabitants. But the country cannot be divided into counties of equal size with the driving-force of a town or city at its hub; counties will be of different size and content, but small counties and counties consisting of parishes only should find their own direction of development.

Breakdown of rural territories by development index in Latvia is not precisely conforming to the normal division as it has the right-wing asymmetry and thereby the upper limit of the range of positive indexes is approximately 4. By generalizing it should be noted that standardized value of a figure is uncharacteristic if it is below -3 or exceeds 3, but in case it is below -4 (observed rarely) or exceeds 4 (observed frequently), this unit (territory) is incongruous in the group of other similar territories, and namely, it is an artefact. The aforementioned refers both to each basic factor of development in standardized scale separately and also to the total development index. There are several parishes

amongst rural local municipalities with particularly positive assessment, but in negative group there are no such assessments.

In order to determine the qualitative assessment of the development index, development index* ranges were established. As previous experience shows, such extremely good total assessments of development as the development index can be observed, but an extremely poor total assessment can be detected only by separate basic indicators of development, for instance, by the level of material welfare described by the amount of individual income tax per capita. According to data of 2006, qualitative assessment of development level shows that the largest number of rural local municipalities is concentrated in the central ranges, and namely, in the group with development index from 0 to -0.5, and in both proximal groups. In rural areas expressed territorial stratification takes place only in approximately 20% of rural local municipalities, which are located in the upper part of the range of positive assessment of the development index (see Table 46).

Qualitative assessment of development of rural local municipalities	Assessment of development index	number of rural local municipalities	proportion of rural local municipalities
Extreme	3.0 and above	2	0.4
Very good	2.0 - 3.0	3	0.7
Good	1.0 - 2.0	8	1.8
Relatively good	0.5 - 1.0	19	4.2
Slightly positive	0 - 0.5	115	25.6
Slightly negative	0 - -0.5	169	37.9
Relatively poor	-0.5 - -1.0	82	18.3
Poor	-1.0 - -2.0	50	11.1

Table 46. Breakdown of rural local municipalities by development groups in 2006.

Development index of local municipalities of the group parishes and the ranking according to data of 2002-2006 is represented in the annex of the editions, development index according to data of 2006 – in Figure 56, but the changes in the development index in 2006 against the average indicator in 2002-2005 – in Figure 57.

REGIONAL DISPARITIES IN TERRITORY DEVELOPMENT: FINDINGS AND CONCLUSIONS

Trends

In towns and cities of Latvia positive changes can be generally observed. Although the population in towns and cities and in the country in general continues decreasing, during the review period this process has taken place much more slowly than in previous years. Population has grown in 14 towns and cities, mostly in towns and cities nearby Riga.

Employment rate has dropped and the revenue has increased for inhabitants, as the increase in the amount of individual income tax shows. But the increase in the amounts of revenue of inhabitants and the individual income tax has also had a significant relation with the increase in inflation. The annual increase in the share of individual income tax (since 2004) transferred to the basic budget of a local municipality also caused the additional increase in the budgets of local municipalities.

Age structure of inhabitants experienced changes. Level of demographic burden declined, but it is not an unequivocal indicator of development. Raising the retirement age and small increase in birth rate are the main cause for reduction in demographic burden. In the group of towns and cities size of population at retirement age exceeded the number of children and adolescents by a factor of 1.6, and thereby the opportunities for the potential of human resources to develop are reduced.

* Diverse Latvia: parishes, counties, towns and cities, districts, regions. Assessments, prospects, visions. - Riga: Latvian Institute of Statistics, State Regional Development Agency, 2005.

Disparities in the unemployment rate among the towns and cities of Latvia with the highest and lowest indicators significantly increased during the period of five years – from a factor of 7.9 at the beginning of 2002, to 11.4 at the beginning of 2007. The increase in disparities is determined by the rapid decline in the lowest unemployment indicator within the five years – from 2.9% at the beginning of 2002 to 1.8% at the beginning of 2007. During this period of time the disparities by the amount of individual income tax per capita remained at a high level regardless of the reduction from a factor of 5.5 to 4.6 .

In 2006 Latvia only had 4 towns and cities with all the basic indicators, which shape the territory development index, and consequently the basic indicators describing the development exceeded the average figures in the group of towns and cities. Relatively slower development was observed in 31 towns and cities where all components of the development index were below the average level of all towns and cities. But in 42 towns and cities or in 55% of their total number both positive and negative values of components form the territory development index (one part of them exceeds the basic indicators, but other part does not reach the average figures). The degree of balanced development shall be assessed by determining the role of each basic development factor establishing the development level for each separate territory.

General development trends in the country, national economy development in Latvia, and the dependence on development of towns and cities, which differs according to whether the towns and cities are focusing

only to the development of own territories or if they integrate with surrounding rural territories, influenced the development in rural territories of Latvia

Population keeps decreasing in the rural areas of Latvia, but the rates of decrease have become more stable. Parishes and rural counties of Latvia are small in terms of population. At the beginning of 2007 approximately 1 500 persons resided in a single rural local municipality. Rural local municipalities with up to 999 persons residing form almost one half of the total number of rural local municipalities (45%).

Stable work and sufficient remuneration directly influences the material welfare and the quality of life of inhabitants. In the period from the beginning of 2002 to the beginning of 2007 the average unemployment rate reduced both in the country and in the rural areas of Latvia in general, inclusive of the most of parishes and rural counties. But in one fourth of the total number of rural local municipalities the unemployment rate increases, and mostly – in parishes of Latgale. Indicators of the unemployment rate drop most rapidly directly in the local municipalities, where they were the lowest ones previously, and vice versa.

Significant disparities can be observed amongst rural local municipalities in terms of social economic development. It is particularly visible regarding the employment and the material welfare. Within comparison of separate territories the indicators of unemployment rate differ by a factor of 56 (from 0.5% to 27.8% at the beginning of 2007), but the settled largest and smallest individual income tax per capita differs by a factor of 9 in budgets of local municipalities. Rural territories of Riga region constantly have the highest income, but the rural territories of Latgale region – the lowest.

Amongst the local municipalities and by the settled amount of individual income tax the territories of Riga region rural local municipalities have the highest rates (in 2006 Riga had only the 8th place; amongst towns and cities of Latvia the largest amount of settled individual income tax in the budgets of local municipalities was registered in Ikskile county – LVL 305.50 per capita, which puts this local municipality in the 5th place in the overall ranging of local municipalities).

Local municipalities nearby the capital city Riga represent a particularly rapid growth in development. Placement of territories, namely, the closeness of towns and cities, especially Riga, comparatively good accessibility of a town or city, and the increase in the mobility of inhabitants are influencing the increase in employment rate, the diversity of places of employment, and the growth in the amount of revenue in favourable way. The increase in individual income tax per capita and reduction in unemployment rate are comparatively much considerable in the rural territories located in the frontier of Riga City and also nearby other towns and cities, and the equalization of material welfare can be observed in the spaces of towns and cities and suburbs in general.

During the period of 2002 to the beginning of 2007 the level of demographic burden reduced in all rural local municipalities, but disparities in the levels amongst territories in the country in general remain at the level of 2002.

Also the changes in the value of rural territory development index describe the overall disparities in development rate in an integrated way. The analysis of interrelationships between the territory development index and size of population in rural areas of Latvia as well as in the case of towns and cities shows that the level of social economic development and the territory development index are lower in small local municipalities and relatively higher in large local municipalities. Such interrelationships provide substantiation for the necessity for the administrative territorial reform and its potential relation with reinforcing the development of local national economy.

Findings and Conclusions

The indicators describing the disparities in development levels of territories of local municipalities reflect the overall picture, but they do not explain the causes. Identification of causes for changes in the development levels of the specific local municipalities and explaining the origin and significance of specific basic development indicators are possible only by carrying out a more profound assessment of local development circumstances for the territories.

Within the review period the following processes described the development of Latvia:

- urban expansion or expansion of town-related construction outside the borders of the town – increase in the proportion of suburban territories covered with buildings, which takes place simultaneously with socially stratified processes of ex-urbanization in the central parts of Latvia and in vicinities of large cities, where the inhabitants either with very low or very high income have the main role,
- considerable changes are taking place in the traffic structure; problems related to traffic and transport infrastructure intensify – the role of public transportation, accessibility rate, and the speed of accessibility decrease within the territory of Latvia,
- cultural landscape changes and agriculturally cultivated areas reduce in their size,
- disparities in the quality of life, as well as the quality and quantity of economic and social infrastructure in large cities, their vicinities and in other territories of the county considerably increase,
- concentration of investments and human resources continues in several large cities. generally it provides unequal opportunities for economic and cultural activities in the territory of Latvia, it is caused also by the condition that the territory development in Latvia is largely directed under the influence of branch management, where the means of development at their disposal are not utilized with a sufficient mutual and spatial relation.

Towns and cities use increasingly more of basic rural resources, and the land and people first, for own development. The gap, caused by different preconditions for development, grows between the economic and social development rates in urban and

rural areas, Riga and provincial towns, and parishes near and distant from Riga. The decrease in the values of a cultural landscape as a healthy living environment takes place in towns and cities as the construction structures expand and funds are insufficient for managing the territories in rural areas.

Development of socially and ecologically healthy accommodation in smaller centres, thereby establishing a multi-centred inhabitation structure, provides opportunities for developing business activities of a new type, which is favourable for environment, outside the large cities – in rural areas, by cooperation with medium-sized and provincial towns in the littoral and in the frontier.

In long-term and in order to use the potential of towns and cities of Latvia as the centres of regional development, development policy differentiated territorially and amongst the groups of towns and cities is necessary for solving the following problems. Firstly, insufficient diversity of economic structures in medium-sized and provincial towns. The provincial and medium-sized towns of Latvia mainly serve as local centres of administrative and consumer services and cultural life, where one or several large, most frequently – medium-sized, companies were developed historically. Within the period of economic transformation they were usually closed and the infrastructure related to these companies has not been used for developing new companies and therefore the economic structure is uniform in these towns. Small number of companies mostly oriented towards provision of a narrow range of local services determines the necessity to find additional incentives and resources for developing sustainable business activities, which would create high value added, and for developing and integrating companies of provincial and medium-sized towns into a wider space by expanding their economic activities in a way, which would be oriented not only to the local markets.

Secondly, poorly balanced availability and varying quality of traffic, information and other types of infrastructure are the cause for disparities in the territory development level. Having high quality infrastructure, which supports economic and cultural activities, and the service infrastructure available throughout Latvia are the precondition of a well-balanced development. The infrastructure present in specific towns is insufficiently used as a potential for developing the regions in vicinity of these towns. Infrastructure, which is lagging behind or a weak relation with the centres of infrastructure development in the regions of Latvia prevent the attraction of investments and the modern economic development, which, in its turn, increases development inequality in Latvia even more.

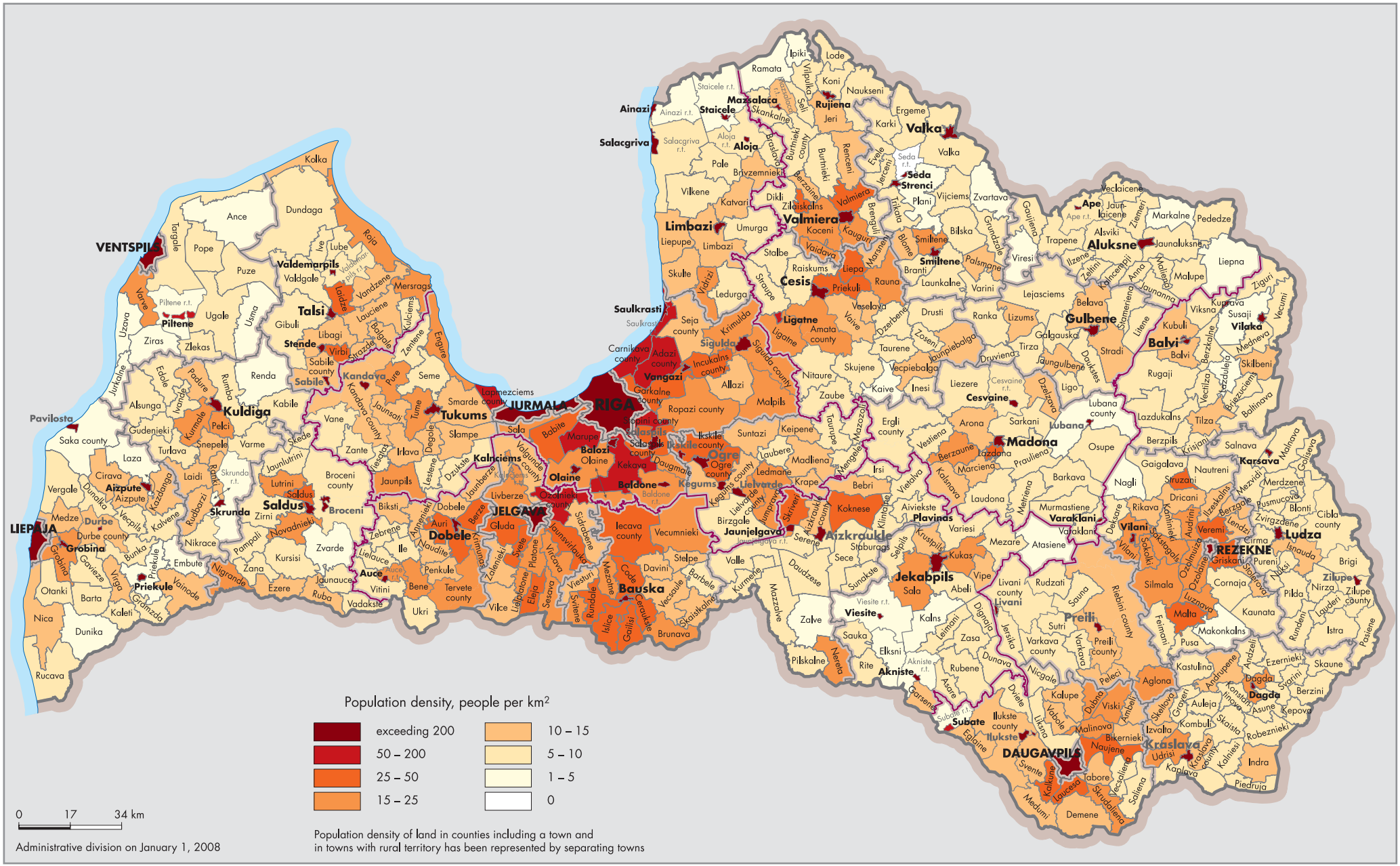

Figure 46. Population density in local municipalities at the beginning of 2007.

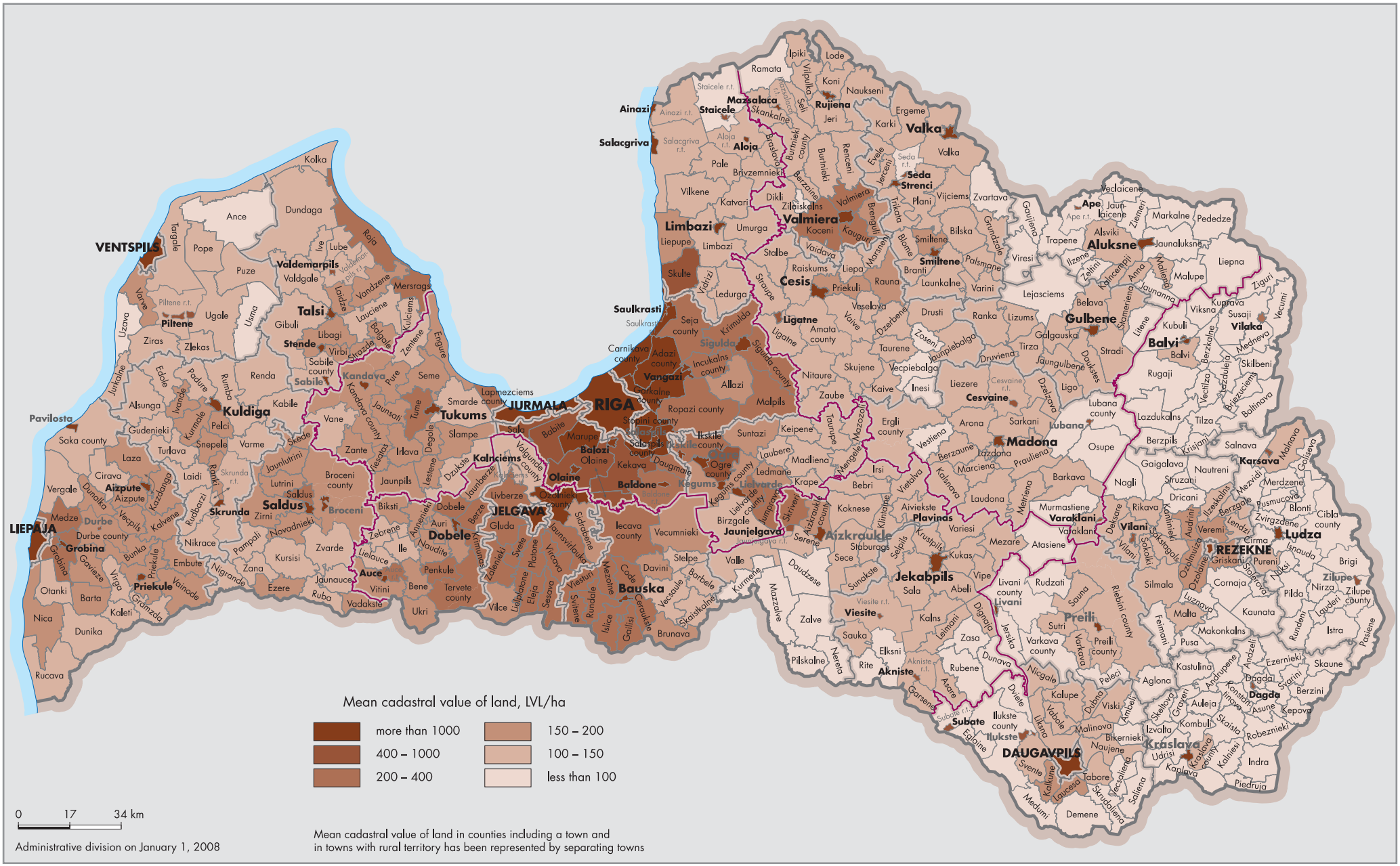

Figure 47. Mean cadastral value of land in local municipalities at the beginning of 2007.

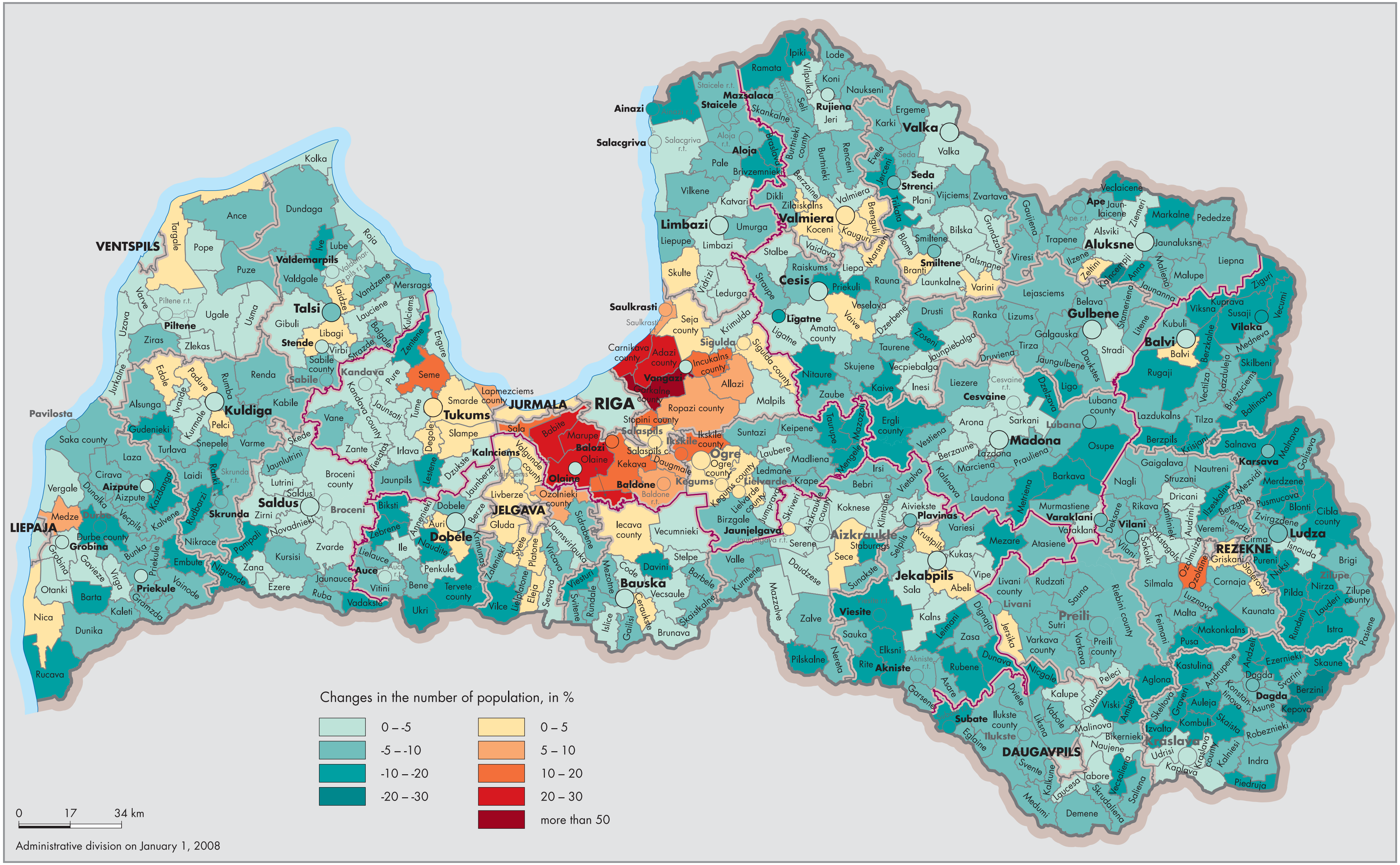

Figure 48. Changes in the population number in local municipalities from 2002 to the beginning of 2007.

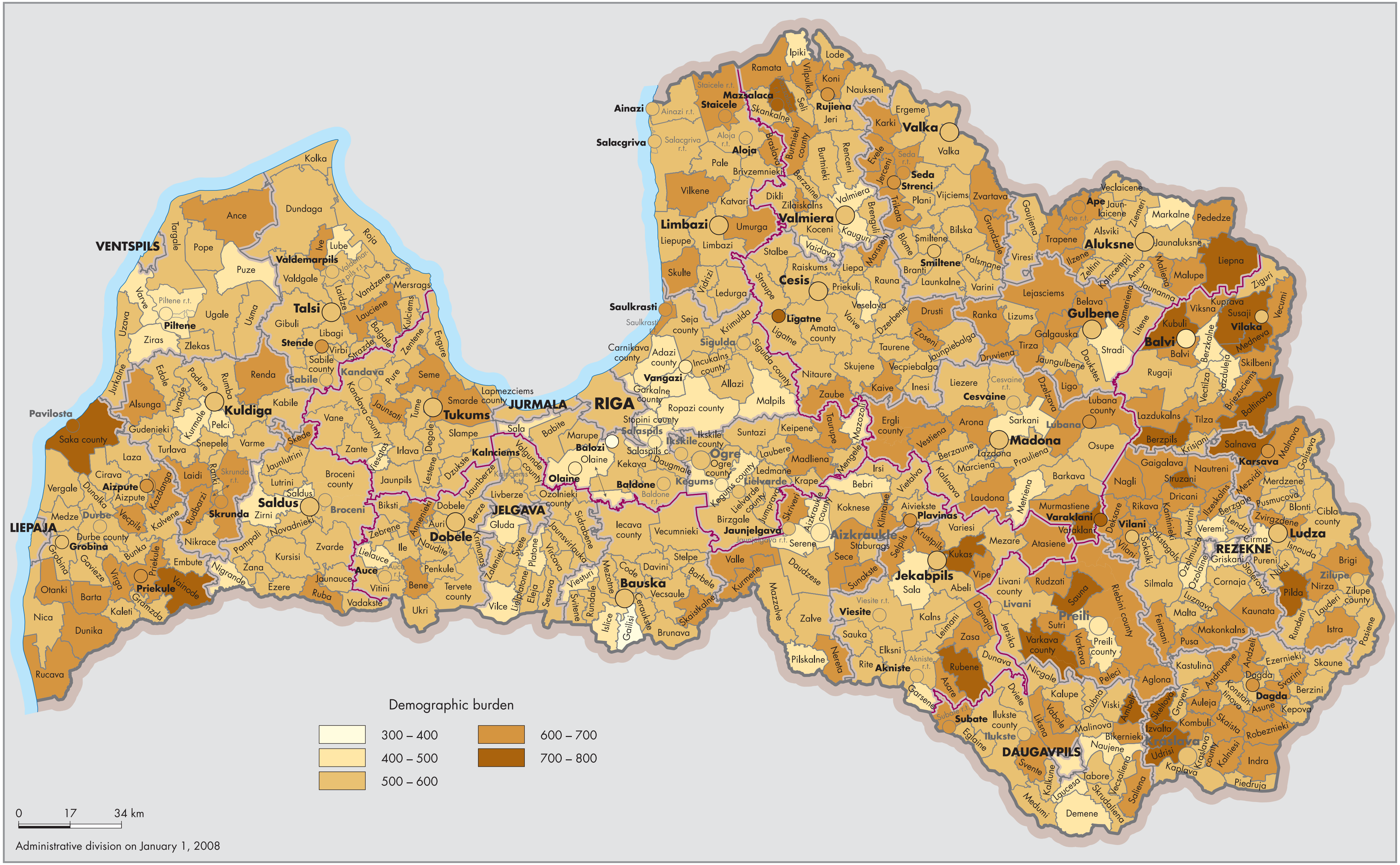

Figure 49. Level of demographic burden in local municipalities at the beginning of 2007.

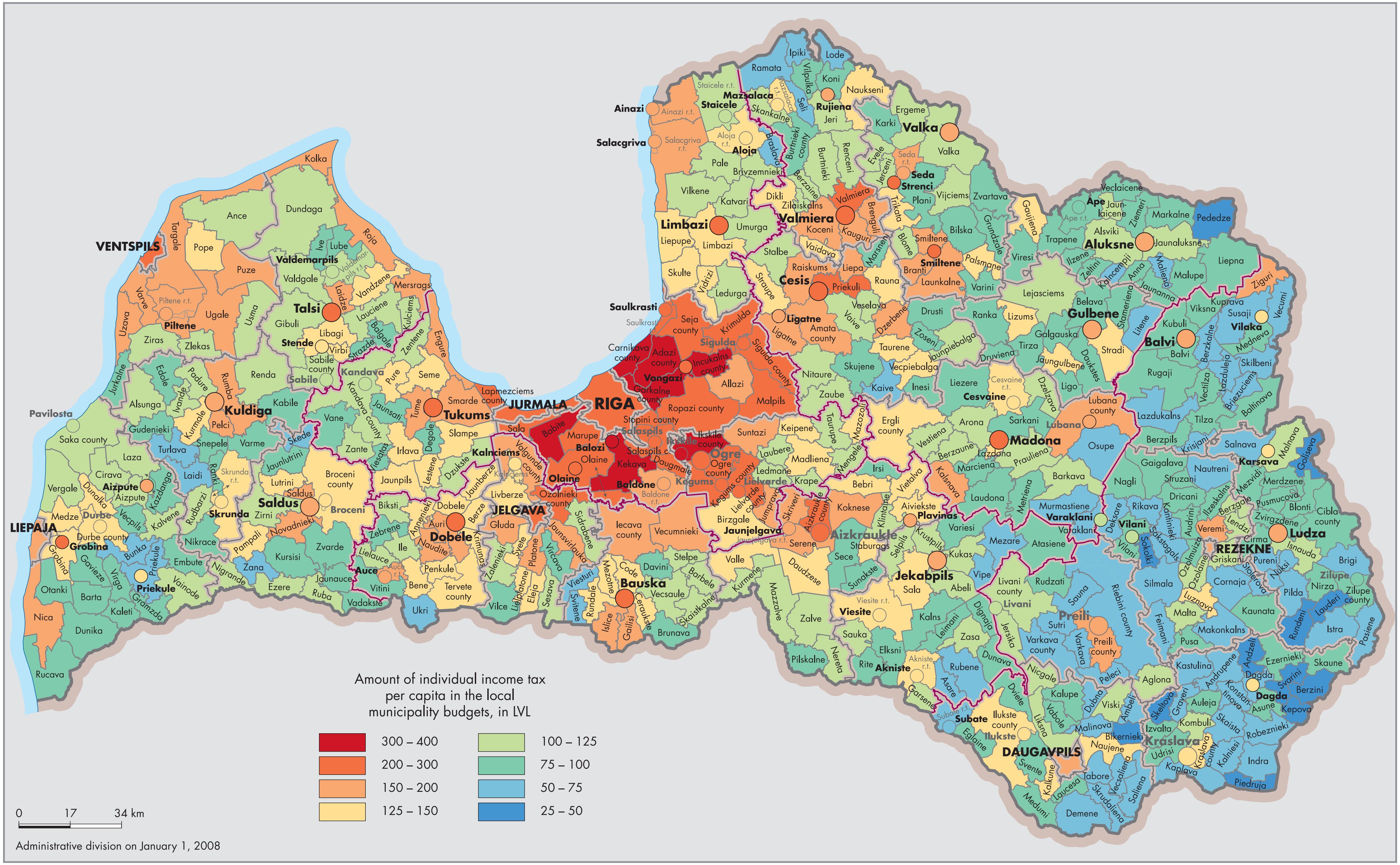

Figure 50. Amount of individual income tax per capita in the local municipality budgets in 2006.

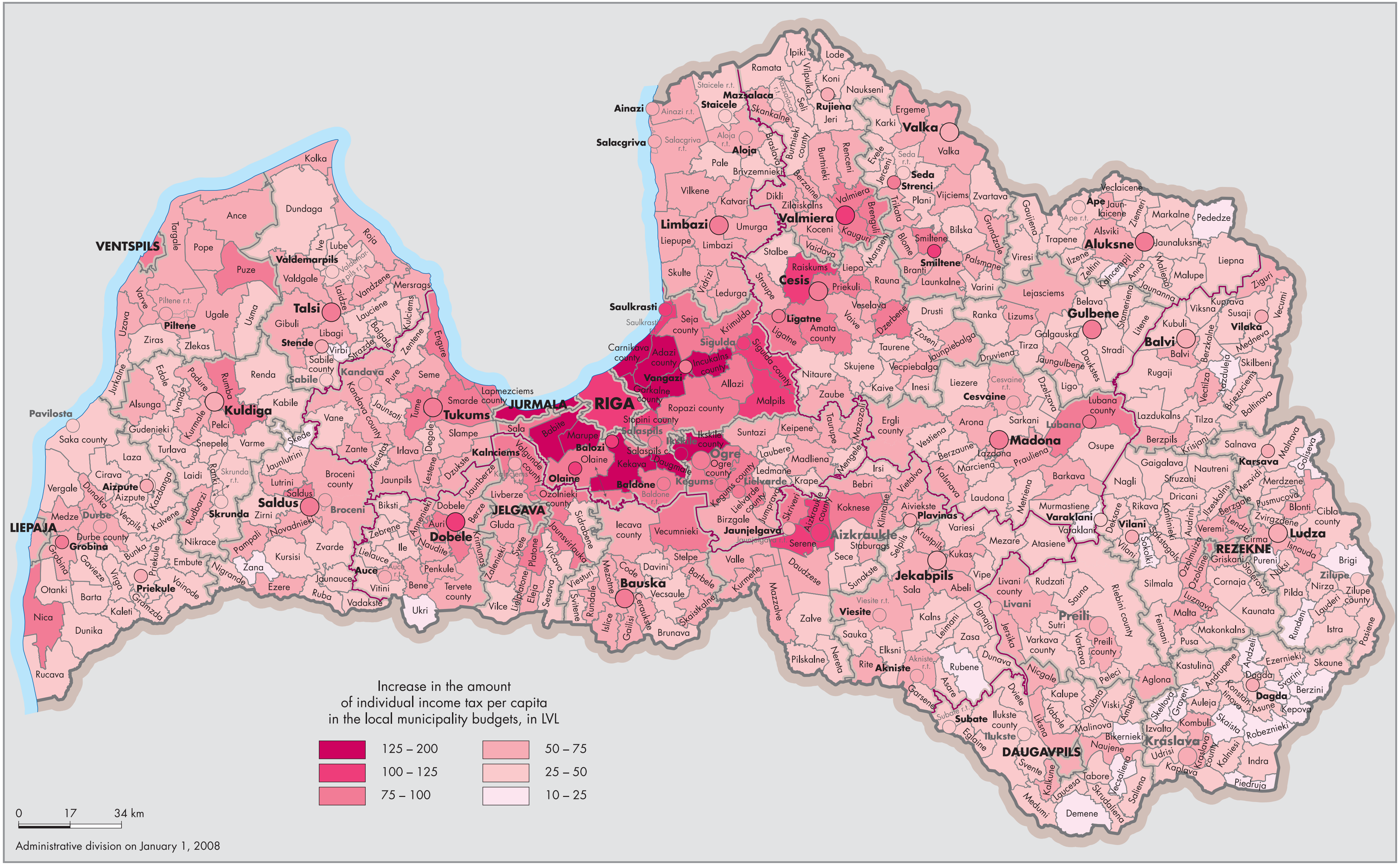

Figure 51. Increase in the amount of individual income tax per capita in the local municipality budgets in 2006 against the average indicator in 2002-2005.

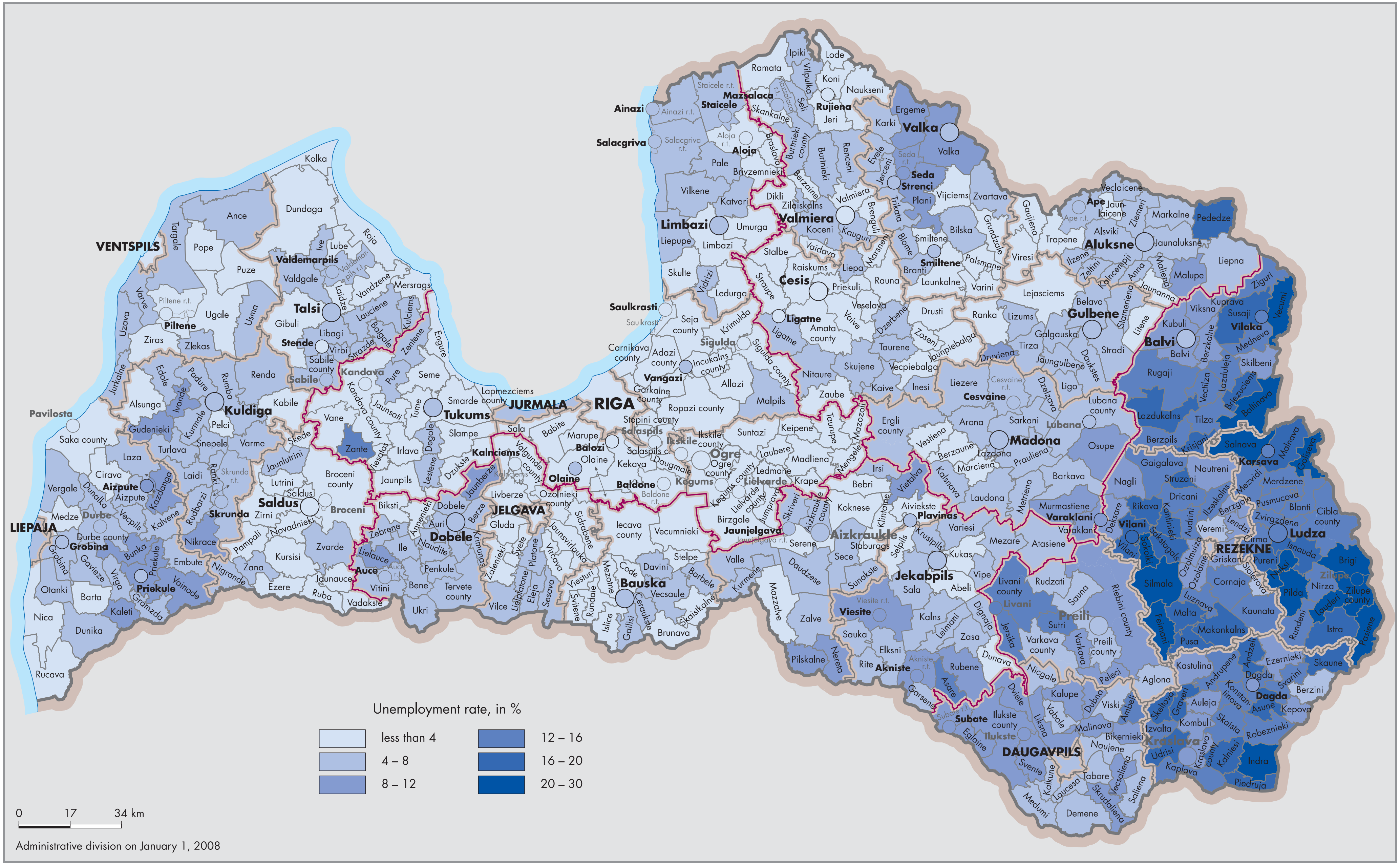

Figure 52. Unemployment rate in local municipalities at the beginning of 2007.

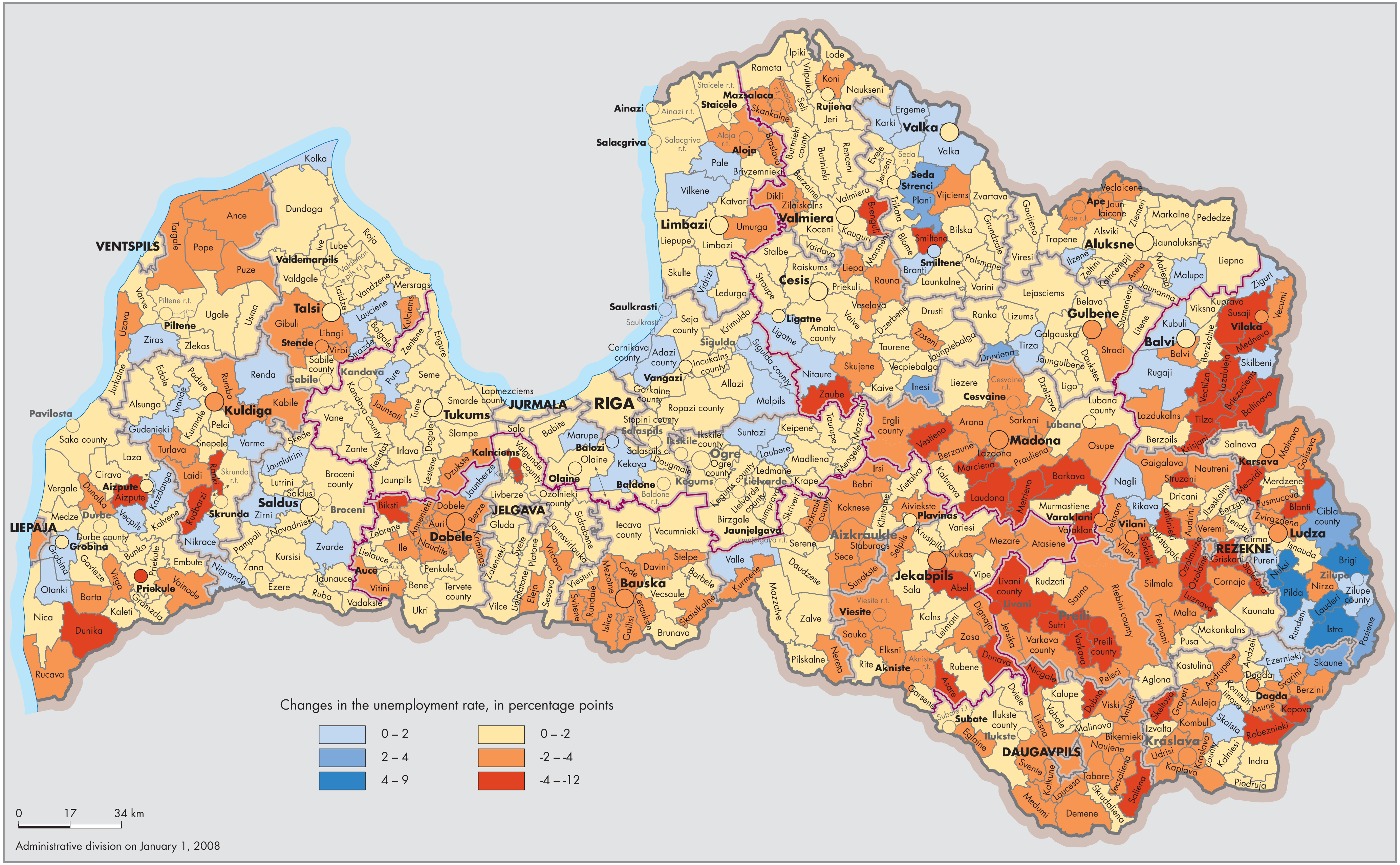

Figure 53. Changes in the unemployment rate in local municipalities at the beginning of 2007 against the average indicator in 2003-2006.

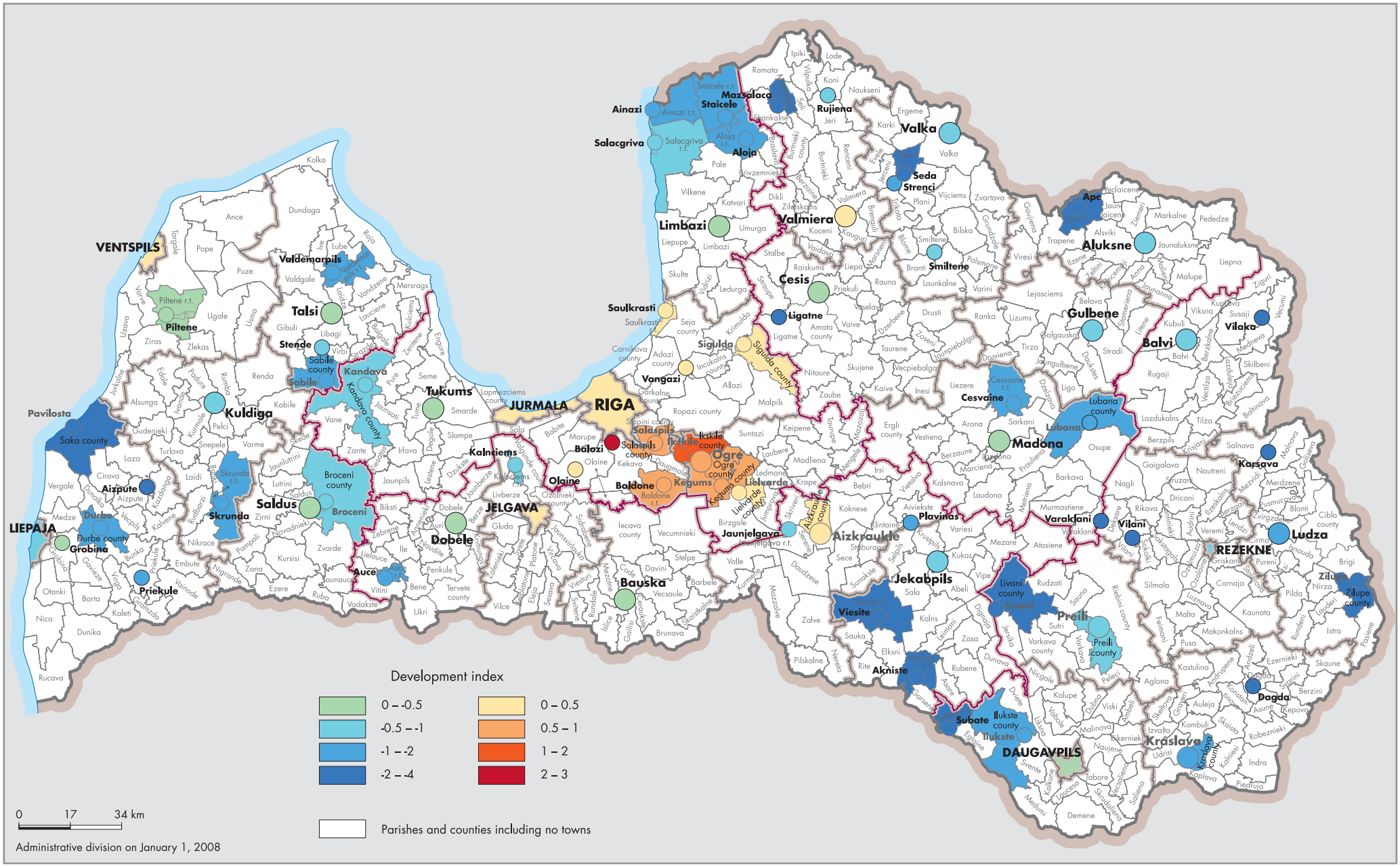

Figure 54. Territory development index of local municipalities of the group of towns and cities according to data of 2006.

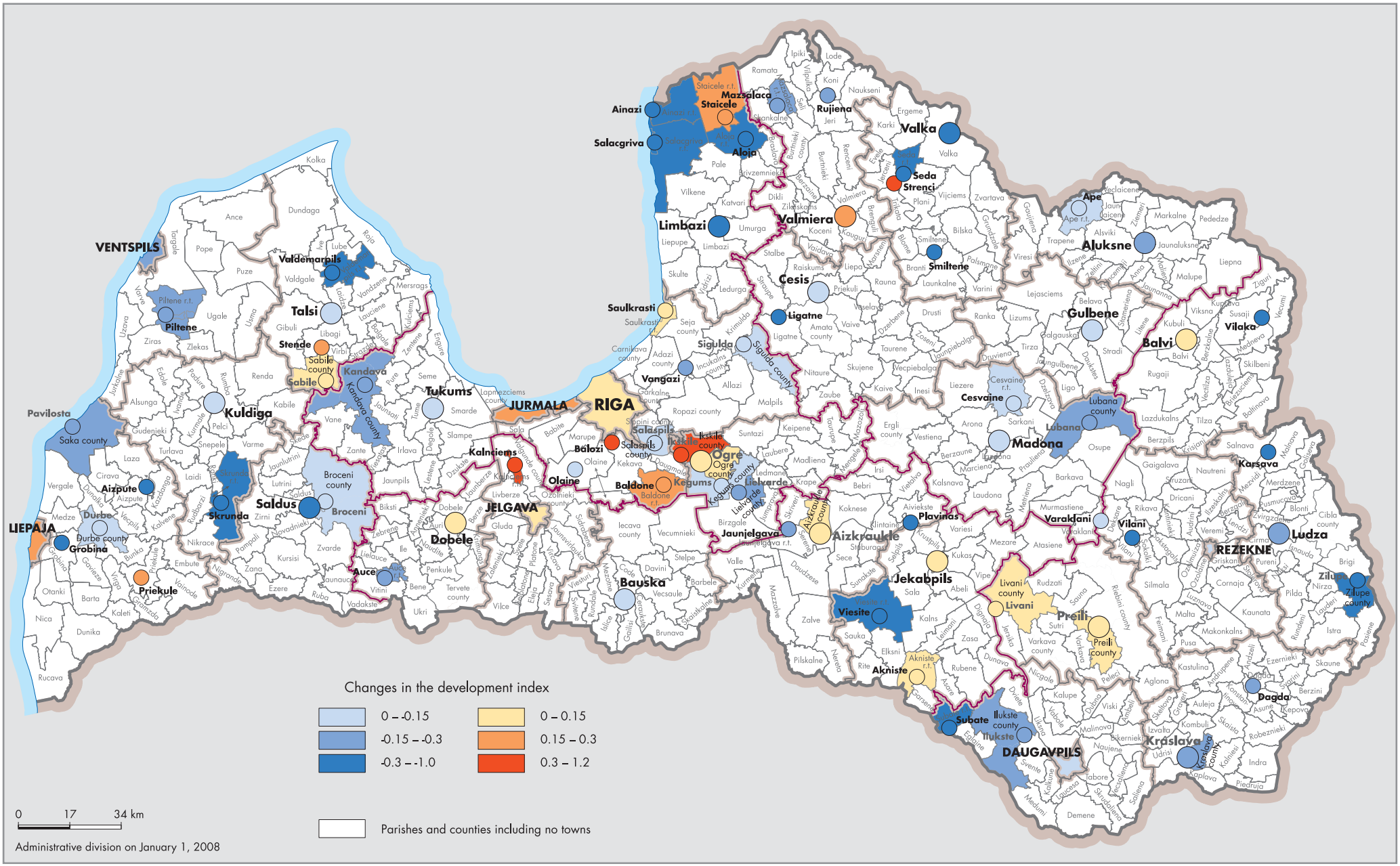

Figure 55. Changes in territory development index of local municipalities of the group of towns and cities in 2006 against the average indicator in 2002-2005.

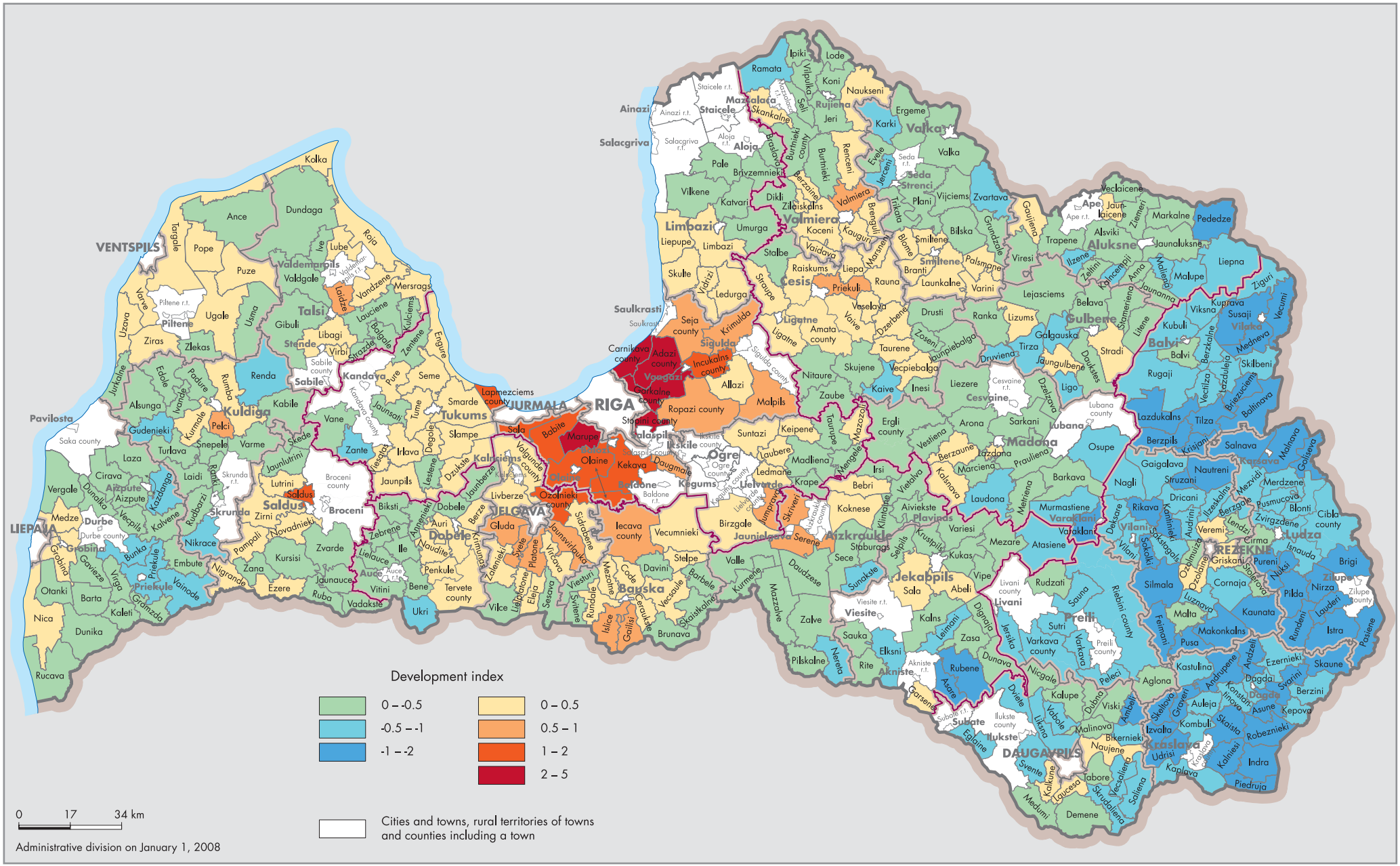

Figure 56. Territory development index of local municipalities of the group of parishes according to data of 2006.

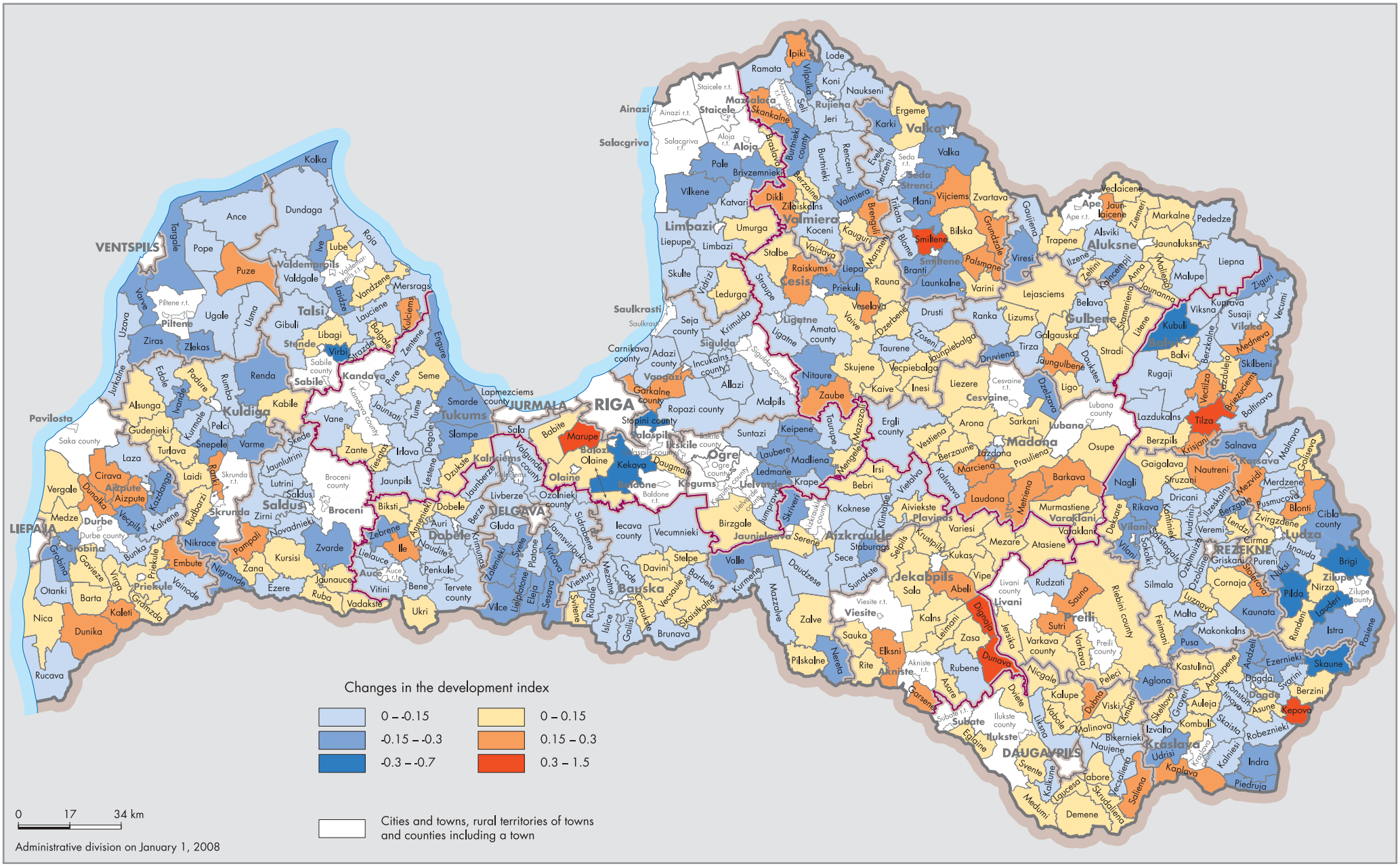

Figure 57. Changes in territory development index of local municipalities of the group of parishes in 2006 against the average indicator in 2002-2005.

DESCRIPTION OF TERRITORIES OF LOCAL MUNICIPALITIES IN PLANNING REGIONS

The development index has now been calculated for territories of each planning region as a separate group of territories for the fourth consecutive year. The present territory development index of regional local municipalities has been calculated with the aim to provide the local municipalities with more complete information for comparing the development levels of territories within regions, for assessment and forecasting of development, and for solving planning issues in the regions. This development index supplements, but it does not substitute the territory development index, which has been calculated for the uniform groups of territories: parishes, towns and cities, districts, planning regions. In this case the calculation was carried out for the towns and cities, counties and parishes in a uniform group of a planning region. Four basic indicators were used for calculating the development index: unemployment rate, yield of individual income tax, level of demographic burden and change in the number of population within the five previous years. Average figures of the indicator used in calculation of each development index in the specific planning region were used as the basis or comparison. Development index of territories of regions and the values of basic indicators used for calculation provide the opportunity to perform the analysis of territories of regions in interrelated comparison, and to compare the values of basic indicators of towns and cities and parishes with the average indicators in the groups of towns and cities and parishes of Latvia. Contrasts in the development of territories of towns and cities and parishes of regions can be described by disparities in the values of basic indicators and the average values, territories can be identified, which stand out with he highest or lowest values of an indicator on the background of region's territories, for instance, the highest or lowest unemployment rate, largest or smallest yield of individual income tax, and the territories with essential changes in their demographic situation.

KURZEME PLANNING REGION

Unemployment Rate

At the beginning of 2007 the unemployment rate in towns and cities and rural areas of Kurzeme region was almost equal – 4.6% and 4.7%, respectively. Comparing with the respective indicators in the country it can be noticed that the unemployment rate in towns and cities of Kurzeme region was slightly higher at the beginning of 2007 than in the towns and cities in the country in general (4.1%), but in the parishes of the region it was lower than in parishes in the country on average (6.0%). Saldus (3.4%), Broceni county, Stende, Piltene and its rural territory (3.6% in each) and Ventspils (3.7%) stood out of the group of towns and cities of Kurzeme region with the lowest unemployment rate in 2007. But the highest indicator of unemployment rate was registered in Aizpute (8.9%), Priekule (7.9%), and Sabile county (6.2%).

In 2007 there were 6 parishes with unemployment rate below 3% in the group of parishes. This list includes four parishes in Saldus district – Ezere (unemployment rate – 1.9%), Ruba (2.1%), Vadakste (2.7%) and Skede (2.9%) parishes, as well as Kabile parish in Kuldiga district (2.3%) and Puze parish of Ventspils district (2.8%). Amongst local municipalities of Kurzeme region the highest unemployment rate was registered in Vainode parish in Liepaja district (11.7%), Gudenieki (10.2%) and Nikrace parishes of (9.7%) Kuldiga district. Also one of the largest changes in population in the region was registered in Gudenieki parish.

Within the period from 2004 to the beginning of 2007 the unemployment rate dropped in 82 local municipalities, including all towns and cities in Kurzeme region, but it increased in 16 local municipalities. Most significant decline in unemployment rate was registered in Ranki parish in Kuldiga district – by 7.6 percentage points (from 12.4% at the beginning of 2004 to 4.8% at the beginning of 2007), Kulciems parish in Talsi district (from 11.0% to 4.4%), Aizpute (from 9.8% to 4.3%) and Dunika (from 9.5% to 4.2%) parishes of Liepaja district. Unemployment rate increased only in separate territories and to a comparatively small extent, up to 2 percentage points. The largest increase was registered in Varme and Renda parishes of Kuldiga district (1.8 percentage points in each), Otanki parish of Liepaja district (1.8 percentage points) and Zvarde parish of Saldus district (1.2 percentage points).

The difference between the highest and lowest unemployment rate reduced in the towns and cities of Kurzeme region from 3.9 times at the beginning of 2004 to 2.6 times at the beginning of 2007, but in rural territories it increased from 5.9 to 6.3 times.

Individual Income Tax

In 2006 the average yield of individual income tax in the budgets of local municipalities in the towns and cities of Kurzeme region was LVL 199.50, but in parishes – LVL 122.60 per capita. Indicators of Kurzeme region were lower than the respective average indicators in towns and cities and parishes in the country (LVL 246.50 and LVL 141.40, respectively).

Within the four years the yield of individual income tax per capita in the budgets of local municipalities of towns and cities of Kurzeme region increased by LVL 85 on average, but in parishes – by LVL 60. In 2006 almost in 90% of local municipalities of Kurzeme region – 10 towns and cities and 77 rural local municipalities – the level of individual income tax per capita in budgets of local municipalities did not reach the average level of the region (LVL 173.50). Only in 11 local municipalities, including 6 towns and cities, the indicators of individual income tax were above the region' s average. In 2006 the highest settlements of individual income tax per capita in the budgets of local municipalities in the group of towns and cities of Kurzeme region were registered in Ventspils – LVL 255.30, Grobina – LVL 238.30 and Talsi – LVL 223.40, in the group of parishes –Kolka parish of Talsi district – LVL 198.50, Saldus parish of Saldus district – LVL 188.1 and Targale parish of Ventspils district – LVL 186.50.

In 2006 the lowest settlements of individual income tax per capita in the budgets of local municipalities in the group of towns and cities were registered in Saka county – LVL 104.1, Sabile county – LVL 108.20, and in Valdemarpils and its rural territory – LVL 117.90. But amongst rural local municipalities – in Skede parish – LVL 54.1 and Zana parish – LVL 58.50 of Saldus district and in Turlava parish of Kuldiga district – LVL 62.80.

In Kurzeme region the disparities in settlements of individual income tax reduced slightly within recent years – the disparities in the largest and smallest settled individual income tax per capita in the budgets of local municipalities in 2006 was 2.5 times in the towns and cities of Kurzeme planning region, but in rural local municipalities – 3.7 times (in 2003, 3.0 and 4.8 times, respectively).

Demographic Burden

Level of demographical burden considerably declined both towns and cities and the rural territories of Kurzeme planning region, but it still remained slightly higher than in the towns and cities and rural areas in the country on average. At the beginning of 2007 the towns and cities of the region had 556.0 children and inhabitants at retirement age on average per 1 000 working age inhabitants, but the parishes had the figure in extent of 562.5 (520.5 - in towns and cities in the entire country and 557.7 - in the rural areas, respectively).

At the beginning of 2007 the lowest level of demographic burden in the group of towns and cities was registered in Piltene and its rural territory (486.6), Ventspils (518.2) and

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Saldus parish	Saldus	1.202	0.983	1.237	1.294	2	3	1	1
Ventspils	-	0.959	1.159	1.033	1.015	4	1	3	2
Pelci parish	Kuldiga	0.819	0.916	0.958	0.897	7	4	4	3
Laidze parish	Talsi	0.933	0.845	1.077	0.835	5	5	2	4
Puze parish	Ventspils	0.232	-0.181	0.238	0.664	24	31	15	5
Targale parish	Ventspils	0.762	0.511	0.412	0.608	9	9	11	6
Medze parish	Liepaja	0.107	0.328	0.712	0.505	28	13	6	7
Nica parish	Liepaja	-0.028	0.207	0.170	0.494	36	16	18	8
Saldus	Saldus	0.790	0.696	0.538	0.490	8	7	9	9
Kolka parish	Talsi	1.247	1.126	0.715	0.449	1	2	5	10
Talsi	Talsi	0.382	0.473	0.374	0.398	17	10	12	11
Varve parish	Ventspils	1.006	0.457	0.115	0.378	3	11	21	12
Grobina	Liepaja	0.455	0.819	0.607	0.350	13	6	7	13
Piltene and its r.t.	Ventspils	0.431	0.609	0.522	0.314	14	8	10	14
Novadnieki parish	Saldus	0.596	0.138	0.284	0.293	11	20	14	15
Roja parish	Talsi	0.333	0.193	0.122	0.187	19	17	20	16
Pope parish	Ventspils	0.611	0.168	-0.240	0.184	10	18	34	17
Ezere parish	Saldus	0.387	-0.157	-0.133	0.178	16	30	32	18
Liepaja	-	-0.268	-0.014	0.115	0.150	49	27	22	19
Libagi parish	Talsi	0.095	-0.237	-0.167	0.142	29	37	33	20
Lube parish	Talsi	0.125	0.368	-0.113	0.122	26	12	29	21
Kurmale parish	Kuldiga	0.273	0.118	0.200	0.077	22	22	17	22
Zirni parish	Saldus	0.215	0.231	0.355	0.049	25	14	13	23
Ziras parish	Ventspils	0.894	0.143	0.579	0.021	6	19	8	24
Uzava parish	Ventspils	0.251	-0.006	-0.691	0.019	23	25	62	25
Lutrini parish	Saldus	0.428	-0.039	0.037	0.017	15	28	24	26
Broceni county	Saldus	0.119	-0.206	-0.084	0.016	27	32	28	27
Ugale parish	Ventspils	0.313	0.068	-0.057	-0.057	20	23	26	28
Padure parish	Kuldiga	-0.020	-0.217	-0.703	-0.079	35	34	63	29
Vandzene parish	Talsi	-0.165	-0.207	-0.315	-0.110	45	33	37	30
Stende	Talsi	-0.238	-0.517	-0.415	-0.123	47	53	45	31
Kuldiga	Kuldiga	-0.040	-0.486	-0.439	-0.166	37	51	47	32
Kursisi parish	Saldus	-0.052	-0.271	-0.438	-0.209	39	39	46	33
Mersrags parish	Talsi	-0.166	0.130	-0.114	-0.231	46	21	30	34
Grobina parish	Liepaja	0.365	0.217	0.161	-0.234	18	15	19	35
Kulciems parish	Talsi	-1.101	-0.304	-0.507	-0.236	83	40	50	36
Pampali parish	Saldus	-0.478	-0.637	-0.684	-0.247	63	55	61	37
Nigrande parish	Saldus	0.500	0.043	0.235	-0.322	12	24	16	38
Gibuli parish	Talsi	0.030	-0.223	-0.359	-0.325	34	36	39	39
Vergale parish	Liepaja	-0.387	-0.321	-0.130	-0.349	55	43	31	40
Kabile parish	Kuldiga	-0.680	-0.881	-0.572	-0.367	73	71	54	41
Gavieze parish	Liepaja	-0.484	-0.708	-0.291	-0.378	64	62	36	42
Valdemarpils and its r.t.	Talsi	0.090	-0.247	-0.340	-0.388	30	38	38	43
Rumba parish	Kuldiga	-0.413	-0.409	-0.554	-0.396	59	49	53	44
Virbi parish	Talsi	0.038	-0.663	-0.537	-0.483	33	56	52	45
Dundaga parish	Talsi	-0.154	-0.315	-0.395	-0.516	43	42	43	46
Alsunga parish	Kuldiga	-0.468	-0.696	-0.533	-0.522	62	61	51	47
Balgale parish	Talsi	-0.604	-0.354	-0.365	-0.525	70	45	42	48
Zlekas parish	Ventspils	0.309	-0.009	-0.415	-0.540	21	26	44	49
Jaunlutrini parish	Saldus	0.057	-0.046	-0.036	-0.541	32	29	25	50
Ruba parish	Saldus	-0.588	-1.054	-0.960	-0.578	68	76	72	51
Cirava parish	Liepaja	-0.581	-1.238	-0.601	-0.596	67	82	56	52
Aizpute parish	Liepaja	-0.900	-0.991	-1.288	-0.603	80	74	84	53
Jurkalne parish	Ventspils	-0.453	-0.672	-0.679	-0.604	61	58	60	54
Jaunauce parish	Saldus	-0.714	-1.380	-1.134	-0.663	74	87	79	55
Usma parish	Ventspils	-0.040	-0.335	-0.364	-0.668	38	44	41	56
Zana parish	Saldus	-0.757	-0.695	-0.249	-0.676	76	60	35	57
Zvarde parish	Saldus	0.064	-0.362	0.041	-0.702	31	47	23	58
Gramzda parish	Liepaja	-0.429	-0.356	-0.966	-0.711	60	46	73	59
Otanki parish	Liepaja	-0.242	-0.220	-0.076	-0.718	48	35	27	60
Dunalka parish	Liepaja	-0.978	-1.198	-1.028	-0.721	81	80	77	61
Edole parish	Kuldiga	-0.109	-0.315	-0.363	-0.736	42	41	40	62
Dunika parish	Liepaja	-1.152	-1.408	-1.108	-0.757	86	88	78	63
Lauciene parish	Talsi	-0.404	-0.369	-0.624	-0.769	57	48	58	64
Valdgale parish	Talsi	-0.335	-0.484	-0.610	-0.787	52	50	57	65
Skede parish	Saldus	-0.322	-1.003	-0.662	-0.833	50	75	59	66
Vadakste parish	Saldus	-0.666	-1.316	-0.722	-0.865	72	84	65	67
Durbe county	Liepaja	-0.610	-0.862	-0.823	-0.897	71	70	68	68
Kalvene parish	Liepaja	-0.518	-0.772	-0.759	-0.928	65	65	66	69
Skrunda and its r.t.	Kuldiga	-0.411	-0.859	-0.917	-0.974	58	69	69	70

Talsi (526.8), but the highest indicator of demographic burden was registered in Saka county (706.2), Aizpute (647.3) and Priekule (618.7).

Amongst rural territories the lowest demographic burden was registered in Saldus parish of Saldus district – 401.7, Ziras parish of Ventspils district – 425.7 and Lubes parish of Talsi district – 446.6. The highest indicators were detected in rural local municipalities of Liepaja district – Vainode (705.6), Kazdanga (685.9) and Virga (683.4) parishes. In Vainode parish the lowest unemployment rate of the region was also registered.

At the beginning of 2007 in Kurzeme region in general in 23 local municipalities the demographic burden was above 600 children and retirement age inhabitants per 1 000 working age inhabitants.

The difference between the highest and lowest indicator of demographic burden has almost remained the same in Kurzeme region within the four years. At the beginning of 2007 it was 1.5 times in the group of towns and cities, but in the group of parishes – 1.8 times.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Snepele parish	Kuldiga	-0.109	-0.539	-0.953	-1.017	41	54	71	71
Strazde parish	Talsi	-0.164	-0.665	-0.498	-1.024	44	57	49	72
Sabile county	Talsi	-1.134	-0.921	-1.181	-1.052	85	73	81	73
Ranki parish	Kuldiga	-1.456	-1.358	-1.258	-1.111	94	85	83	74
Laza parish	Liepaja	-0.550	-0.857	-0.988	-1.113	66	68	76	75
Varme parish	Kuldiga	-0.086	-0.682	-0.709	-1.120	40	59	64	76
Ance parish	Ventspils	-0.377	-0.745	-1.178	-1.124	53	63	80	77
Vecpils parish	Liepaja	-0.383	-0.499	-0.475	-1.127	54	52	48	78
Rudbarzi parish	Kuldiga	-0.893	-1.691	-1.621	-1.137	79	94	92	79
Saka county	Liepaja	-1.117	-0.822	-0.763	-1.139	84	66	67	80
Ivande parish	Kuldiga	-0.390	-0.766	-0.586	-1.182	56	64	55	81
Rucava parish	Liepaja	-0.812	-0.842	-0.929	-1.213	78	67	70	82
Barta parish	Liepaja	-1.380	-1.727	-1.526	-1.216	91	95	88	83
Virga parish	Liepaja	-1.390	-1.258	-2.019	-1.232	93	83	96	84
Priekule	Liepaja	-1.378	-1.377	-1.493	-1.268	90	86	86	85
Turlava parish	Kuldiga	-0.800	-1.504	-1.563	-1.326	77	91	89	86
Ive parish	Talsi	-0.604	-0.921	-1.246	-1.420	69	72	82	87
Aizpute	Liepaja	-0.751	-1.080	-0.977	-1.421	75	77	74	88
Renda parish	Kuldiga	-0.334	-1.115	-0.985	-1.469	51	78	75	89
Laidi parish	Kuldiga	-1.268	-1.689	-1.502	-1.547	88	93	87	90
Priekule parish	Liepaja	-1.273	-1.471	-1.766	-1.717	89	89	93	91
Kaleti parish	Liepaja	-1.699	-1.809	-1.796	-1.725	96	96	94	92
Embute parish	Liepaja	-1.864	-1.599	-1.352	-1.895	97	92	85	93
Nikrace parish	Kuldiga	-1.091	-1.195	-1.611	-2.022	82	79	91	94
Bunka parish	Liepaja	-1.196	-1.215	-2.117	-2.036	87	81	97	95
Gudenieki parish	Kuldiga	-1.498	-1.957	-1.928	-2.265	95	97	95	96
Kazdanga parish	Liepaja	-1.388	-1.503	-1.607	-2.345	92	90	90	97
Vainode parish	Liepaja	-1.934	-2.126	-2.243	-2.679	98	98	98	98

Table 47. Development index and ranking of towns and cities, parishes, and counties of Kurzeme planning region using data from 2003-2006.

Population Change

Dynamics in the population change in the towns and cities of Kurzeme region is similar to the situation in towns and cities throughout Latvia in general. Within the recent five years – from the beginning of 2002 to the beginning of 2007 – the population reduced in the towns and cities of both the region and all of Latvia by 2.6% on average. In local municipalities of the group of parishes of Kurzeme region changes took place more rapidly, and comparing with the average indicator of the country, also with different rates – the population in rural areas of the region dropped by 5.1% on average, but in rural areas of the country – by 3.1% on average.

Within the five years the population reduced in 90 local municipalities – in all towns and cities of the region and in 74 parishes. In the local municipalities of the group of towns and cities the population reduced most rapidly in the counties of Durbe – 10.3%, Saka – 6.6% and Sabile – 6.2%. Amongst parishes the most significant reduction in population was observed in Embute parish of Liepaja district (19.1%), Vadakste parish of Saldus district (17.2%) and Gudenieki parish of Kuldiga district (14.5%). In general in 11 parishes of Kurzeme region the registered decline in the number of population exceeded 10%.

Kurzeme region also had 8 parishes where the population increased within the five years. The most significant increase in population was observed in Medze parish in Liepaja district – 5.8% and Nica parish in Liepaja district – 5.0%, Laidze parish in Talsi district – 3.1%, and in Pelci parish in Kuldiga district – 1.8%.

Development Index of Regional Territories

Within the reviewed period of four years – from 2003 to 2006 – in two local municipalities of Kurzeme region the value of development index changed from negative to positive, in 7 local municipalities the value of positive development index increased, in 20 local municipalities the value of negative development index improved in positive direction, in 9 local municipalities the value of positive development index changed from positive to negative, in 18 local municipalities the value of positive development index reduced, and in 42 territories the already negative value of the development index dropped.

According to data from 2006 Saldus parish in Saldus district held first place among the territories of local municipalities of Kurzeme region by the territory development index of the region. Ventspils was the second, but Liepaja – held 19th place. Comparing with previous years both cities climbed the ranking table due to the positive tendencies in the population change. Increase in the yield of individual income tax can be named as the second determining factor forming the value of development index for Ventspils, but it is the reduction in unemployment rate for Liepaja.

In general amongst the local municipalities of Kurzeme region 53 territories of local municipalities climbed or maintained their positions in the ranking table during the four years, but 45 territories dropped.

In terms of development, positive changes took place in Puze parish in Ventspils district, which featured a significant increase in the value of the development

index and it climbed from 24th place in 2003 to 5th place in 2006. Positive change in development index were observed also in Medze parish of Liepaja district, which climbed in the ranking table from 28th place to 7th place, Nica parish – from 36th to 8th place, but the Liepaja City climbed from 49th to 19th place.

Comparatively favourable development dynamics described the indicators of Kulciems parish of Talsi district, and it changed its position in the ranking table within the four years from 83rd to 36th place. Also Kabile parish of Kuldiga district climbed from 73rd to 41st place, Pampali parish of Saldus district – from 63rd to 37th, Aizpute parish of Liepaja district – from 80th to 53rd.

Renda parish of Kuldiga district experienced negative changes – it dropped in the ranking table by 38 places – from 51st to 89th place, the same refers to Varme parish – from 40th to 76th and Snepele parish – from 41st to 71st place. Zlekas parish of Ventspils district dropped from 21st to 49th place, but Nigrande parish of Saldus district – from 12th to 38th place.

The positive value of the development index reduced significantly in Kolka parish of Talsi district, which moved in the ranking table from 1st place in 2003 to 10th place in 2006, Varve parish in Ventspils district had the decline from 3rd to 12th place, but Ziras parish dropped from 6th to 24th place.

By analysing the towns and cities of Kurzeme planning region by the development index, Ventspils is followed by Saldus in second position (9th place in the ranking table), which is further followed by Talsi (11th place), Grobina (13th place) and Piltene and its rural territory (14th place). The lowest development index and consequently the lowest position in the ranking table amongst towns and cities of Kurzeme region belongs to Aizpute (88th place).

In general according to data from 2006 positive value of the development index was registered in 27 or 27.6% of the local municipalities of Kurzeme region, but the index has a negative value in 71 local municipality or 72.4%. In common with data of 2003, the lowest values of development index within the Kurzeme region were observed for local municipalities of Liepaja and Kuldiga districts. According to data from 2006 Vainode parish of Liepaja district was in last place in the ranking table of the territories of local municipalities of the region (see Table 47 and Figure 58).

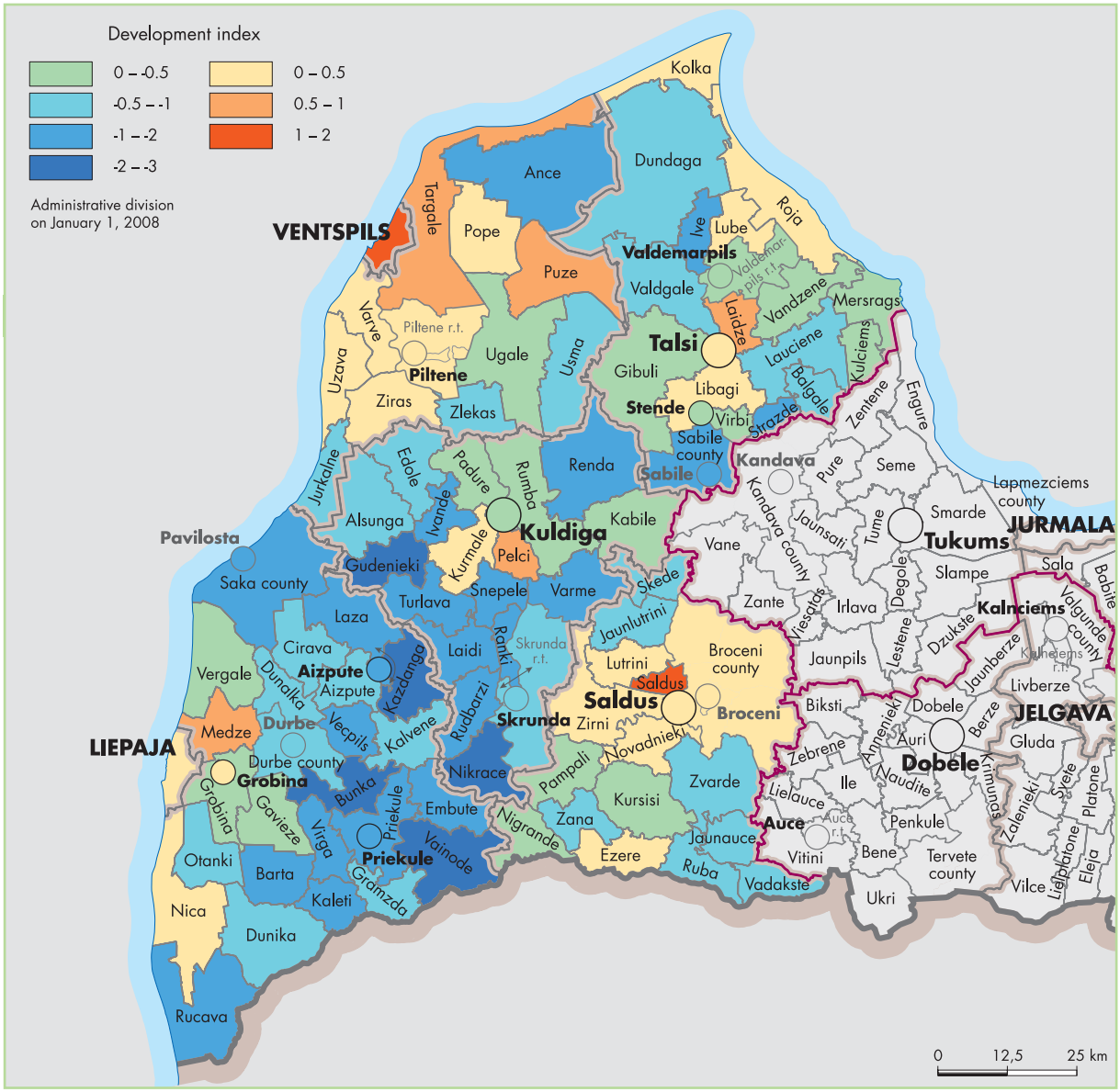

Figure 58. Development index of towns and cities, parishes, and counties of Kurzeme planning region using data from 2006.

LATGALE PLANNING REGION

Unemployment Rate

Within the four years the unemployment rate in Latgale region in the group both of towns and cities and rural local municipalities reduced, but it still remained the highest amongst the respective groups of local municipalities of other regions. At the beginning of 2007 the unemployment rate in towns and cities of Latgale region was 7.1% on average, but in parishes – 13.0% (9.9% and 16.0% at the beginning of 2004). In Latgale region the unemployment indicators in the group of towns and cities exceeded the average unemployment indicators in the county group on average more than one and a half times, but in the group of rural territories – by more than double (4.1% and 6.0%).

At the beginning of 2007 Latgale region had 8 towns and cities with unemployment rate exceeding 10%. Zilupe county (20.6%), Vilani (17.7%) and Karsava (15.9%) stood out of the group of towns and cities with the highest unemployment rate. Daugavpils had the lowest unemployment rate amongst the towns and cities (4.3%), and it should be noted that mostly the indicators of the region's largest city influenced and reduced the average unemployment indicator in the group of towns and cities. In Rezekne the unemployment rate reached 7.5%, and it was slightly higher than the average indicator of the group of towns and cities in the region. Amongst urban counties Preili county had the lowest unemployment rate – 7.4%. In the group of parishes the unemployment rate exceeded 10% in 89 territories, including 20% in 13 territories. Those were mainly the local municipality territories of Ludza, Rezekne and Balvi districts. The highest unemployment rate at the beginning of 2007 was registered in Goliseva parish of Ludza district – 27.8%. The unemployment rate remained very high in Baltinava parish of Balvi district – 27.4%, Pasiene parish of Ludza district – 27.0%, and in Sokolkas parish of Rezekne district – 26.8%. In seven rural local municipalities of Daugavpils and Preili districts the indicators of unemployment rate were below the average figure in the group of region's parishes at the beginning of 2007. Amongst the local municipalities of Latgale low unemployment rate was observed also in Naujiene parish (4.7%) and Kalkune parish (4.8%) of Daugavpils district, Rudzati parish (5.2%) and Sauna parish (5.5%) of Preili district.

Within the four years – from the beginning of 2004 to the beginning of 2007 – the unemployment rate dropped in 114 local municipalities of Latgale region, but it increased in 20 local municipalities. The most significant reduction in unemployment rate was registered in Kepova parish in Kraslava district – 12.0 percentage points, Sutras parish in Preili district – 10.8 percentage points, and in Dubna parish in Daugavpils district – 8.4 percentage points. Largest increase in unemployment rate was observed in territories in Ludza district – Brigu parish (11.6 percentage points), Nuksi parish (5.7 percentage points) and Pilda parish (4.6 percentage points). At the beginning of 2007 in these parishes the unemployment rate exceeded the level of 20%.

The difference between the highest and lowest unemployment rate increased in the towns and cities of Latgale region from 3.2 times at the beginning of 2004 to 4.7 times at the beginning of 2007, but in the parishes of the region it increased by 5.2 to 6.0 times.

Individual Income Tax

In 2006 in the towns and cities of Latgale region 1 inhabitant on average settled the individual income tax in the budget of local municipalities in the extent of LVL 160.60, but in the parishes this figure was only half – LVL 84.10.

In the group of towns and cities in 2006 the largest yield of individual income tax in the budgets of local municipalities was registered in Rezekne (LVL 196.00 per capita), Balvi (LVL 180.50) and Preili county (LVL 166.10). In Daugavpils this indicator was equal to the average indicator in the group of towns and cities of Latgale region (LVL 160.60), bit it was the lowest indicator amongst all cities of the country. Amongst the towns and cities of Latgale the smallest amounts of individual income tax in the budgets of local municipalities were settled in Subate and its rural territory (LVL 66.90 per capita, which is almost four times less than the average of towns and cities of Latvia), and in Zilupe county and Livani county (LVL 91.20 and LVL 119.50, respectively).

In the group of rural territories the largest amounts of individual income tax in the budgets of local municipalities were settled in Ziguri parish of Balvi district (LVL 160.00) and Veremi parish of Rezekne district (LVL 153.80). Those were the only local municipalities amongst all rural local municipalities of Latgale region where the settlements of individual income tax exceeded the average indicator of rural areas of Latvia.

The smallest amount of individual income tax was settled in Berzini parish of Kraslava district (LVL 38.70 per capita in the budgets of local municipalities) and in Bikernieki parish of Daugavpils district (LVL 40.60). The settlements of individual income tax were very low also in other rural local municipalities of Kraslava district – in Svarini, Skeltova and Piedruja parishes (LVL 44.10, LVL 44.90 and LVL 45.10 per capita, respectively). In 2006 the individual income tax per capita transferred to the budgets of local municipalities in 55 rural local municipalities of Latgale region constitutes only one half of the average yield of individual income tax per capita in the rural local municipalities of Latvia (LVL 141.40).

In general 124 local municipalities or 93% of the total number in the region, including 117 rural and 7 town or city local municipalities, did not reach the average indicator of Latgale region (LVL 130.80 per capita) in 2006.

In all local municipalities of Latgale region the settlements of individual income tax have increased, but still quite unevenly – within the limits of LVL 18-95 per capita. In 2006, comparing with 2003, the most considerable increase in the individual income tax per capita in the budgets of local municipalities was registered in Rezekne – by LVL 95.10, Veremi parish of Rezekne district – LVL 85.90, Balvi – LVL 84.50, but the smallest – in Svarini parish of Kraslava district – LVL 17.70.

The difference between the largest and smallest amount of settled individual income tax per capita in the budgets of local municipalities in the towns and cities of Latgale region reduced from 4.8 times in 2003 to 2.9 times in 2006, but in parishes – from 6.0 to 4.1 times, respectively.

Demographic Burden

At the beginning of 2007 the towns and cities of Latgale region had 496.5 children and inhabitants at retirement age on average per 1 000 working age inhabitants. It was the lowest indicator in the groups of towns and cities of planning regions of Latvia. But the demographic burden in rural areas of Latgale region – 598.7 – was the highest amongst the groups of parishes of all regions.

In the group of towns and cities in Latgale region at the beginning of 2007 the lowest level of demographic burden was registered in Balvi – 468.8 and in Daugavpils – 479.7. Rezekne had the fourth best indicator of demographic burden – 492.5 children and retirement age inhabitants per 1 000 working age inhabitants. The highest demographic burden in the group of towns and cities was observed in Karsava (651.1), Dagda (627.2) and Subate and its rural territory (624.3).

At the beginning of 2007 Latgale region had 14 parishes where the level of demographic burden exceeded 700 inhabitants below and over the working age per 1 000 working age inhabitants. The highest indicators of demographic burden were observed in Kubuli parish of Balvi district – 795.4, Ambeli parish of Daugavpils district – 771.2, and Pilda parish of Ludza district – 764.8. Amongst the rural local municipalities of the region the lowest level of demographic burden was registered in Berzkalne parish of Balvi district – 451.1, Cirma parish of Ludza district – 466.4, and Griskani parish of Rezekne district – 482.2.

The difference between the highest and lowest indicator of demographic burden at the beginning of 2007, in common with the beginning of 2004, was 1.4 times in the group of towns and cities of Latgale region, in the group of parishes – 1.8 times.

Population Change

The reduction in population both in group of towns and cities and the group of rural territories of Latgale region took place 2.0-2.5 times more rapidly than in Latvia on average within the period of 2002 to the beginning of 2007. Population in towns and cities of Latgale region reduced by 5.0% on average, in parishes – even more rapidly, by 8.2% on average (the respective average indicators in the country were 2.6% and 3.1% in this period). In Latgale region the population reduced in all towns

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Ozolaine parish	Rezekne	1.467	0.866	1.252	1.263	1	2	1	1
Balvi	Balvi	0.138	0.339	0.722	0.838	21	7	5	2
Rezekne	-	0.183	0.266	0.794	0.838	16	10	4	3
Daugavpils	-	0.622	0.568	0.829	0.811	5	3	3	4
Griskani parish	Rezekne	0.922	1.148	1.159	0.731	3	1	2	5
Naujene parish	Daugavpils	0.553	0.542	0.594	0.692	6	4	7	6
Preili county	Preili	0.265	0.330	0.508	0.577	13	8	8	7
Veremi parish	Rezekne	0.745	0.539	0.679	0.356	4	5	6	8
Kraslava county	Kraslava	-0.018	0.183	0.358	0.343	27	13	9	9
Laucesa parish	Daugavpils	0.506	0.480	0.307	0.228	7	6	10	10
Ludza	Ludza	-0.257	-0.127	0.090	0.212	44	29	13	11
Balvi parish	Balvi	0.144	0.116	0.196	0.198	20	16	11	12
Kalkune parish	Daugavpils	0.387	0.236	0.179	0.135	8	11	12	13
Stolerova parish	Rezekne	-0.462	-0.141	-0.041	0.116	60	32	16	14
Jersika parish	Preili	0.304	-0.194	-0.237	0.011	12	37	23	15
Tabore parish	Daugavpils	0.166	0.080	0.019	0.003	18	18	14	16
Malinova parish	Daugavpils	-0.185	0.129	-0.119	-0.024	36	14	18	17
Dubna parish	Daugavpils	-0.124	0.037	-0.003	-0.045	31	21	15	18
Livani county	Preili	-0.363	-0.283	-0.199	-0.100	49	42	21	19
Lendzi parish	Rezekne	0.181	0.213	-0.188	-0.166	17	12	20	20
Ozolmuiza parish	Rezekne	0.957	0.310	-0.326	-0.186	2	9	27	21
Demene parish	Daugavpils	0.022	0.107	-0.157	-0.193	24	17	19	22
Ilukste county	Daugavpils	-0.466	-0.166	-0.316	-0.225	62	34	26	23
Kalupe parish	Daugavpils	-0.517	-0.153	-0.410	-0.229	70	33	32	24
Cirma parish	Ludza	-0.435	0.056	-0.402	-0.282	56	20	31	25
Audrini parish	Rezekne	0.205	-0.108	-0.247	-0.364	15	24	24	26
Liksna parish	Daugavpils	-0.137	-0.171	-0.087	-0.371	32	36	17	27
Nicgale parish	Daugavpils	-0.382	-0.117	-0.567	-0.416	50	26	36	28
Medumi parish	Daugavpils	-0.399	-0.059	-0.344	-0.429	52	22	29	29
Dagda	Kraslava	-0.957	-0.196	-0.382	-0.433	107	38	30	30
Luznava parish	Rezekne	-0.742	-0.549	-0.802	-0.467	89	65	53	31
Isnauda parish	Ludza	-0.191	-0.579	-0.704	-0.518	37	70	44	32
Kaplava parish	Kraslava	-0.194	-0.397	-0.835	-0.526	40	55	56	33
Malta parish	Rezekne	-0.146	-0.412	-0.685	-0.556	33	56	43	34
Konstantinova parish	Kraslava	-0.205	-0.262	-1.046	-0.569	41	41	72	35
Dviete parish	Daugavpils	-0.455	-0.205	-0.412	-0.589	59	39	33	36
Lazduleja parish	Balvi	0.160	-0.261	-0.200	-0.599	19	40	22	37
Viski parish	Daugavpils	-0.328	-0.319	-0.807	-0.621	47	45	54	38
Vectilza parish	Balvi	-0.651	-0.359	-0.519	-0.622	83	51	34	39
Berzgale parish	Rezekne	0.258	0.128	-0.336	-0.664	14	15	28	40
Rudzati parish	Preili	0.306	-0.111	-0.296	-0.677	11	25	25	41
Ziguri parish	Balvi	0.014	-0.536	-0.614	-0.683	25	61	38	42
Deksare parish	Rezekne	-0.148	-0.121	-0.561	-0.711	34	28	35	43
Zvirgzdene parish	Ludza	-0.473	-0.315	-0.680	-0.739	63	43	42	44
Dagda parish	Kraslava	0.135	-0.344	-0.743	-0.752	22	50	46	45
Vilani	Rezekne	-1.127	-0.774	-0.853	-0.752	113	84	58	46
Berzkalne parish	Balvi	0.326	-0.120	-0.915	-0.760	10	27	62	47
Saliena parish	Daugavpils	-0.510	-0.342	-0.636	-0.769	69	49	39	48
Nagli parish	Rezekne	-0.415	-0.170	-0.755	-0.771	55	35	48	49
Vabole parish	Daugavpils	-0.878	-0.729	-0.863	-0.784	96	83	59	50
Peleci parish	Preili	-0.522	-0.544	-0.799	-0.786	71	64	51	51
Svente parish	Daugavpils	-0.651	-0.539	-0.919	-0.787	84	62	64	52
Skrudaliena parish	Daugavpils	-0.498	-0.362	-0.710	-0.789	68	52	45	53
Sakstagals parish	Rezekne	-0.288	-0.563	-0.937	-0.791	46	67	65	54
Dricani parish	Rezekne	-0.463	-0.550	-0.813	-0.807	61	66	55	55
Eglaine parish	Daugavpils	-0.634	-0.396	-0.752	-0.816	82	54	47	56
Aglona parish	Preili	0.333	-0.100	-0.642	-0.889	9	23	40	57
Cornaja parish	Rezekne	-0.026	-0.620	-1.243	-0.897	29	72	80	58
Blonti parish	Ludza	-0.991	-0.581	-1.280	-0.911	109	71	83	59
Zilupe county	Ludza	-0.909	-0.368	-0.785	-0.933	98	53	50	60
Vecsaliena parish	Daugavpils	-0.437	0.067	-0.584	-0.933	57	19	37	61
Vilaka	Balvi	-0.857	-0.469	-0.761	-0.942	94	59	49	62
Karsava	Ludza	-0.948	-0.780	-0.875	-0.952	106	86	60	63
Riebini county	Preili	-0.672	-0.664	-1.165	-0.971	86	78	75	64
Sauna parish	Preili	0.006	-0.894	-1.405	-1.017	26	94	92	65
Rugaji parish	Balvi	-0.192	-0.576	-1.032	-1.026	38	69	70	66
Gaigalava parish	Rezekne	-0.474	-0.810	-1.044	-1.057	64	89	71	67
Subate and its r.t.	Daugavpils	-0.859	-0.323	-0.801	-1.086	95	47	52	68
Kubuli parish	Balvi	-0.123	-0.322	-0.851	-1.103	30	46	57	69
Ezernieki parish	Kraslava	0.081	-0.129	-0.898	-1.116	23	30	61	70

and cities and in 96% of rural territories. The region had only 5 local municipalities where the population increased within the five years – Ozolaine, Griskani and Stolerova parishes of Rezekne district (10.7%, 1.7% and 0.4%, respectively), Balvi parish of Balvi district (2.3%) and Jersika parish of Preili district (0.8%).

Within the group of towns and cities of Latgale region the population reduced most considerably in Vilaka (11.3%), Subate and its rural territory (10.0%) and Karsava (7.7%). In the group of parishes the population decreased for more than one fifth in Kepova parish (21.7%) and Berzini parish (20.8%) of Kraslava district, and in Kuprava parish of Balvi district (21.2%). It was the most significant decline in the number of population among all local municipalities of Latvia during the reviewed period. Berzini parish also had the lowest revenue of individual income tax per capita amongst all local municipalities of Latvia.

Development Index of Regional Territories

Within the review period favourable changes emerged in 3 territories of Latgale region local municipalities with the negative development index turning into a positive. Value of positive development index increased in 6 local municipalities, but value of a negative development index improved in 14 local municipalities. In 13 local municipalities the value of the index dropped from positive to negative, positive development index dropped in 7 local municipalities, and the negative value of development dropped in 91 local municipalities.

According to data from 2006 Ozolaine parish of Rezekne district had the first place in the region's ranking table. Balvi had the second place followed by both cities of the region – Rezekne and Daugavpils. Increase in population was the determining component, which forms the value of development index, in Ozolaine parish, Balvi and Rezekne stands out of the other local municipalities of the region with comparatively large yield of individual income tax per capita, but Daugavpils – with its low unemployment rate.

Amongst towns and cities Vilaka, Karsava and Subate and its rural territory had the lowest positions in the ranking table of Latgale region local municipalities (62nd, 63rd and 68th place, respectively).

According to data from 2006 Latgale region in general had only 16 local municipalities with the development index with positive value out of 134 or 12% of all towns and cities, counties and parishes of the region. Development index was positive for 13 of them also according to data of 2003. Significant increase in the value of development index was observed in Balvi and Rezekne, and these cities climbed the region's ranking table from 21st to 2nd and from 16th to 3rd place, respectively.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Varkava parish	Preili	-0.573	-0.784	-1.073	-1.117	78	87	74	71
Udrisi parish	Kraslava	-0.251	-0.822	-0.916	-1.118	43	90	63	72
Pusmucova parish	Ludza	-0.397	-0.139	-0.653	-1.147	51	31	41	73
Mezvidi parish	Ludza	-1.355	-0.647	-1.362	-1.159	124	75	89	74
Auleja parish	Kraslava	-0.801	-0.844	-1.407	-1.184	91	91	93	75
Cibla county	Ludza	-0.447	-0.541	-1.020	-1.203	58	63	69	76
Ilzeskalns parish	Rezekne	-0.266	-0.456	-0.945	-1.218	45	58	67	77
Kaunata parish	Rezekne	-0.413	-0.643	-1.305	-1.220	54	74	85	78
Varkava county	Preili	-0.654	-0.865	-1.439	-1.224	85	92	96	79
Sutri parish	Preili	-0.340	-0.992	-1.387	-1.242	48	97	91	80
Vilani parish	Rezekne	-0.250	-0.425	-0.963	-1.242	42	57	68	81
Andrupene parish	Kraslava	-0.612	-0.982	-1.205	-1.280	79	96	77	82
Viksna parish	Balvi	-0.567	-0.670	-1.344	-1.293	77	80	87	83
Bikernieki parish	Daugavpils	-0.478	-0.523	-0.942	-1.293	65	60	66	84
Kastulina parish	Kraslava	-0.558	-0.712	-1.269	-1.297	76	82	81	85
Kombuli parish	Kraslava	-0.544	-0.807	-1.238	-1.314	75	88	79	86
Tilza parish	Balvi	-1.652	-1.084	-1.457	-1.318	131	104	99	87
Nautreni parish	Rezekne	-0.989	-0.998	-1.488	-1.355	108	99	101	88
Medneva parish	Balvi	-1.076	-1.424	-1.575	-1.385	110	129	103	89
Merdzene parish	Ludza	-0.403	-0.316	-1.228	-1.392	53	44	78	90
Sokolki parish	Rezekne	-0.532	-1.163	-1.345	-1.411	74	111	88	91
Skaune parish	Kraslava	-0.022	-0.570	-1.053	-1.415	28	68	73	92
Skilbeni parish	Balvi	-0.167	-0.650	-1.290	-1.468	35	76	84	93
Silmala parish	Rezekne	-1.236	-1.103	-1.417	-1.480	117	105	95	94
Rikava parish	Rezekne	-0.489	-0.338	-1.188	-1.526	67	48	76	95
Svarini parish	Kraslava	-0.622	-1.078	-1.372	-1.530	81	103	90	96
Pureni parish	Ludza	-0.529	-0.666	-1.669	-1.542	72	79	113	97
Krisjani parish	Balvi	-1.099	-1.137	-1.650	-1.571	111	108	112	98
Feimani parish	Rezekne	-1.146	-1.140	-1.635	-1.582	114	109	109	99
Robeznieki parish	Kraslava	-0.906	-0.868	-1.274	-1.585	97	93	82	100
Berzpils parish	Balvi	-0.919	-1.192	-1.592	-1.593	101	112	105	101
Berzini parish	Kraslava	-0.530	-0.653	-1.609	-1.605	73	77	107	102
Struzani parish	Rezekne	-1.283	-1.297	-1.805	-1.610	119	121	118	103
Briezuciems parish	Balvi	-1.311	-1.306	-1.866	-1.623	121	123	121	104
Kantinieki parish	Rezekne	-0.927	-0.997	-1.460	-1.639	102	98	100	105
Asune parish	Kraslava	-0.688	-1.234	-1.824	-1.648	87	119	120	106
Izvalta parish	Kraslava	-0.930	-1.110	-1.412	-1.651	103	106	94	107
Rundeni parish	Ludza	-1.223	-1.004	-1.973	-1.651	116	100	125	108
Andzeli parish	Kraslava	-0.192	-0.774	-1.339	-1.685	39	85	86	109
Goliseva parish	Ludza	-1.207	-1.591	-1.589	-1.711	115	131	104	110
Kalniesi parish	Kraslava	-0.613	-1.278	-1.758	-1.721	80	120	117	111
Lazdukalns parish	Balvi	-0.916	-1.218	-1.678	-1.770	100	116	114	112
Istra parish	Ludza	-0.940	-1.232	-1.818	-1.838	105	118	119	113
Pusa parish	Rezekne	-1.397	-1.204	-1.490	-1.848	126	113	102	114
Skaista parish	Kraslava	-0.813	-1.117	-1.636	-1.857	92	107	110	115
Makonkalns parish	Rezekne	-1.395	-1.227	-1.454	-1.870	125	117	97	116
Nirza parish	Ludza	-1.397	-0.629	-1.456	-1.873	127	73	98	117
Nuksi parish	Ludza	-0.698	-0.705	-1.606	-1.937	88	81	106	118
Indra parish	Kraslava	-0.912	-1.302	-1.732	-1.945	99	122	115	119
Lauderi parish	Ludza	-0.840	-0.972	-1.611	-1.949	93	95	108	120
Graveri parish	Kraslava	-0.936	-1.047	-1.884	-1.951	104	102	123	121
Pasiene parish	Ludza	-1.311	-1.384	-2.123	-1.971	122	127	128	122
Kepova parish	Kraslava	-1.298	-1.218	-2.325	-1.972	120	115	133	123
Kuprava parish	Balvi	-1.797	-1.882	-2.351	-2.006	132	134	134	124
Piedruja parish	Kraslava	-0.760	-1.034	-1.643	-2.009	90	101	111	125
Susaji parish	Balvi	-1.281	-1.396	-1.961	-2.035	118	128	124	126
Ambeli parish	Daugavpils	-1.967	-1.145	-1.738	-2.050	134	110	116	127
Brigi parish	Ludza	-0.483	-1.380	-1.876	-2.096	66	125	122	128
Skeltova parish	Kraslava	-1.508	-1.651	-2.275	-2.116	129	132	131	129
Malnava parish	Ludza	-1.345	-1.382	-2.161	-2.143	123	126	129	130
Salnava parish	Ludza	-1.535	-1.361	-2.058	-2.359	130	124	127	131
Pilda parish	Ludza	-1.124	-1.212	-1.991	-2.457	112	114	126	132
Vecumi parish	Balvi	-1.491	-1.587	-2.278	-2.475	128	130	132	133
Baltinava parish	Balvi	-1.928	-1.796	-2.240	-2.581	133	133	130	134

Table 48. Development index and ranking of towns and cities, parishes, and counties of Latgale planning region using data from 2003-2006.

In the period of 2003-2006 Kraslava county (climbed the ranking from 29th to 9th place), Ludza (from 44th to 11th place) and Stolerova parish of Rezekne district (from 60th to 14th place) were the three local municipalities of Latgale region, to whom the value of the development index turned from negative to positive. As the positive value of the development index reduced, Griskani parish of Rezekne district dropped from 3rd to 5th place, Veremi parish of Rezekne district – from 4th to 8th place, Kalkune parish of Daugavpils district – from 8th to 13th place. A significant drop in the value of development index and consequent decline in the ranking table was observed for Skaune parish of Kraslava district (from 28th to 92nd place) and Andzeli parish of Kraslava district (from 39th to 109th place), and in Brigas parish of Ludza district (from 66th to 128th place).

Positive change in development described the local municipalities which improved the value of the negative index and climbed the ranking table, for instance, Dagda (from 107th to 30th place), Vilani (from 113th to 46th place), Luznava parish of Rezekne district (from 89th to 31st place), and Kalupe parish of Daugavpils district (from 70th to 24th place).The lowest development index in the Latgale region in general was observed in parishes of Balvi, Ludza and Kraslava districts. Baltinava and Vecumi parishes in Balvi district, and Pilda, Salnava and Malnava parishes in Ludza district dominated the last places in the region's ranking table.

The local municipalities where the value of the development index turned from positive to negative within the four years should be noted in particular. Ozolmuiza parish in Rezekne district (from 2nd to 21st place), Aglona parish in Preili district (from 9th to 57th place), Berzkalne parish of Balvi district (from 10th to 47th place), and Ezernieki parish in Kraslava district (from 23rd to 70th place) experienced the most significant decline in the ranking.

Several territories of local municipalities of Latgale region particularly stand out with considerable change in the development index value and their movement in the ranking table within 2003-2006. Dagda climbed the ranking table by 77 places, but Andzeli parish in Kraslava district dropped by 70 places (see Table 48 and Figure 59).

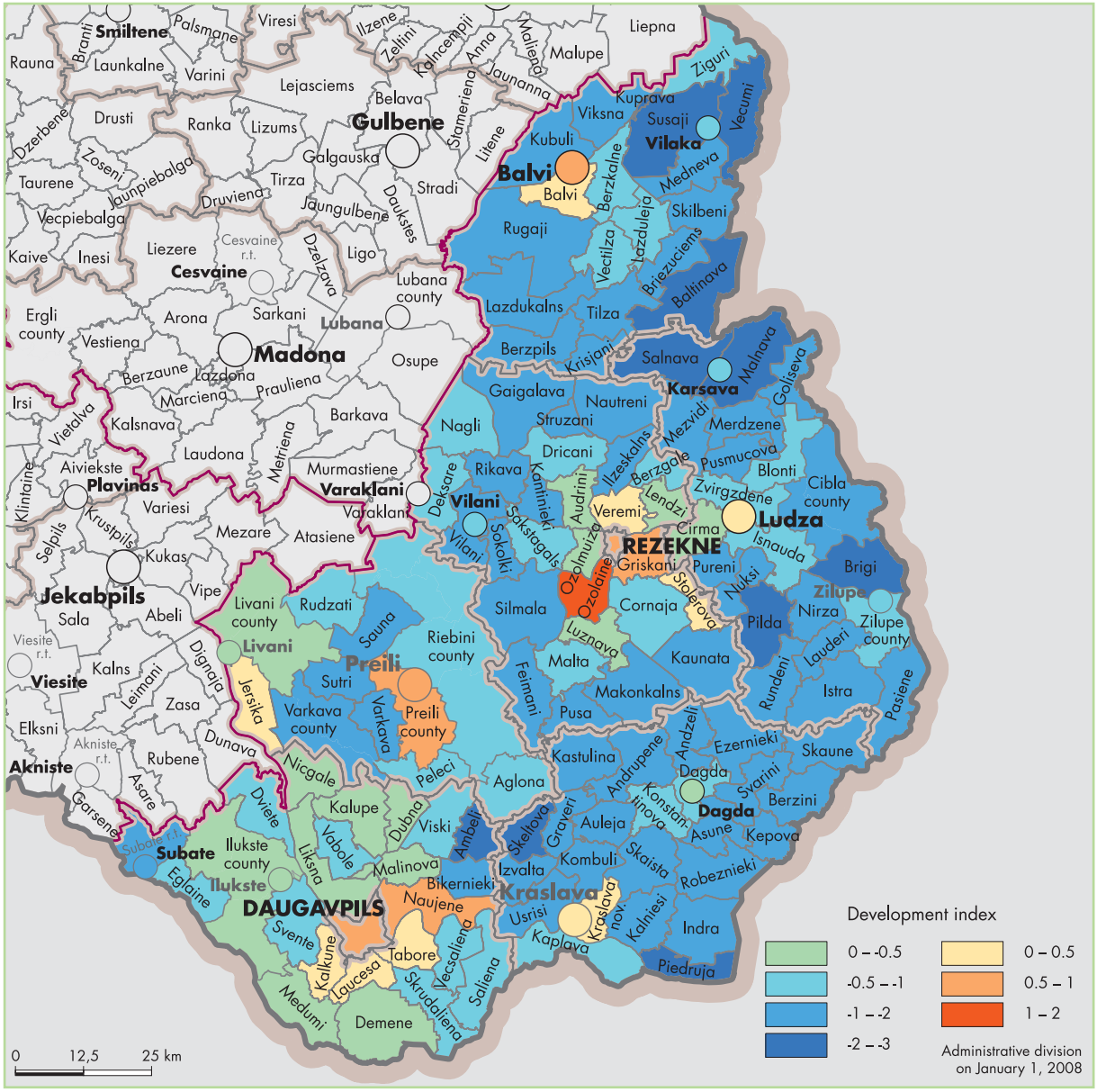

Figure 59. Development index of towns and cities, parishes, and counties of Latgale planning region using data from 2006.

RIGA PLANNING REGION

Unemployment Rate

At the beginning of 2007 in towns and cities of Riga region the average unemployment rate was 3.1%, but in rural areas – 3.3%. In the group of towns and cities and the rural areas of Riga region the indicators of unemployment rate were the lowest ones amongst the respective groups comparing with other regions, and they were considerably lower than in towns and cities and parishes in the country on average – the respective indicators were 4.1% and 6.0%.

Amongst the towns and cities of Riga region at the beginning of 2007 the lowest unemployment rate was registered in the territories of Riga and Ogre districts – Baldone and its rural territory (1.8%), Kegums and Ikskile counties (2.6% in each), and Saulkrasti and its rural territory (3.0%). Unemployment rate reached 2.9% in Riga and 4.0% in Jurmala. The highest unemployment rate amongst the towns and cities of Riga region was registered in Salacgriva and its rural territory (5.6%) and Limbazi (5.3%).

In rural local municipalities of Riga region the unemployment rate fluctuated within the limits of 2.0-6.0% at the beginning of 2007. Zante parish of Tukums district was the exception, its unemployment rate (12.1%) exceeded the average indictor of rural local municipalities of the region four times. Unemployment rate did not exceed the limit of 3.0% in 21 rural local municipality of Riga region. The lowest unemployment rate was registered in Dzukste parish of Tukums district (1.9%), Sala parish of Riga district (2.2%), Garkalne county of Riga district (2.4%), and in Umurga parish of Limbazi district (2.3%).

Within the four years the unemployment rate dropped in the group of towns and cities of Riga region by 0.7 percentage points, but in rural local municipalities – by 0.4 percentage points. The most significant decrease in unemployment rate was observed in the parishes of Tukums and Limbazi districts – Jaunsati (4.7 percentage points) and Zante (3.4 percentage points) parishes of Tukums district, and Limbazi parish of Limbazi district (3.2 percentage points).

Within the period 2003-2006 in Riga region the disparity between the highest and lowest unemployment rate dropped in the group of towns and cities – from 4.1 to 3.2 times, but it increased in the group of parishes – from 6.2 to 6.4 times.

Individual Income Tax

In 2006 in the towns and cities of Riga region the yield of individual income tax per capita in the budgets of local municipalities was LVL 284.30 on average, but in rural areas – LVL 224.70 on average. In the group of towns and cities and in the group of rural territories of Riga region the average indicators exceeded the respective indicators of the country (LVL 246.50 and LVL 141.40); the individual income tax per capita settled in the budgets of local municipalities exceeded the country's average in rural areas 1.6 times.

The highest settlements of individual income tax per capita were settled in the budgets of local municipalities in the group of towns and cities of Riga region were registered in 2006 in Ikskile country (LVL 305.50) and Balozi (LVL 303.70). Riga had the third best indicator in the group of owns and cities – LVL 296.20, it was followed by Jurmala (LVL 276.90) and Sigulda county (LVL 270.70). Amongst the towns and cities the lowest yield of individual income tax per capita in the budgets of local municipalities was registered in Staicele and its rural territory (LVL 105.10) and Kandava county (LVL 124.20).

In rural local municipalities of Riga region the yield of individual income tax per capita in the budgets of local municipalities fluctuated within the limits of LVL 60-350. The lowest indicators are characteristic of the rural local municipalities of Limbazi and Tukums districts, but the highest – of rural territories of Riga district.

In 2006 the largest yields of individual income tax per capita in the budgets of local municipalities were within the limits of LVL 300-350, but in 2005 – within the limits of LVL 200-235. The largest amounts of individual income tax per capita were settled in 2006 in Garkalne county of Riga district (LVL 350.50), Kekava (LVL 331.90), Babite (LVL 319.90) and Incukalns (LVL 317.60) parishes of Riga region. These local municipalities had the highest value of the indicator not only amongst the local municipalities of Riga region but also amongst all local municipalities of Latvia. The individual income tax per capita above LVL 300 was registered also in Carnikava (LVL 302.60) and Adazi (LVL 301.30) counties of Riga district.

The smallest amounts of individual income tax per capita were settled in 2006 in the region in Braslava parish of Limbazi district (LVL 60.10), Jaunsati (LVL 79.00), Vane (LVL 79.30), Viesati (LVL 88.70) and Degole (LVL 92.60) parishes of Tukums district.

In Riga region 63 local municipalities out of 75, or 84% of all the territories of the region, failed to reach the average yield of individual income tax settlements, namely, 16 towns and cities and 47 rural local municipalities representing considerable disparities amongst Riga, its vicinity and the other local municipalities of the region.In 2006 the difference between the largest and smallest yield of individual income tax per capita in the budgets of local municipalities was 5.8 times in parishes and rural counties, but in towns and cities – 2.9 times

Demographic Burden

At the beginning of 2007 in the towns and cities of Riga region there were 514.0 children and retirement age inhabitants per 1 000 working age inhabitants

on average, in parishes – 520.6. Comparing with the respective groups in other regions, the territories of Riga region have the second lowest indicators of demographic burden on average in the group of towns and cities and the lowest indicators in the group of rural local municipalities.

At the beginning of 2007 in the Riga region the lowest demographic burden was observed in the local municipalities of Riga district – in the group of towns and cities – in Balozi (385.0), Vangazi (465.7) and Salaspils county (466.3), – in the group of rural local municipalities – Olaine parish (434.0), Adazi county (437.6) and Sala parish (444.4). Low demographic burden also described the Viesati parish of Tukums district (479.2).

In 2007 the highest level of demographic burden in the group of towns and cities of Riga region was observed in Staicele and its rural territory with 679.6 children, adolescents and pensioners per 1 000 working age inhabitants, in Saulkrasti and its rural territory – 614.2 and Kandava county – 590.9. In the group of parishes the largest demographic burden was registered in Jaunsati parish of Tukums district (659.5) and Vilkene parish of Limbazi district (649.8).

The difference between the lowest and the highest demographic burden in the local municipalities of the group of towns and cities of Riga region remained at the beginning of 2007 in the level of the beginning of 2004 (1.8 times), in the local municipalities of the group of parishes it slightly dropped from 1.7 times to 1.5 times.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Garkalne county	Riga	1.679	1.964	2.349	2.772	1	1	1	1
Balozi	Riga	0.881	1.388	1.474	1.496	6	2	2	2
Babite parish	Riga	0.861	1.098	1.180	1.256	7	5	4	3
Adazi county	Riga	1.352	1.174	0.910	1.158	2	4	8	4
Sala parish	Riga	0.443	1.225	1.355	1.082	11	3	3	5
Marupe parish	Riga	0.021	0.775	0.798	1.032	17	10	9	6
Carnikava county	Riga	1.048	0.874	0.979	1.007	5	8	6	7
Ikskile county	Ogre	0.720	1.007	0.967	0.868	8	6	7	8
Kekava parish	Riga	1.187	0.984	1.069	0.856	4	7	5	9
Stopini county	Riga	1.236	0.826	0.645	0.846	3	9	10	10
Olaine parish	Riga	0.492	0.510	0.247	0.618	10	11	12	11
Ropazi county	Riga	0.438	0.199	0.021	0.350	12	13	15	12
Riga	-	0.180	0.184	0.207	0.211	14	14	13	13
Baldone and its r.t.	Riga	0.217	-0.134	-0.135	0.183	13	17	20	14
Kegums county	Ogre	0.062	0.137	0.284	0.171	15	15	11	15
Incukalns county	Riga	-0.049	-0.231	-0.433	0.113	22	21	26	16
Salaspils county	Riga	0.660	0.316	-0.142	-0.023	9	12	21	17
Lapmezciems county	Tukums	-0.028	-0.620	0.138	-0.191	21	32	14	18
Ogre county	Ogre	-0.367	0.097	-0.051	-0.280	27	16	17	19
Daugmale parish	Riga	-0.204	-0.558	-0.541	-0.362	26	30	31	20
Olaine	Riga	-0.182	-0.248	-0.634	-0.420	25	22	33	21
Sigulda county	Riga	-0.026	-0.208	-0.128	-0.433	20	19	18	22
Seja county	Riga	-0.120	-0.360	-0.221	-0.455	23	25	22	23
Jurmala	-	-0.878	-0.652	-0.697	-0.482	40	33	34	24
Saulkrasti and its r.t.	Riga	-0.138	-0.219	-0.013	-0.533	24	20	16	25
Jumprava parish	Ogre	-0.510	-0.367	-0.308	-0.544	29	26	24	26
Vangazi	Riga	0.019	-0.294	-0.491	-0.554	18	23	28	27
Krimulda parish	Riga	-0.708	-0.429	-0.505	-0.617	35	29	29	28
Lielvarde county	Ogre	-0.025	-0.190	-0.258	-0.625	19	18	23	29
Tume parish	Tukums	-0.549	-1.133	-1.130	-0.721	31	41	43	30
Malpils parish	Riga	0.046	-0.344	-0.575	-0.796	16	24	32	31
Allazi parish	Riga	-0.580	-0.721	-0.520	-0.893	32	35	30	32
Suntazi parish	Ogre	-0.512	-0.686	-0.424	-0.899	30	34	25	33
Mazozoli parish	Ogre	-1.016	-1.658	-1.846	-0.917	42	51	62	34
Dzukste parish	Tukums	-1.444	-1.981	-1.337	-0.968	52	64	46	35
Viesatas parish	Tukums	-1.239	-1.055	-0.779	-0.972	46	39	36	36
Birzgale parish	Ogre	-1.474	-1.300	-0.906	-0.975	54	43	39	37
Engure parish	Tukums	-0.438	-0.416	-0.900	-1.020	28	27	38	38
Ledurga parish	Limbazi	-1.237	-1.410	-1.742	-1.037	45	45	57	39
Mengele parish	Ogre	-1.640	-1.908	-1.766	-1.051	59	63	59	40
Keipene parish	Ogre	-0.676	-0.791	-1.257	-1.099	33	36	44	41
Tukums	Tukums	-0.706	-0.617	-0.949	-1.100	34	31	40	42
Slampe parish	Tukums	-0.736	-0.935	-0.831	-1.258	36	38	37	43
Irlava parish	Tukums	-1.423	-1.792	-1.701	-1.300	51	58	56	44
Limbazi parish	Limbazi	-1.800	-1.771	-1.816	-1.323	62	56	61	45
Krape parish	Ogre	-1.148	-1.862	-0.488	-1.404	44	61	27	46

Population Change

During the period from the beginning of 2002 to the beginning of 2007 the population in the towns and cities of Riga region reduced slightly less rapidly than in the towns and cities of the country on average (by 2.2% and 2.6%, respectively). But the population change in rural local municipalities of the region took place in the opposite, namely, in positive direction. The population of parishes and rural counties of Riga region increased by 10 000 or 7.3% (it dropped by 3.1% in rural areas of Latvia).

In the group of towns and cities of the region the population increased in 11 local municipalities, most considerably – in Ikskile county – by 17.7%, Balozi – 17.0%, Baldone and its rural territory – 8.3%, and Saulkrasti and its rural territory – 7.3%. Considering the indicators of the population growth, also Lielvarde county (population increased by 4.7%), Tukums (2.1%), Salaspils county (3.2%), Sigulda county (2.4%) Ogre county (2.2%) and Kegums county (0.8%) seemed appealing to inhabitants.

In rural areas of Riga the increase in population within the five years was observed in 20 territories of local municipalities. The increase fluctuated from 2 to 2 200 people, but at the beginning of 2007 against the beginning of 2002 – from 0.1% even up to 57.0%. The rural territories most attractive for inhabitants included 14 local municipalities of Riga district, in Tukums district – 5, and one local municipality of Limbazi district. The most considerable increase in population took place within the five years in Garkalne county of Riga district, where the population increased by 57.0%. The population also considerably grew in Marupe (25.0%) and Olaine (21.9%) parishes, Adazi (21.4%) and Carnikava (21.3%) counties, and Babite parish (20.9%) of Riga district. Additionally to the local municipalities of Riga district the population also considerably increased in Seme parish and in Lapmezciems county of Tukums district (by 15.3% and 6.6%, respectively). Population of Skulte parish of Limbazi district increases only by 0.1%.

In the period from 2002 to the beginning of 2007 the population reduced in 9 local municipalities

of the towns and cities of Riga region. The most significant reduction in population was observed in the towns of Limbazi district – Ainazi and its rural territory (12.9%), Aloja and its rural territory (6.5%) and Staicele and its rural territory (5.4%). In Riga the population reduced by 25 000 or 3.3%, and it significantly influenced the average indicator of population change of the region. In the rural areas of the region the Brivzemnieki (19.7%) and Braslava (12.3%) parishes of Limbazi district, Mengele (13.1%) and Mazozoli (11.8%) parishes of Ogre district, and Zentene parish (12.3%) of Tukums district stood out with the most significant reduction in population. Negative change in population of the region affected 35 rural local municipalities within the recent five years.

Development Index of Regional Territories

In the period from 2003 to 2006 in one local municipality of Riga region the value of the development index turned from negative to positive, in 9 local municipalities the positive value of development index increased, and in 17 local municipalities the negative value of development index increased. Negative movement of the development was represented in 3 local municipalities, where the value of development index turned from positive to negative, 6 local municipalities, where the value of positive development index dropped, and 39 more local municipalities where the negative value of development index reduced.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Seme parish	Tukums	-1.712	-1.783	-1.258	-1.412	60	57	45	47
Ledmane parish	Ogre	-0.992	-1.301	-1.540	-1.423	41	44	50	48
Smarde parish	Tukums	-0.759	-1.105	-1.814	-1.563	37	40	60	49
Jaunpils parish	Tukums	-1.476	-1.615	-1.491	-1.578	55	50	49	50
Umurga parish	Limbazi	-2.220	-2.569	-2.686	-1.595	69	70	71	51
Limbazi	Limbazi	-1.045	-0.854	-1.347	-1.608	43	37	47	52
Vane parish	Tukums	-1.733	-1.757	-2.371	-1.642	61	55	68	53
Pure parish	Tukums	-1.822	-1.276	-1.089	-1.684	63	42	42	54
Laubere parish	Ogre	-0.797	-0.428	-0.134	-1.687	38	28	19	55
Taurupe parish	Ogre	-1.340	-1.874	-2.266	-1.716	49	62	66	56
Aloja and its r.t.	Limbazi	-1.301	-1.482	-1.635	-1.763	47	48	54	57
Ainazi and its r.t.	Limbazi	-0.800	-2.515	-0.741	-1.806	39	68	35	58
Kandava county	Tukums	-1.594	-1.691	-1.549	-1.809	58	53	51	59
Madliena parish	Ogre	-1.380	-1.683	-1.596	-1.823	50	52	53	60
Skulte parish	Limbazi	-1.512	-1.477	-1.742	-1.871	56	47	58	61
Vidrizi parish	Limbazi	-1.444	-1.529	-1.858	-1.876	53	49	63	62
Lestene parish	Tukums	-1.303	-1.454	-2.966	-2.081	48	46	72	63
Brivzemnieki parish	Limbazi	-1.968	-1.712	-1.565	-2.123	66	54	52	64
Liepupe parish	Limbazi	-2.096	-2.549	-2.311	-2.253	67	69	67	65
Katvari parish	Limbazi	-1.846	-1.837	-1.676	-2.257	65	60	55	66
Salacgriva and its r.t.	Limbazi	-1.581	-3.327	-1.072	-2.394	57	73	41	67
Degole parish	Tukums	-2.228	-1.832	-2.262	-2.516	70	59	65	68
Zentene parish	Tukums	-2.178	-2.443	-1.483	-2.518	68	66	48	69
Jaunsati parish	Tukums	-3.342	-2.502	-3.600	-2.595	74	67	73	70
Braslava parish	Limbazi	-3.175	-2.712	-4.135	-2.597	73	71	74	71
Pale parish	Limbazi	-1.843	-2.031	-2.491	-2.900	64	65	69	72
Staicele and its r.t.	Limbazi	-2.949	-3.428	-2.645	-3.048	72	74	70	73
Vilkene parish	Limbazi	-2.772	-3.180	-2.221	-3.304	71	72	64	74
Zante parish	Tukums	-5.722	-4.419	-6.850	-6.222	75	75	75	75

Table 49. Development index and ranking of towns and cities, parishes, and counties of Riga planning region using data from 2003-2006.

According to data from 2006 the local municipalities of Riga district occupied the first 7 places in the development index ranking table of Riga region. Towns and cities, counties and parishes of Riga district, Riga, and Jurmala together occupied 23 out of 28 highest places of the region's ranking table. Ikskile county of Ogre district took the highest place among the local municipalities of other districts – 8th place. Within all four reviewed years Garkalne county of Riga district took the first position in the ranking table, constantly followed by Balozi during the last three years. According to data from 2006 Riga was in 13th place, but Jurmala – in 24th place.

Within the period of four years Garkalne county (maintained the 1st place), Marupe parish (climbed from 17th to 6th place), Balozi (from 6th to 2nd place), and Sala parish (from 11th to 5th place) stood out with a considerable rise in the development index. But by the decreasing value of development index Stopini county of Riga district dropped in the ranking from 3rd to 10th place, but Kekava parish – from 4th to 9th place.

Incukalns county of Riga district should be noted in particular – within the four years the value of development index turned from negative to positive and the county climbed the ranking table from 22nd to 16th place. By improving the negative value of the development index Jurmala rose from 40th to 24th place, Mengele parish of Ogre parish –from 59th to 40th place, Dzukste parish of Tukums district – from 52nd to 35th place.

By the deterioration of development indicators, in the period of 2003-2006 Salaspils county dropped in the region's ranking table from 9th to 17th place, Vangazi – from 18th to 27th place, and Malpils parish of Riga district – from 16th to 31st place. Ainazi and its rural territory featured even weaker development, dropping it from 39th to 58th place in the region's ranking table, Laubere parish of Ogre district – from 38th to 55th place, Lestene parish of Tukums district dropped from 48th to 63rd place.

According to data from 2006 out of Riga region local municipalities only Limbazi and Tukums occupied the lower half of the ranking table. Zante parish of Tukums district took the last position, its development index negative value was almost half that of Vilkene parish in Limbazi district, which held the penultimate position. The comparatively high unemployment rate had most influence on the development index of Zante parish (see Table 49 and Figure 60).

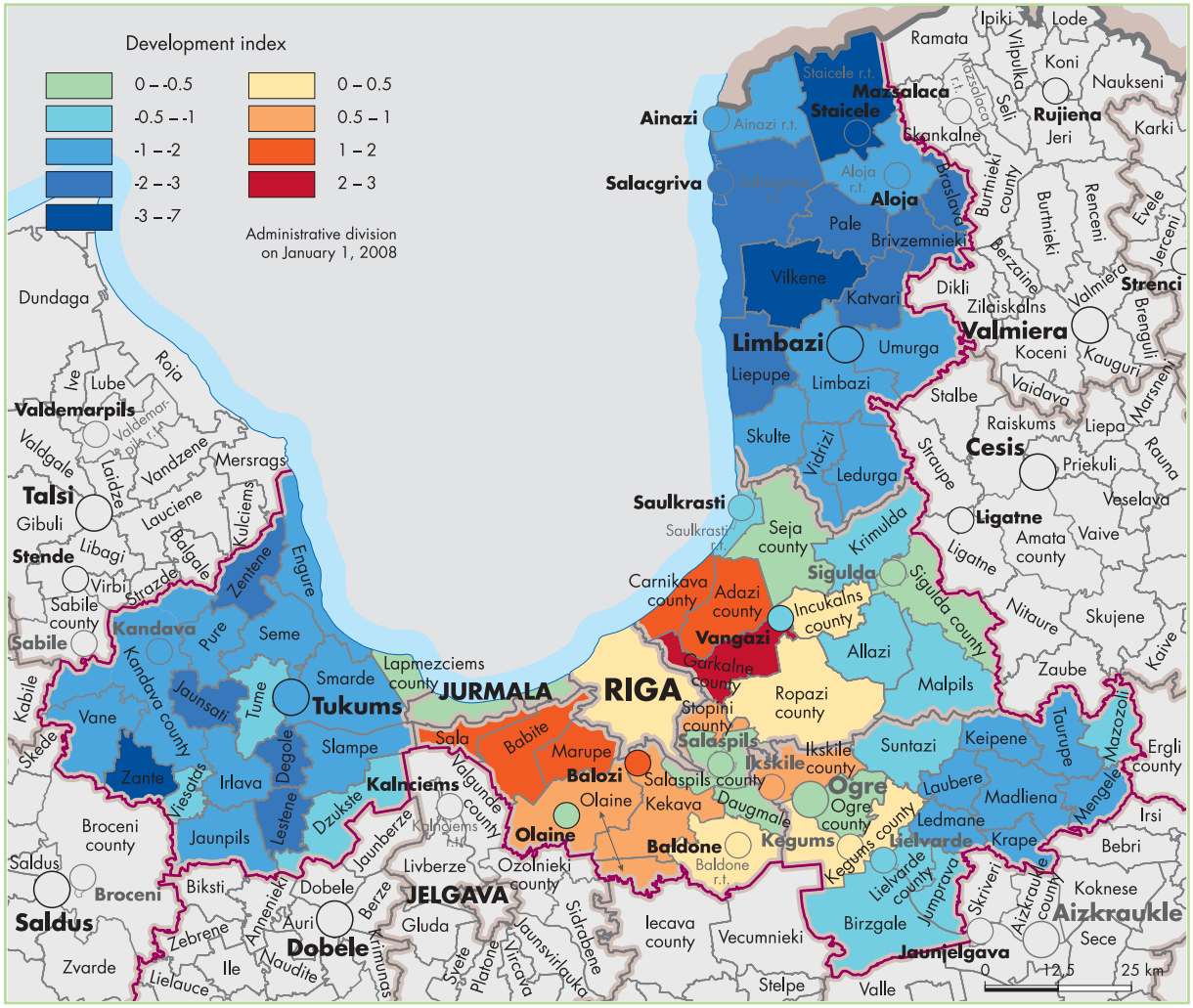

Figure 60. Development index of towns and cities, parishes, and counties of Riga planning region using data from 2006.

VIDZEME PLANNING REGION

Unemployment Rate

Vidzeme region is the only such region amongst the regions of Latvia where at the beginning of 2007 the average unemployment rate was equal both in the group of towns and cities and in the group of rural local municipalities – 7%. The average indicator of unemployment rate in the towns and cities of Vidzeme region was higher than in the towns and cities in the country on average (4.1%), but in rural areas it was below the respective average indicator in the country (6.0%). Comparing with the beginning of 2004 the unemployment rate reduced in the towns and cities of Vidzeme region by 1.8, but in rural areas – by 2.1 percentage points.

At the beginning of 2007 amongst the towns and cities of Vidzeme region low unemployment rate was observed in Ligatne – 2.8%, Rujiena – 3.4%, Valmiera and Cesis – 3.8% in each. In the group of rural areas extremely low unemployment rate was registered at the beginning of 2007 in Smiltene parish in Valka district – 0.5%. Low unemployment rate was also registered in Jaulaicene parish in Aluksne district and Zoseni parish in Cesis district – 1.3% in each, Litene parish in Gulbene district – 2.1%, Marsneni parish – 2.3% and Rauna parish in Cesis district – 2.4%. In terms of employment several territories in Valmiera district also had a favourable situation – parishes in Naukseni (2.7%), Lode (2.7%) and Vaidava (2.8%).

At the beginning of 2007 the unemployment rate exceeded the limit of 10% in four parishes in Vidzeme region. In Varaklani parish the unemployment rate was 11.9%, Osupe parish – 11.7%, Murmastiene parish in Madona district – 11.1%, but the highest indicator was observed in Pededze parish in Aluksne district – 17.6%. Amongst the towns and cities of the region the highest unemployment rate was registered in Varaklani (8.3%) and Seda with its rural territory (8.2%).

In the towns and cities of Vidzeme region at the beginning of 2007 the highest unemployment rate was triple the lowest. A huge difference was observed in the group of rural local municipalities – 34.4 times. The most rapid decrease in the indicator of the lowest unemployment rate from 2.0% at the beginning of 2004 to 0.5% at the beginning of 2007 determined the increase in disparities within the groups of rural areas.

Individual Income Tax

In 2006 the average amount of individual income tax in the budgets of local municipalities constituted LVL 216.30 per capita in the towns and cities of Vidzeme region, but in rural areas – LVL 124.40. Indicators of Vidzeme region were below the respective average indicators of the country (LVL 246.50 and LVL 141.40, respectively).

In 2006 13 towns and cities of Vidzeme region did not reach the average level of towns and cities according to individual income tax and it was exceeded by only three of them – Valmiera (LVL 270.00 per capita), Smiltene (LVL 257.20) and Cesis (LVL 236.40). These towns and cities influenced the average indicator the most in the group of urban local municipalities. The lowest amounts of individual income tax per capita were settled in Ape with its rural territory (LVL 96.80) and in Varaklani (LVL 104.40). Indicators of these towns were below the average indicator of the region's rural territories.

In 2006 in the group of rural territories 78 local municipalities were below the average indicator of the region, but 29 local municipalities exceeded it. Amongst parishes the highest settlements of individual income tax per capita in the budgets of local municipalities were registered in the parishes of Valmiera and Cesis districts. In Priekuli parish in Cesis district LVL 232.40 were settled per capita, in Valmiera parish in Valmiera district – LVL 207.60, Raiskums parish in Cesis district – LVL 198.50. Pededze (LVL 47.00) and Kalncempji (LVL 58.70) parishes of Aluksne district and Varaklani parish in Madona district stood out with the lowest indicators. Small amounts of individual income tax were settled also in other local municipalities in Aluksne district. Gaujiena parish was the exception, where the individual income tax per capita in the budgets of local municipalities (LVL 134.40) exceeded the average extent of the rural areas of the region.

During the analysis period from 2003 to 2006 the amounts of individual income tax increased in all local municipalities of Vidzeme region, and the increase fluctuated within the limits of LVL 28-128 per capita. The largest increase was registered in the towns and cities, which in 2006 had the largest settlements of individual income tax per capita – Valmiera (by LVL 128.00), Smiltene (LVL 126.20) and Cesis (LVL 103.80). In rural areas the largest increase was observed in Raiskums and Priekuli parishes in Cesis district (by LVL 120.70 and LVL 111.00, respectively), Brenguli and Valmiera parishes in Valmiera district (LVL 110.80 and LVL 105.30, respectively). The smallest increase in the amount of individual income tax was observed in the local municipalities in Aluksne and Madona districts – in the group of towns and cities – in Ape with its rural territory (by LVL 42.20 per capita) and Varaklani (LVL 48.50), in the group of rural territories – Anna parish in Aluksne district (LVL 27.60) and Varaklani parish in Madona district (LVL 27.80).

In 2006 in Vidzeme region the difference between the towns and cities by the amount of settled individual income tax per capita in the budgets of local municipalities was 2.8 times, but in the group of region's parishes considerably large contrasts could be observed – the difference reached 4.9 times. Larger differences were observed only amongst the rural local municipalities of Riga planning region.

Demographic Burden

The demographic burden in the groups of towns and cities and parishes of Vidzeme region was on average higher than the national average. At the beginning of 2007 the towns and cities of Vidzeme region had 562.6 children and inhabitants at retirement age on average per 1 000 working age inhabitants, but the parishes had a figure in extent of 567.4 (520.5 and 557.7 in the respective groups of territories in the country). Within the reviewed four years the level of demographic burden considerably reduced in the groups of towns and cities and rural territories.In the group of towns and cities of Vidzeme region the lowest demographic burden at the beginning of 2007 was registered in Valmiera – 523.3, Gulbene – 533.2 and Madona – 542.2. The highest level of demographic burden amongst the towns and cities of the region was registered in Ligatne – 731.2, Varaklani – 729.9 and Mazsalaca with its rural territory – 726.4. The demographic burden of these towns and cities is also the highest amongst all towns and cities of Latvia.

Unfavourable demographic situation can be observed also in Varaklani parish in Madona district, where at the beginning of 2007 there were 778.8 inhabitants below and above the working age per 1 000 working age inhabitants, in Liepna parish in Aluksne district – 775.00 and in Galgauska parish in Gulbene district – 695.2. The indicators of demographic burden of Varaklani and Liepna parishes are amongst the highest indicators of the rural areas of Latvia. The demographic burden exceeding the aforementioned was observed only in Kubuli parish of Balvi district – 795.4. The lowest level of demographic burden can be observed in Valmiera parish in Valmiera district – 425.0, Veselava parish in Cesis district – 458.7 and Stradi parish in Gulbene district – 472.8.

At the beginning of 2007 the lowest and highest indicators of demographic burden in the towns and cities of Vidzeme region differed 1.4 times (as at the beginning of 2004), in parishes of the region – 1.8 times (at the beginning of 2004 – 2.1 times).

Population Change

In the period from the beginning of 2002 to the beginning of 2007 the population reduced in the towns and cities of Vidzeme region by 2.9% on average, but the population of parishes – by 6.0%. The rates of reduction in population were only slightly larger in the towns and cities of the region than in towns

Town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Valmiera parish	Valmiera	1.534	1.178	1.147	1.078	1	1	1	1
Valmiera	Valmiera	0.828	1.055	0.991	1.076	4	2	2	2
Brenguli parish	Valmiera	0.196	-0.157	0.123	0.748	19	46	30	3
Smiltene parish	Valka	-0.181	-0.397	-0.050	0.714	45	69	40	4
Cesis	Cesis	0.632	0.722	0.733	0.673	5	4	3	5
Vaidava parish	Valmiera	0.597	0.600	0.498	0.652	6	6	8	6
Kauguri parish	Valmiera	0.518	0.527	0.442	0.591	8	8	11	7
Amata county	Cesis	0.517	0.354	0.539	0.565	9	14	6	8
Priekuli parish	Cesis	1.134	0.730	0.465	0.491	2	3	10	9
Palsmane parish	Valka	-0.032	0.441	0.619	0.468	35	10	5	10
Veselava parish	Cesis	-0.189	0.003	0.225	0.415	48	34	20	11
Koceni parish	Valmiera	0.286	0.183	0.298	0.414	15	21	16	12
Madona	Madona	0.360	0.296	0.299	0.339	10	18	15	13
Smiltene	Valka	0.913	0.540	0.491	0.318	3	7	9	14
Jaunlaicene parish	Aluksne	-0.290	0.387	0.223	0.309	58	12	21	15
Launkalne parish	Valka	0.589	0.677	0.674	0.303	7	5	4	16
Rauna parish	Cesis	0.112	-0.078	0.116	0.247	26	40	31	17
Gulbene	Gulbene	0.153	0.243	0.208	0.234	24	19	23	18
Raiskums parish	Cesis	-0.121	-0.067	0.068	0.226	41	39	33	19
Varini parish	Valka	-0.030	0.489	-0.047	0.212	34	9	39	20
Marsneni parish	Cesis	-0.366	0.088	0.092	0.199	63	26	32	21
Stradi parish	Gulbene	-0.236	-0.205	-0.019	0.182	53	47	36	22
Vaive parish	Cesis	-0.078	-0.009	0.355	0.168	39	36	13	23
Vecpiebalga parish	Cesis	0.178	0.300	0.226	0.154	23	17	19	24
Straupe parish	Cesis	0.257	0.223	0.397	0.128	16	20	12	25
Aluksne	Aluksne	0.220	0.385	0.315	0.125	17	13	14	26
Rujiena	Valmiera	0.188	0.152	0.160	0.117	21	22	26	27
Skankalne parish	Valmiera	-0.285	-0.294	-0.051	0.108	57	55	41	28
Naukseni parish	Valmiera	0.085	0.023	0.155	0.104	27	32	27	29
Stalbe parish	Cesis	-0.127	0.084	0.170	0.096	43	27	25	30
Zeltini parish	Aluksne	-0.011	0.104	-0.440	0.091	33	25	66	31
Dzerbene parish	Cesis	-0.060	0.124	-0.081	0.085	37	24	47	32
Berzaine parish	Valmiera	0.189	-0.003	-0.103	0.078	20	35	48	33
Berzaune parish	Madona	-0.155	-0.276	-0.065	0.052	44	54	43	34
Gaujiena parish	Aluksne	0.071	0.338	0.219	0.047	28	15	22	35
Taurene parish	Cesis	0.314	-0.274	0.138	0.022	13	52	28	36
Renceni parish	Valmiera	0.220	0.071	0.243	0.022	18	28	18	37
Jeri parish	Valmiera	0.184	0.012	-0.035	0.008	22	33	38	38
Ligatne parish	Cesis	0.346	0.311	0.245	-0.001	12	16	17	39
Jaunpiebalga parish	Cesis	-0.185	-0.058	-0.075	-0.018	47	38	44	40
Sarkani parish	Madona	-0.677	-0.272	0.125	-0.035	89	51	29	41
Litene parish	Gulbene	-0.279	0.054	-0.078	-0.042	56	29	46	42
Dikli parish	Valmiera	-0.554	-0.520	-0.522	-0.045	81	77	69	43
Branti parish	Valka	0.348	0.413	0.510	-0.053	11	11	7	44
Lizums parish	Gulbene	-0.182	-0.303	-0.075	-0.068	46	57	45	45
Valka	Valka	0.288	0.040	0.015	-0.076	14	31	35	46
Lode parish	Valmiera	0.065	-0.155	-0.106	-0.081	29	45	49	47
Liepa parish	Cesis	0.027	-0.018	0.062	-0.098	32	37	34	48
Blome parish	Valka	-0.218	-0.083	0.204	-0.112	52	41	24	49
Lazdona parish	Madona	-0.063	-0.267	-0.108	-0.119	38	50	50	50
Jaunanna parish	Aluksne	-0.561	-0.382	-0.227	-0.134	82	66	55	51
Vijciems parish	Valka	-0.362	-0.321	-0.598	-0.141	62	60	77	52
Zilaiskalns parish	Valmiera	-0.445	-0.360	-0.244	-0.196	69	63	56	53
Jaungulbene parish	Gulbene	-0.450	-0.141	-0.988	-0.197	70	43	104	54
Cesvaine and its r.t.	Madona	-0.203	-0.208	-0.335	-0.207	51	48	58	55
Kalsnava parish	Madona	-0.196	-0.154	-0.145	-0.252	50	44	51	56
Grundzale parish	Valka	-0.564	-0.478	-0.452	-0.257	83	74	67	57
Marciena parish	Madona	-1.103	-1.264	-0.949	-0.262	108	111	100	58
Vestiena parish	Madona	-0.439	-0.563	-0.617	-0.293	68	80	78	59
Prauliena parish	Madona	-0.437	-0.359	-0.381	-0.296	67	62	62	60
Bilska parish	Valka	-0.594	-0.337	-0.412	-0.316	87	61	65	61
Viresi parish	Aluksne	-0.126	0.150	-0.053	-0.355	42	23	42	62
Strenci	Valka	-1.113	-0.382	-0.354	-0.379	109	65	59	63
Arona parish	Madona	-0.336	-0.412	-0.666	-0.404	61	70	83	64
Vilpulka parish	Valmiera	0.047	-0.130	-0.412	-0.410	31	42	64	65
Ranka parish	Gulbene	-0.039	-0.437	-0.204	-0.444	36	71	54	66
Koni parish	Valmiera	-0.473	-0.276	-0.272	-0.466	73	53	57	67
Ziemeri parish	Aluksne	-0.433	-0.450	-0.355	-0.483	66	72	60	68
Alsviki parish	Aluksne	-0.456	-0.369	-0.565	-0.488	71	64	75	69
Inesi parish	Cesis	-0.255	-0.296	-0.406	-0.490	54	56	63	70

and cities in the country on average (2.6%), but in the parishes of the region the population reduced twice as rapidly than in rural local municipalities in Latvia on average (3.1%).

Within the five years the population reduced in all towns and cities of Vidzeme region except for Valmiera, by 3 100 in total. The most significant reduction in population in the group of region's towns and cities was observed in Ligatne – 10.4%, Strenci – 9.9%, and Ape with its rural territory – 9.8%. In Valmiera the population increased only slightly – by 113 inhabitants or 0.4%.

Within the reviewed period in regional rural territories the population reduced in 98 local municipalities by 8 600 inhabitants in total, at most – in Kalncempji (21.4%), Veclaicene (15.2%) and Markalne (14.9%) parishes of Aluksne district, Ipiki parish of Valmiera district (19.4%) and Ligo parish of Gulbene district (14.8%). Positive change in population took place in 9 rural local municipalities of Vidzeme region, where the population increased only by 114 inhabitants in total. The largest increase in population within the five years was registered in Zilaiskalns (2.9%) and Kauguri (2.3%) parishes in Valmiera district, and Varini parish in Valka district (1.3%).

Development Index of Regional Territories

Within the reviewed period from 2003 to 2006 positive development movement emerged in 14 local municipalities in Vidzeme planning region, which featured a negative value of development index turning into a positive one, in 10 local municipalities the positive value of development index increased, and in 31 local municipalities the negative value of development index increased. 8 local municipalities featured negative development, whose value of development index turned from positive into negative, in 14 local municipalities the positive value of development index decreased, and the negative value of development index reduced in 46 local municipalities.

Within the entire reviewed period Valmiera parish in Valmiera district was the leader in Vidzeme region by development index. Valmiera City slightly lagged behind Valmiera parish and it took second place in the region's ranking table in the recent three years. According to data of 2006 Brenguli parish in Valmiera district had the third place. The region's second largest city Cesis took 5th place, Smiltene parish in Valka district was one place above Cesis in the ranking. Amongst the towns and cities of Vidzeme region Varaklani had the lowest development index, which meant 116th place for Varaklani in the ranking table of the region.

Town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Burtnieki county	Valmiera	-0.196	0.041	-0.157	-0.516	49	30	52	71
Zoseni parish	Cesis	-0.856	-0.702	-0.542	-0.522	94	85	70	72
Zaube parish	Cesis	-0.991	-1.509	-0.904	-0.534	101	116	98	73
Trapene parish	Aluksne	-0.424	-0.875	-1.129	-0.538	65	91	109	74
Metriena parish	Madona	-1.041	-0.853	-0.926	-0.539	105	90	99	75
Burtnieki parish	Valmiera	-0.401	-0.576	-0.700	-0.554	64	81	84	76
Seli parish	Valmiera	-0.096	-0.459	-0.785	-0.560	40	73	92	77
Ligatne	Cesis	0.137	-0.633	-0.646	-0.561	25	83	80	78
Jaunaluksne parish	Aluksne	-0.554	-0.490	-0.954	-0.571	80	76	102	79
Lejasciems parish	Gulbene	-0.590	-0.479	-0.648	-0.586	86	75	81	80
Daukstes parish	Gulbene	-0.525	-0.390	-0.033	-0.589	77	68	37	81
Lubana county	Madona	-0.513	-0.560	-0.653	-0.604	76	78	82	82
Liezere parish	Madona	-0.927	-0.211	-0.370	-0.610	98	49	61	83
Ergli county	Madona	-0.508	-0.610	-0.748	-0.638	75	82	87	84
Barkava parish	Madona	-1.045	-1.030	-0.854	-0.666	107	100	96	85
Trikata parish	Valka	-0.466	-0.930	-0.549	-0.710	72	93	73	86
Nitaure parish	Cesis	0.048	-0.313	-0.174	-0.775	30	59	53	87
Drusti parish	Cesis	-0.482	-1.016	-0.758	-0.808	74	99	89	88
Ramata parish	Valmiera	-0.308	-1.192	-0.559	-0.881	60	108	74	89
Mazsalaca and its r.t.	Valmiera	-0.768	-0.765	-0.953	-0.896	91	87	101	90
Zvartava parish	Valka	-0.548	-0.561	-0.837	-0.920	78	79	94	91
Skujene parish	Cesis	-1.044	-1.156	-1.067	-0.922	106	106	106	92
Valka parish	Valka	-0.258	-0.383	-0.644	-0.925	55	67	79	93
Anna parish	Aluksne	-0.585	-1.155	-0.544	-0.941	85	105	71	94
Belava parish	Gulbene	-0.841	-0.793	-0.736	-0.945	93	88	86	95
Ipiki parish	Valmiera	-0.877	-0.985	-0.977	-1.004	95	95	103	96
Seda and its r.t.	Valka	-0.302	-0.995	-0.755	-1.006	59	96	88	97
Maliena parish	Aluksne	-0.946	-1.044	-1.197	-1.009	99	102	114	98
Plani parish	Valka	-0.564	-0.307	-0.544	-1.010	84	58	72	99
Ergeme parish	Valka	-0.768	-1.041	-0.780	-1.012	90	101	91	100
Markalne parish	Aluksne	-0.970	-0.995	-1.158	-1.037	100	97	112	101
Laudona parish	Madona	-1.660	-1.803	-1.546	-1.050	120	120	117	102
Tirza parish	Gulbene	-0.652	-0.710	-0.510	-1.085	88	86	68	103
Evele parish	Valka	-1.170	-1.235	-0.763	-1.123	113	110	90	104
Stameriena parish	Gulbene	-0.913	-1.130	-1.006	-1.155	96	104	105	105
Kaive parish	Cesis	-1.162	-1.352	-0.708	-1.157	112	113	85	106
Ape and its r.t.	Aluksne	-1.566	-1.182	-1.148	-1.168	117	107	111	107
Jerceni parish	Valka	-1.196	-1.220	-0.852	-1.179	114	109	95	108
Dzelzava parish	Madona	-0.815	-0.921	-0.858	-1.219	92	92	97	109
Ilzene parish	Aluksne	-1.018	-1.011	-0.819	-1.220	104	98	93	110
Veclaicene parish	Aluksne	-0.999	-1.089	-1.094	-1.243	102	103	107	111
Ligo parish	Gulbene	-1.128	-1.297	-1.315	-1.277	110	112	116	112
Galgauska parish	Gulbene	-1.388	-1.404	-1.222	-1.361	115	114	115	113
Druviena parish	Gulbene	-0.549	-0.845	-0.566	-1.379	79	89	76	114
Malupe parish	Aluksne	-1.005	-1.429	-1.190	-1.517	103	115	113	115
Varaklani	Madona	-1.639	-1.526	-1.880	-1.543	119	117	120	116
Karki parish	Valka	-0.921	-0.941	-1.140	-1.603	97	94	110	117
Kalncempji parish	Aluksne	-1.138	-0.665	-1.094	-1.604	111	84	108	118
Liepna parish	Aluksne	-1.437	-1.581	-1.672	-1.670	116	118	118	119
Murmastiene parish	Madona	-1.616	-1.655	-1.790	-1.925	118	119	119	120
Osupe parish	Madona	-1.823	-2.054	-2.270	-2.089	121	121	121	121
Varaklani parish	Madona	-2.359	-2.086	-2.431	-2.384	122	122	122	122
Pededze parish	Aluksne	-2.691	-2.736	-3.012	-3.278	123	123	123	123

Table 50. Development index and ranking of towns and cities, parishes, and counties of Vidzeme planning region using data from 2003-2006.

Pededze parish of Aluksne district took the last position in the ranking table during the entire reviewed period. Also Varaklani, Osupe and Murmastiene parishes in Madona district and Liepna and Kalncempji parishes in Aluksne district occupy the lowest part of the ranking table. Development index was negative in Pededze and Varaklani parishes mostly due to the high unemployment rate and small settlements of individual income tax; Varaklani parish stands out of the entire country also with its very high level of demographic burden.

According to data of 2006 in Vidzeme region 38 local municipalities or 31% of the total number of local municipalities of the region had a positive value of development index.

Within 2003-2006 in Vidzeme region the fluctuations in the values of development index and the respective climbing or dropping of towns and cities and parishes in the ranking table took place very intensively. After considerable improvement in the negative value of the development index Marciena parish in Madona district climbed 50 places (from 108th to 58th place), Sarkani parish climbed 48 places (from 89th to 41st place) and Strenci climbed from 109th to 63rd place in the ranking table. After turning the value of region's development index from negative into positive, Jaunlaicene parish of Aluksne district climbed more than 40 places in the ranking (from 58th to 15th place), Marsneni parish of Cesis district – from 63rd to 21st place, and Smiltene parish of Valka district – from 45th to 4th place. Veselava parish of Cesis district (rise from 48th to 11th place) and Palsmane parish of Valka district (from 35th to 10th place) also should be mentioned. But after increase in the positive value of development index Brenguli parish of Valmiera district climbed from 19th to 3rd place, but according to data of 2004 it had held only 46th place in the ranking table.

Within the four years according to the reduction in positive value of development index Priekuli parish in Cesis district dropped in ranking table from 2nd to 9th place, Smiltene – from 3rd to 14th place, Launkalne parish in Valka district – from 7th to 16th place, Madona – from 10th to 13th place. After turning the value of development index from positive into negative Ligatne dropped in the ranking from 25th to 78th place, Valka – from 14th to 46th place, Nitaure parish in Cesis district – from 30th to 87th place, Vilpulka parish in Valmiera district – from 31st to 65th place. The unfavourable demographic burden and reduction in population in Ligatne, high unemployment rate in Valka, reduction in population in Nitaure parish and in Vilpulka parish the low settlements of individual income tax per capita were the main factors determining the negative value of development index.

In the period 2003-2006 after decrease in the existing negative value of development index Ranka parish of Gulbene district dropped in the ranking table from 36th to 66th place, Seli parish of Valmiera District – from 40th to 77th place, Valka parish in Valka district – from 55th to 93rd place, Seda with its rural territory – 59th to 97th place, Lubana county – from 76th to 82nd place, Druviena parish – from 79th to 114th place (see Table 50 and Figure 61).

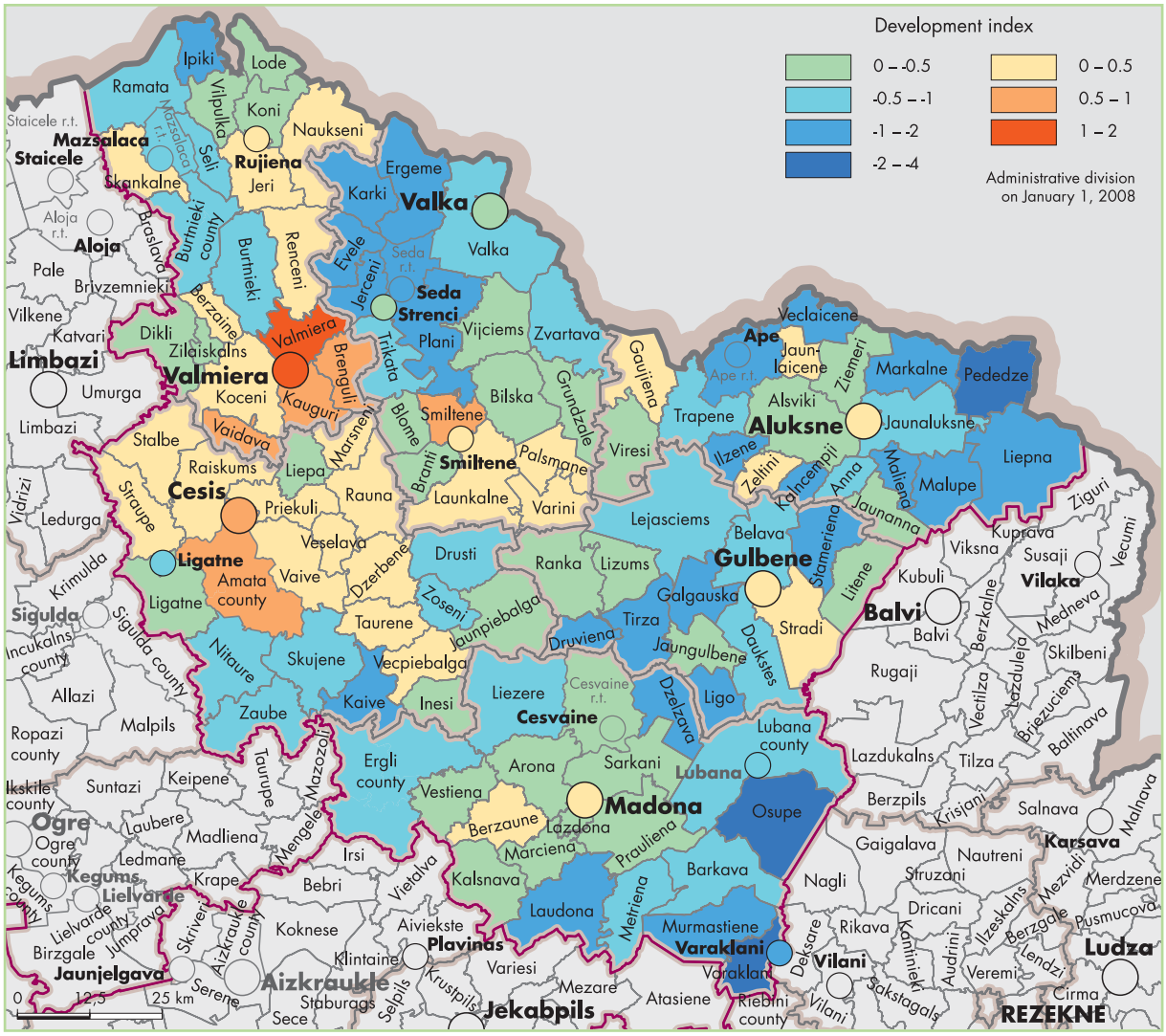

Figure 61. Development index of towns and cities, parishes, and counties of Vidzeme planning region using data from 2006.

ZEMGALE PLANNING REGION

Unemployment Rate

At the beginning of 2007 the unemployment rate in towns and cities in Zemgale was 4.5% on average, but in rural areas – 4.6%. Comparing with the average indicators of respective groups in the country (4.1% and 6.0%), unemployment rate in towns and cities in Zemgale region was slightly higher than in towns and cities in the country on average, but in rural areas it was slightly lower.

Amongst towns and cities in Zemgale region at the beginning of 2007 the lowest unemployment rate was registered in Jelgava – 3.4%, Kalnciems with its rural territory – 3.9%, Bauska and Aizkraukle county – 4.8% in each, but the highest level was observed in Akniste with its rural territory – 9.1%, Viesite with its rural territory – 8.9%, and Auce with its rural territory – 6.2%. In the group of parishes of the region the lowest unemployment rate was registered in Stelpe parish in Bauska district – 1.7%, Sidrabene parish in Jelgava district – 1.8%, Bebri parish in Aizkraukle district – 2.4%. The highest unemployment rate was observed in Asare parish in Jekabpils district – 12.9% and Vietalva parish in Aizkraukle district – 11.5%.

Within the four years the reduction in unemployment rate was registered in 96% of region's local municipalities. Most significantly the unemployment rate reduced in Kalnciems with its rural territory by 8.4 percentage points (from 12.3% at the beginning of 2004 to 3.9% at the beginning of 2007), Dunava parish in Jekabpils district – by 7.7 percentage points, Biksti parish in Dobele district – 6.1 percentage points, Atasiene parish in Jekabpils district – 6.0 percentage points. Unemployment rate slightly increased only in Plavinas and in three rural local municipalities Jaunberze and Zebrene parishes in Dobele district and in Valle parish in Aizkrauke district.

The differences between the lowest and the highest indicators of unemployment rate reached 2.7 times in the towns and cities in Zemgale region at the beginning of 2007, but in rural areas – 7.6 times. At the beginning of 2004 the values of these indicators were 2.6 and 5.9 times, respectively.

Individual Income Tax

In 2006 the scale of individual income tax per capita in the budgets of local municipalities in the towns and cities in Zemgale region was LVL 213.80, but in parishes it was a third less – LVL 139.10. The amounts of individual income tax settled in Riga region increased the national average indicators in the groups both of towns and cities and rural local municipalities, thereby the average indicators of the respective groups of territories in Vidzeme, Kurzeme, Latgale and Zemgale regions were below the average level of Latvia.

In 2006 in Zemgale region 84 local municipalities of the region (88.4% of the total number of local municipalities in the region) did not reach the average level of individual income tax – LVL 176.20 per capita in the budgets of local municipalities. Aizkraukle county – LVL 272.60 and Dobele – LVL 267.10 were the largest payers of individual income tax in the budgets of local municipalities in the group of towns and cities per capita. Amongst the towns and cities of the region and by the scale of settled individual income tax Jelgava held third place – LVL 226.20 per capita, but Jekabpils – 8th place (LVL 168.60). Ozolnieki county in Jelgava district (LVL 213.30 per capita) and Skriveri (LVL 194.40), Koknese (LVL 186.30) and Serene (LVL 185.90) parishes of Aizkraukle district held first positions in the group of parishes by the same indicator.

In 2006 in the region's group of towns and cities the smallest scale of individual income tax per capita in budgets of local municipalities was observed in Viesite with its rural territory (LVL 129.60) and Akniste with its rural territory (LVL 135.60), but in the group of rural local municipalities – Asare (LVL 52.60), Vipe (LVL 67.20), Mezare (LVL 69.20) and Rubene (LVL 70.60) parishes in Jekabpils district and in Viesturi (LVL 70.30) and Svitene (LVL 72.40) parishes of Bauska district.

In 2006 the difference between the largest and smallest scales of settled individual income tax per capita in the budgets of local municipalities in the towns and cities of Zemgale region was 2.1 times, but in parishes – 4.1 times. The difference slightly reduced within the four years (in 2003 it was 2.3 and 5.2 times, respectively).

Demographic Burden

At the beginning of 2007 the demographic burden in towns and cities in Zemgale region was similar to the average indicator in towns and cities in the country, but in rural areas of the region it was below the average in rural areas of Latvia. The towns and cities in Zemgale region had 520.6 children, adolescents and retirement age inhabitants on average per 1 000 working age inhabitants, but the parishes had the figure in extent of 547.1 (520.5 and 557.7 in the respective groups in the country in total).At the beginning of 2007 in the group of towns and cities of Zemgale region Aizkraukle country (473.7) and Jelgava (508.1) stood out with their favourable demographic situation, but in the group of rural local municipalities – Gailisi parish in Bauska district (399.2), Serene parish in Aizkrauke district (417.2) and Garsene parish of Jekabpils district (427.7 children and retirement age inhabitants on average per 1 000 working age inhabitants). The highest demographic burden was observed in Plavinas (618.8) and Auce with its rural territory (595.4) and in the rural local municipalities of Jekabpils district – Kukas (749.4), Rubene (746.5) and Zasa (682.4) parishes.

Within the four years the demographic burden reduced in all local municipalities in Zemgale region with varying intensity. The demographic situation improved

most considerably in parishes in Jekabpils and Aizkraukle districts, but among towns and cities – in Akniste with its rural territory.

At the beginning of 2007 the difference between the lowest and the highest indicators of demographic burden was 1.3 times in the group of towns and cities of Zemgale region, in the group of parishes – 1.9 times (at the beginning of 2004 – 1.4 and 1.8 times, respectively).

Population Change

In Zemgale planning region the reduction in population took place comparatively more slowly than in the respective groups of territories in other regions during the reviewed period. In the five years the population reduced in the group of urban local municipalities by 1.5% on average, but in the group of rural local municipalities – by 3.5%. During this period the respective average indicators of the country reduced by 2.6% and 3.1%. From the beginning of 2002 to the beginning of 2007 the population in towns and cities in Zemgale region reduced by 2 200, in rural areas – by 5 200. In terms of numbers the reduction in population of towns and cities in Zemgale region was 13 times larger than the increase, but regarding the population in rural areas – 5 times. Amongst 11 towns and cities of the region the population increased only in Jelgava in this period – by 0.2% and in Jaunjelgava – by 2.4%. In rural areas the population increased in 13 territories, half of them are located in Jelgava district. Significant increase in population within the five years was registered in Ozolnieki county in Jelgava district – by 5.0% and in Livberze parish – 4.8%, Auri parish in Dobele district and in Abeles parish in Jekabpils district – 3.8% in each. Population increased by 3.0% in Ceraukste parish in Bauska district, by 2.8% – Svete parish in Jelgava district and Iecava county in Bauska district.

In the group of towns and cities of Zemgale region the largest reduction in population was observed in Viesite with its rural territory – 10.0% and Akniste with its rural territory – 8.3%. Population of Jekabpils reduced by 2.3%. The group of rural territories had 16 local municipalities, where the population reduced by at least 10%. Population in Ukri parish in Dobele district dropped by 17.6%, in Davini parish in Bauska district – 14.8%, Staburags parish in Aizkraukle district – 14.5% and Pilskalne parish in Aizkraukle district – 14.0%, Leimani parish in Jekabpils district – 14.4%.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Serene parish	Aizkraukle	0.714	0.552	0.717	0.848	5	6	4	1
Ozolnieki county	Jelgava	1.081	0.688	0.718	0.810	1	2	3	2
Aizkraukle county	Aizkraukle	0.718	0.668	0.724	0.758	4	3	2	3
Jelgava	-	0.492	0.905	0.904	0.738	8	1	1	4
Valgunde county	Jelgava	0.800	0.636	0.534	0.649	2	5	5	5
Jaunsvirlauka parish	Jelgava	0.496	0.270	0.380	0.453	7	12	8	6
Gluda parish	Jelgava	0.466	0.370	0.411	0.452	9	9	7	7
Svete parish	Jelgava	0.760	0.642	0.464	0.420	3	4	6	8
Iecava county	Bauska	0.466	0.294	0.267	0.414	10	10	11	9
Platone parish	Jelgava	0.378	0.492	0.125	0.374	12	7	15	10
Gailisi parish	Bauska	0.445	0.261	0.273	0.313	11	14	10	11
Vecumnieki parish	Bauska	0.538	0.395	0.198	0.311	6	8	14	12
Islice parish	Bauska	0.214	0.015	0.037	0.303	20	19	17	13
Livberze parish	Jelgava	0.273	0.267	0.215	0.299	15	13	13	14
Dobele	Dobele	0.263	0.270	0.350	0.289	17	11	9	15
Abeli parish	Jekabpils	-0.436	-0.401	-0.356	0.257	47	34	36	16
Koknese parish	Aizkraukle	-0.014	0.140	0.255	0.188	26	15	12	17
Bauska	Bauska	0.372	0.102	0.102	0.172	13	16	16	18
Code parish	Bauska	0.223	-0.178	-0.225	0.058	18	26	27	19
Bebri parish	Aizkraukle	0.004	-0.266	-0.353	0.001	25	28	35	20
Kalnciems and its r.t.	Jelgava	-1.005	-0.590	-0.434	-0.005	70	48	40	21
Stelpe parish	Bauska	-0.227	-0.172	-0.104	-0.017	36	25	21	22
Skriveri parish	Aizkraukle	0.217	0.075	-0.002	-0.023	19	17	18	23
Ceraukste parish	Bauska	-0.385	-0.266	-0.074	-0.029	42	27	20	24
Sidrabene parish	Jelgava	0.265	-0.146	-0.130	-0.048	16	22	22	25
Sala parish	Jekabpils	-0.164	-0.129	-0.144	-0.054	32	21	23	26
Auri parish	Dobele	0.164	-0.167	-0.323	-0.063	21	23	32	27
Jaunjelgava and its r.t.	Aizkraukle	0.371	-0.327	-0.504	-0.101	14	29	44	28
Jekabpils	Jekabpils	-0.219	-0.169	-0.208	-0.140	35	24	26	29
Rundale parish	Bauska	-0.155	-0.407	-0.284	-0.228	30	36	29	30
Vircava parish	Jelgava	0.138	-0.372	-0.288	-0.235	22	31	30	31
Mazzalve parish	Aizkraukle	-0.460	0.053	-0.019	-0.294	49	18	19	32
Vecsaule parish	Bauska	-0.309	-0.397	-0.161	-0.308	39	32	24	33
Berze parish	Dobele	-0.412	-0.413	-0.268	-0.326	45	37	28	34
Penkule parish	Dobele	0.025	-0.004	-0.170	-0.344	24	20	25	35
Aiviekste parish	Aizkraukle	-0.501	-0.479	-0.318	-0.382	52	42	31	36
Mezotne parish	Bauska	-0.534	-0.421	-0.495	-0.398	54	38	43	37
Zalenieki parish	Jelgava	-0.041	-0.510	-0.555	-0.400	27	45	46	38
Skaistkalne parish	Bauska	-0.355	-0.633	-0.649	-0.415	41	51	49	39
Annenieki parish	Dobele	-0.558	-0.870	-0.842	-0.444	56	59	59	40
Ile parish	Dobele	-0.864	-1.026	-0.855	-0.475	63	65	60	41
Auce and its r.t.	Dobele	-0.392	-0.342	-0.410	-0.554	43	30	38	42
Viesturi parish	Bauska	-0.188	-0.618	-0.703	-0.566	33	49	52	43
Plavinas	Aizkraukle	0.032	-0.403	-0.432	-0.580	23	35	39	44
Brunava parish	Bauska	-0.299	-0.583	-0.633	-0.592	38	47	48	45
Eleja parish	Jelgava	-0.094	-0.785	-0.702	-0.606	29	57	51	46
Svitene parish	Bauska	-0.548	-1.044	-0.741	-0.631	55	67	56	47
Naudite parish	Dobele	-0.455	-0.433	-0.393	-0.640	48	40	37	48
Lielplatone parish	Jelgava	-0.191	-0.421	-0.350	-0.650	34	39	33	49
Tervete county	Dobele	-0.467	-0.763	-0.892	-0.655	50	56	62	50
Staburags parish	Aizkraukle	-0.081	-0.399	-0.350	-0.659	28	33	34	51
Klintaine parish	Aizkraukle	-0.287	-0.628	-0.481	-0.685	37	50	42	52
Kalns parish	Jekabpils	-0.667	-0.873	-0.732	-0.715	59	60	53	53
Biksti parish	Dobele	-0.919	-0.933	-1.263	-0.719	67	61	76	54
Garsene parish	Jekabpils	-1.106	-0.544	-0.778	-0.734	75	46	57	55
Krustpils parish	Jekabpils	-0.955	-0.803	-0.540	-0.748	69	58	45	56
Vilce parish	Jelgava	-0.164	-0.444	-0.651	-0.749	31	41	50	57
Dobele parish	Dobele	-0.892	-1.079	-1.203	-0.809	65	69	74	58
Selpils parish	Jekabpils	-0.641	-1.294	-0.860	-0.850	58	77	61	59
Dunava parish	Jekabpils	-1.502	-1.720	-1.543	-0.872	86	88	87	60
Sesava parish	Jelgava	-0.317	-0.491	-0.933	-0.872	40	44	65	61
Krimunas parish	Dobele	-0.858	-1.024	-0.821	-0.895	61	64	58	62
Daudzese parish	Aizkraukle	-0.532	-0.708	-0.741	-0.919	53	54	55	63
Jaunberze parish	Dobele	-0.424	-0.702	-0.474	-0.974	46	53	41	64
Sece parish	Aizkraukle	-1.051	-1.034	-0.950	-0.994	72	66	66	65
Sauka parish	Jekabpils	-0.697	-1.555	-1.001	-1.029	60	86	68	66
Mezare parish	Jekabpils	-1.142	-1.354	-1.433	-1.033	77	79	81	67
Davini parish	Bauska	-0.885	-0.942	-1.138	-1.042	64	62	72	68
Lielauce parish	Dobele	-0.492	-0.668	-0.566	-1.070	51	52	47	69
Kurmene parish	Aizkraukle	-0.902	-0.711	-1.069	-1.096	66	55	71	70

Development Index of Regional Territories

Within the period from 2003 to 2006 very favourable development movement emerged in local municipalities in Zemgale region, which featured a negative development index turning into a positive, in 6 local municipalities the positive value of development index increased, and in 26 local municipalities the negative value of development index increased. Negative movement of the development was represented in 7 local municipalities, where the value of development index turned from positive to negative, 12 local municipalities, where the value of positive development index dropped, and 42 more local municipalities where the currently negative value of development index reduced.

According to data of 2006 the city Jelgava, which was the leader by data of 2004 and 2005, dropped to 4th place. Serene parish in Aizkraukle district took the first place mostly due to the low levels of unemployment rate and demographic burden. According to data of 2006 the upper part of development index ranking table in Zemgale region included also Ozolnieki county in Jelgava district and Aizkraukle county with 2nd and 3rd place, respectively. In Ozolnieki county increase in population was the main basic factor determining the positive value of development index, but in Aizkraukle county – the comparatively high scale of individual income tax per capita. Jekabpils took 29th place in the ranking table. Viesite with its rural territory (88th place) was in the lowest position amongst the towns and cities of Zemgale region, which was determined by the high unemployment rate and rapid reduction of population.

City or town, parish, county	District	Development index				Ranking			
		2003	2004	2005	2006	2003	2004	2005	2006
Kukas parish	Jekabpils	-1.210	-1.087	-1.153	-1.134	80	70	73	71
Dignaja parish	Jekabpils	-1.431	-1.546	-1.872	-1.177	85	83	91	72
Vitini parish	Dobele	-1.125	-1.173	-1.068	-1.186	76	73	70	73
Zalve parish	Aizkraukle	-0.863	-1.745	-1.302	-1.207	62	90	79	74
Bene parish	Dobele	-0.921	-1.055	-0.900	-1.220	68	68	63	75
Irsi parish	Aizkraukle	-1.162	-1.285	-1.259	-1.224	79	75	75	76
Zasa parish	Jekabpils	-1.325	-1.346	-1.575	-1.229	83	78	88	77
Valle parish	Aizkraukle	-0.628	-0.480	-0.736	-1.231	57	43	54	78
Vipe parish	Jekabpils	-1.559	-1.148	-0.977	-1.301	87	72	67	79
Rite parish	Jekabpils	-1.072	-1.287	-1.515	-1.308	73	76	83	80
Barbele parish	Bauska	-1.147	-1.138	-1.656	-1.403	78	71	90	81
Zebrene parish	Dobele	-0.412	-0.955	-0.912	-1.454	44	63	64	82
Sunakste parish	Aizkraukle	-1.090	-1.254	-1.294	-1.546	74	74	78	83
Akniste and its r.t.	Jekabpils	-1.616	-1.553	-1.638	-1.594	89	84	89	84
Pilskalne parish	Aizkraukle	-1.283	-1.464	-1.015	-1.602	81	82	69	85
Variesi parish	Jekabpils	-1.731	-1.553	-1.508	-1.627	90	85	82	86
Atasiene parish	Jekabpils	-1.818	-1.357	-1.355	-1.657	93	80	80	87
Viesite and its r.t.	Jekabpils	-1.377	-1.376	-1.533	-1.711	84	81	86	88
Elksni parish	Jekabpils	-1.604	-1.910	-2.032	-1.731	88	92	92	89
Leimani parish	Jekabpils	-1.747	-1.725	-1.527	-1.828	92	89	85	90
Vietalva parish	Aizkraukle	-1.740	-1.621	-1.279	-1.916	91	87	77	91
Nereta parish	Aizkraukle	-1.012	-1.815	-1.521	-1.921	71	91	84	92
Ukri parish	Dobele	-1.293	-2.155	-2.262	-1.976	82	94	93	93
Rubene parish	Jekabpils	-2.315	-2.139	-2.550	-2.716	94	93	94	94
Asare parish	Jekabpils	-2.453	-3.286	-2.738	-3.057	95	95	95	95

Table 51. Development index and ranking of towns and cities, parishes, and counties of Zemgale planning region using data from 2003-2006.

Asare parish in Jekabpils district took the last place in development index ranking table of the region within the entire analysis period, which had the highest unemployment rate and lowest settlements of individual income tax per capita in the region. The territories with the lowest development index included also Rubene parish of Jekabpils district, Ukri parish of Dobele district, Nereta and Vietalva parishes of Aizkraukle district.

After turning the value of development index from negative into positive, Koknese parish of Aizkraukle district climbed from 26th to 17th place and Abeles

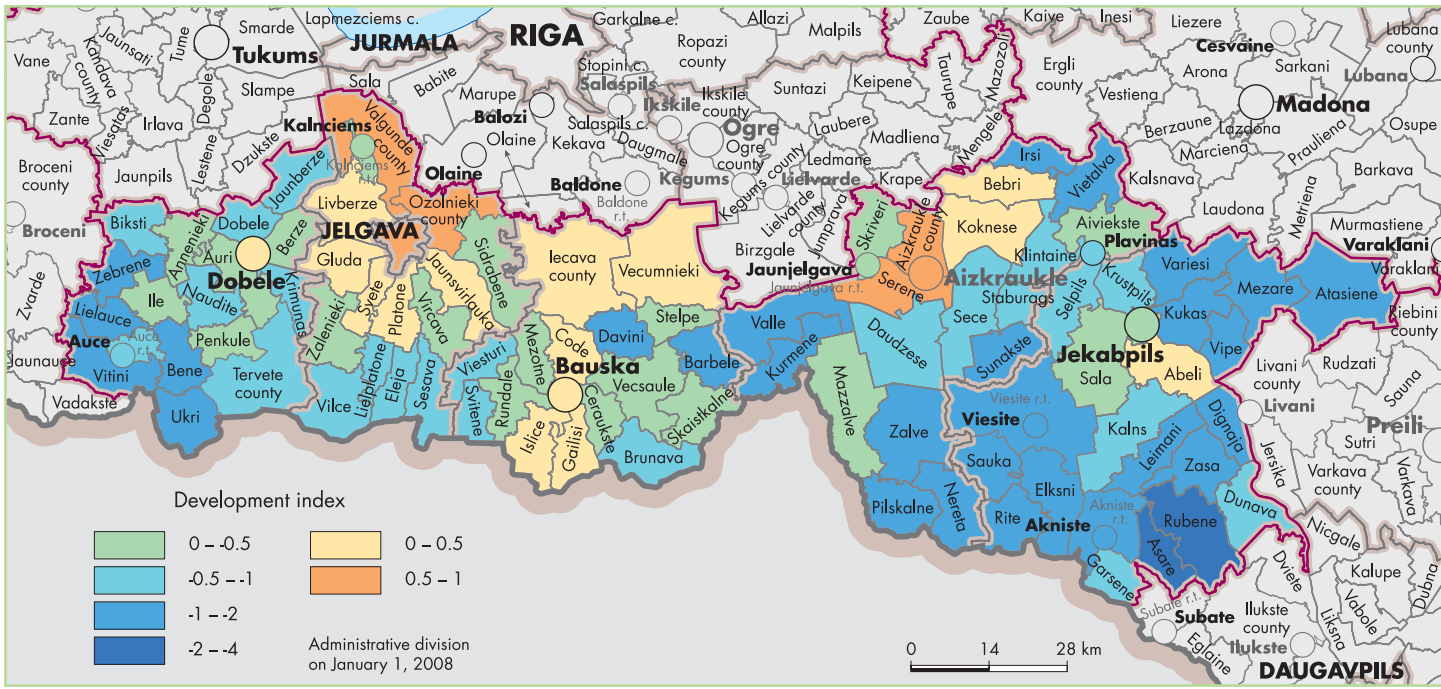

Figure 62. Development index of towns and cities, parishes, and counties of Zemgale planning region using data from 2006.

parish of Jekabpils district – from 47th to 16th place within the four years in the ranking. Kalnciems with its rural territory should be particularly marked amongst local municipalities, where the development took place in the range of negative indexes and which featured an increase in negative value of development index (rise in ranking table from 70th to 21st place). Dunava parish in Jekabpils district (rise in ranking from 86th to 60th place) also should be marked, the same refers to Garsene parish in Jekabpils district (from 75th to 55th place), Ile parish in Dobele district (from 63rd to 41st place), Mezotne parish in Bauska district (from 54th to 37th place), Mazzalve parish in Aizkraukle district (from 49th to 32nd place), and Ceraukste parish in Bauska district (from 42nd to 24th place).

7 local municipalities, where the change in the value of development index from positive to negative described the negative development, included 2 towns and cities – Plavinas (decline in ranking from 23rd to 44th place) and Jaunjelgava with its rural territory (from 14th to 28th place) and five parishes – Sidrabene and Vircava parishes in Jelgava district, Auri and Penkule parishes in Dobele district, and Skriveri parish in Aizkraukle district. Due to the index slipping further into negative territory during the four years Zebrene parish of Dobele district declined in the ranking table from 44th to 82nd place, Vilce parish of Jelgava district – from 31st to 57th place, Staburags parish in Aizkraukle district – from 28th to 51st place (see Table 51 and Figure 62).

By summarizing the disparities between the best and the worst basic indicators describing the development within each region of Latvia it can be observed that in the period of 2003-2006 disparities in terms of employments increased in general, in terms of material welfare, by assessment according to the scale of individual income tax per capita in budgets of local municipalities, – reduced, but no significant change has taken place in the indicators of demographic burden. It should be noted that the largest disparities are less obvious amongst the groups of territories comparing with situations within the groups by separate basic indicators of development. In 2006 in the group of towns and cities the largest disparities in unemployment rate were observed in Latgale region, in scale of individual income tax per capita – in equal extents in Riga and Latgale regions, but in the level of demographic burden – in Riga region. In 2006 in the group of parishes the largest disparities in unemployment rate were observed in Vidzeme region, in scale of individual income tax per capita – in Riga region, but in the level of demographic burden – in Zemgale region (see Table 52).

Planning region	Unemployment rate		Amount of individual income tax per capita in budgets of local municipalities		Level of demographic burden	
	2003	2006	2003	2006	2003	2006
Urban local municipalities						
Kurzeme Region	3.9	2.6	3.0	2.5	1.6	1.5
Latgale Region	3.2	4.7	4.8	2.9	1.4	1.4
Riga Region	4.1	3.2	3.4	2.9	1.8	1.8
Vidzeme Region	4.1	3.0	2.6	2.8	1.4	1.4
Zemgale Region	2.6	2.7	2.3	2.1	1.4	1.3
Rural local municipalities						
Kurzeme Region	5.9	6.3	4.8	3.7	1.7	1.8
Latgale Region	5.2	6.0	6.0	4.1	1.8	1.8
Riga Region	6.2	6.4	7.0	5.8	1.7	1.5
Vidzeme Region	11.0	34.4	7.0	4.9	2.1	1.8
Zemgale Region	5.9	7.6	5.2	4.1	1.8	1.9

Table 52. Disparities between the best and the worst indicators in both groups of planning regions: towns and cities and parishes, in 2003 and 2006.

EXISTING INSTRUMENTS OF MRDLG AND SRDA FOR SUPPORTING REGIONAL DEVELOPMENT

The Ministry of Regional Development and local municipality is the leading State administration institution in the field of planning and coordination of state and regional development in Latvia. The Ministry is also in charge of the fields of spatial planning, state investments and land policy. State Regional Development Agency is acting under authority of the Ministry; its operational aim is to implement well-balanced policy of state development support by provision of implementation of national, European Union's and other financial instruments, as well as the necessary research activities, and services of good quality.

The following State (national) events or instruments for supporting regional development were implemented and managed by the Ministry of Regional Development and local municipality (MRDLG) and State Regional Development Agency (SRDA) in 2007:

- earmarked subsidies for free Internet access points in libraries,
- earmarked subsidies for investments of local municipalities,
- earmarked subsidies for activities of local municipalities,
- earmarked subsidies for investments in the infrastructure of counties and earmarked subsidies for elaboration of projects for uniting local municipalities,
- earmarked subsidies for spatial planning,
- state funded program: Development of Specially Supported Territories,
- tax allowances for enterprises in specially supported territories.

In 2007 the total scale of budget funding amounted to LVL 60 500 000 in abovementioned support instruments.

In 2007 SRDA also continued managing the grant scheme: Support for Investments in Development of Companies in Specially Supported Territories co-funded by European Union Structural funds (ERDF).

Earmarked Subsidies for Free Internet Access Points in Libraries

According to Clause 9 of Article 3 of the Law: On the Budget for 2007 and Cabinet of Ministers Regulation No. 648 of 25th September 2007: Order for Provision of Budget Subsidies for Local Municipalities for Providing Internet and Computer Services Free of Charge In Libraries of Local Municipalities and on the basis of decree of Cabinet of Ministers No. 648 of 18th October 2007: On Provision of Subsidies for Local Municipalities for Providing Internet and Computer Services Free of Charge In Libraries of Local Municipalities, in 2007 LVL 700 000 were provided for local municipalities from the budget, and almost the entire amount of the earmarked subsidy was utilized for the respective aim. A sum of almost LVL 10 000 or 1.4% of the planned amount was not utilized.

Cabinet of Ministers Regulations envision MRDLG preparing a calculation on distribution of earmarked subsidies amongst local municipalities, according to

- number of libraries in a local municipality;
- number of computers publicly available in libraries;
- number of library information system servers delivered to main libraries of regions within the project: State Unified Library Information System.

All, i.e., 525 local municipalities received this earmarked subsidy. Average scale of the earmarked subsidy was LVL 1 333 per single local municipality, and this scale per single local municipality fluctuated within the limits of LVL 700 to LVL 3 887 (for Riga).

Table 53 represents the distribution of the earmarked subsidy by regions and the scale of this earmarked subsidy per 1 000 inhabitants. Largest amount of the earmarked subsidy was provided for local municipalities in Latgale region, and it can be explained also with the comparatively highest number of local municipalities in this region. But by estimates per 1 000 inhabitants, the largest scale of earmarked subsidy was provided for local municipalities in Vidzeme region. This indicator was quite similar for Kurzeme, Zemgale, and Latgale regions, but for Riga region – considerably smaller, and by such principle of distribution when the funding was envisioned for all local municipalities it can be explained with comparatively larger population density in Riga region.

Planning region	Scale of earmarked subsidy, in LVL, thousands	Scale of earmarked subsidy per 1000 inhabitants, in LVL	Number of local municipalities received the earmarked subsidy	Average scale of earmarked subsidy per 1 local municipality, in LVL
Riga Region	146.6	134	75	1954.3
Vidzeme Region	134.2	555	123	1091.3
Kurzeme Region	127.1	414	98	1296.8
Zemgale Region	129.6	454	95	1364.1
Latgale Region	162.5	455	134	1212.9
In Latvia	**700.0**	**306**	**525**	**1333.3**

Table 53. Earmarked subsidies for free Internet access points in 2007.*

For continuing such support for development of territories in the future, MRDLG has researched the situation of existing free Internet access points in territories of local municipalities, taking into consideration the results of this state support and projects supported by ERDF.

** calculations according to data of SRDA and CSB.*

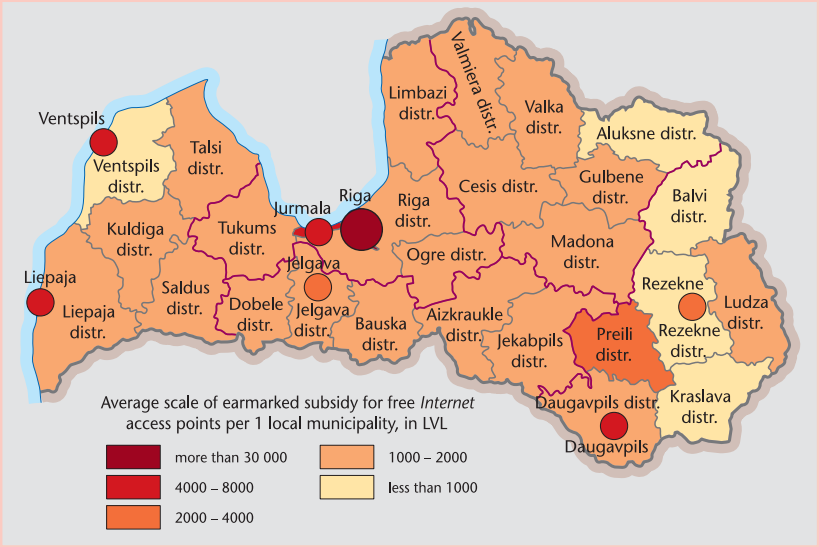

Figure 63. Average scale of earmarked subsidy for free Internet access points per 1 local municipality in districts and cities in 2007.

Earmarked Subsidies for Investments in Local Municipalities

According to the Law: On the Budget for 2007 and its amendments (Appendix 16) earmarked subsidies in extent of LVL 21 120 000 were provided for local municipalities for investments. It should be noted that those are not the only investments for local municipalities from the budget in 2007. Also LVL 32 900 000 were provided for local municipalities as earmarked subsidies for infrastructure of counties, and investments in constructions, equipment and facilities constituted a considerable share within the program: Earmarked Subsidies for Activities of Local Municipalities (LVL 4 590 000).

Within the budget program Earmarked Subsidies for Activities of Local Municipalities 230 local municipalities received earmarked subsidies for 334 investment projects. In 2007 mostly projects which had already started were funded. Scale of an earmarked subsidy for a single project fluctuated within the range of LVL 5 000 to LVL 800 000. In 2007 the Cabinet of Ministers decree No. 148 of 15th March 2007 On Distribution of Appropriation Envisioned in the Budget Program 03.00.00: Earmarked Subsidies for Investments in Local Municipalities for Implementation of Investment Projects of Local Municipalities in 2007 regulated the distribution of earmarked subsidies in 2007. Saeima approved the final distribution of funding provided within the abovementioned program by the Law: Amendments to the Law On the Budget for 2007 of 20th September 2007.

Education (82%) was the major field receiving the funding in 2007, and it was followed by culture (13%). Social care institutions (3%) and communications (2%) received comparatively smaller funding (see Figure 64)*. Table 54 represents data on distribution of the earmarked subsidy amongst local municipalities in planning regions. The largest absolute scale of funding and the largest funding per 1 000 inhabitants within this program was provided for Vidzeme region, but the smallest – for Riga region. Particularly large disparities can be observed amongst regions by comparing the funding per 1 000 inhabitants. It was LVL 2 400 per 1 000 inhabitants in Riga region, which can be substantiated with better social economic situation of the region and higher financial capacity of the local municipalities, which allows transferring both own and borrowed funds to investments. Vidzeme region had investments in extent of LVL 23 500 per 1 000 inhabitants, but Zemgale region – half the number, i.e., LVL 11 400. By reviewing the distribution of the funding between districts and cities, then the largest investments per 1 000 inhabitants in the group of districts were registered for Madona district (LVL 36 500), but the smallest – for Jelgava district (LVL 5 600), in the group of cities – largest for Ventspils (LVL 21 600) and smallest for Riga (LVL 7). It should be noted that analysis of a single year does not represent a general state investment policy and its relation to regional development.

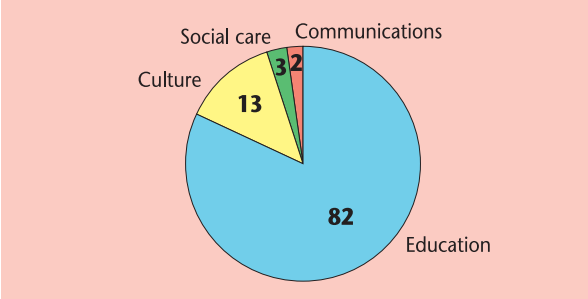

Figure 64. Distribution of earmarked subsidies for investments of local municipalities by spheres in 2007, in %.

Planning region	Scale of earmarked subsidy, in LVL, thousands	Scale of earmarked subsidy per 1000 inhabitants, in LVL	Number of funded projects	Number of funded local municipalities
Riga Region	2655.1	2423	52	37
Vidzeme Region	5648.9	23 503	71	54
Kurzeme Region	4428.3	14 469	56	42
Zemgale Region	3247.8	11 409	68	42
Latgale Region	5142.1	14 503	87	55
In Latvia	**21 122.2**	**9259**	**334**	**230**

Table 54. Earmarked subsidies for investments of local municipalities in 2007.

** data of MRDLG.*

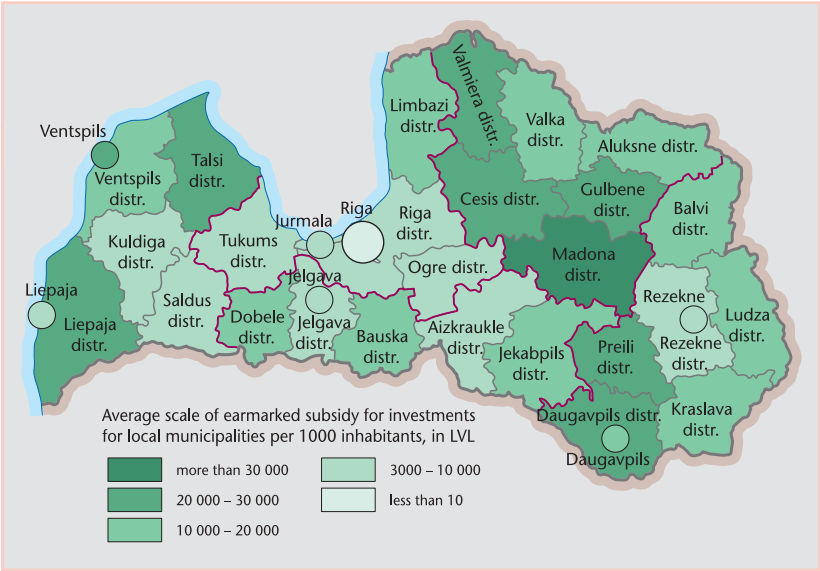

Figure 65. Scale of earmarked subsidies for investments of local municipalities per 1 000 inhabitants on average in districts and cities in 2007.

Earmarked Subsidies for Activities of Local Municipalities

According to Article 41 of the Law: On the Budget for 2007, the Cabinet of Ministers adopted the decree No. 211: On Diversion of Funds to the Activities of Local Municipalities, Educational, Cultural, and Other Activities Important for Society in 2007, whose Clause 1.11 envisions provision of earmarked subsidies for local municipalities in extent of LVL 1 600 000 for their activities in accordance to the list attached to the legislative act; on 22nd October 2007 the Cabinet of Ministers adopted a decree on assigning LVL 3 000 000 more to activities of local municipalities. Ministry of Regional Development and local municipality was responsible for performance of the program: Earmarked Subsidies for Activities of Local Municipalities (in extent of LVL 4 590 000).

Earmarked subsidies were assigned for implementation of 503 activities within the program, but the number of local municipalities which received this earmarked subsidy was 274 – both local and district local municipalities. The largest numbers of activities, for which the earmarked subsidy was provided for a single local municipality, were 15 (Dobele town) and 14 (Jelgava city). Average funding for one activity was LVL 8 900, largest funding for one activity – LVL 200 000 (for Kraslava County Council: Reconstruction of Cogeneration Station of Kraslava City District Heating System, and Ludza District Council: Putting Newly Constructed Building of Ludza District Hospital into Operation), but the funding for major part of activities was below LVL 5 000.

Table 55 represents the distribution of the earmarked subsidy by regions and the scale of this earmarked subsidy per 1 000 inhabitants. Latgale region had the largest funding by absolute amount, but local municipalities in Vidzeme region had the largest funding by calculating per 1 000 inhabitants. Zemgale region had the smallest absolute funding, but by calculating per 1 000 inhabitants the smallest funding was provided for Riga region. Between districts the largest absolute funding was provided for Cesis district (LVL 381 300), the smallest – for Rezekne district (LVL 40 400), but in the group of cities – the largest absolute funding was provided for Riga (LVL 153 100), but the smallest – for Jurmala (LVL 11 900). Figure 66 represents the scale of earmarked subsidies for activities of local municipalities per 1 000 inhabitants in districts and cities.

Planning region	Scale of earmarked subsidy, in LVL, thousands	Scale of earmarked subsidy per 1000 inhabitants, in LVL	Number of funded activities
Riga Region	615.4	562	87
Vidzeme Region	1200.3	4994	98
Kurzeme Region	744.3	2432	98
Zemgale Region	611.5	2148	114
Latgale Region	1423.3	4014	106
In Latvia	**4594.8**	**2014**	**503**

Table 55. Earmarked subsidies for activities of local municipalities in 2007.

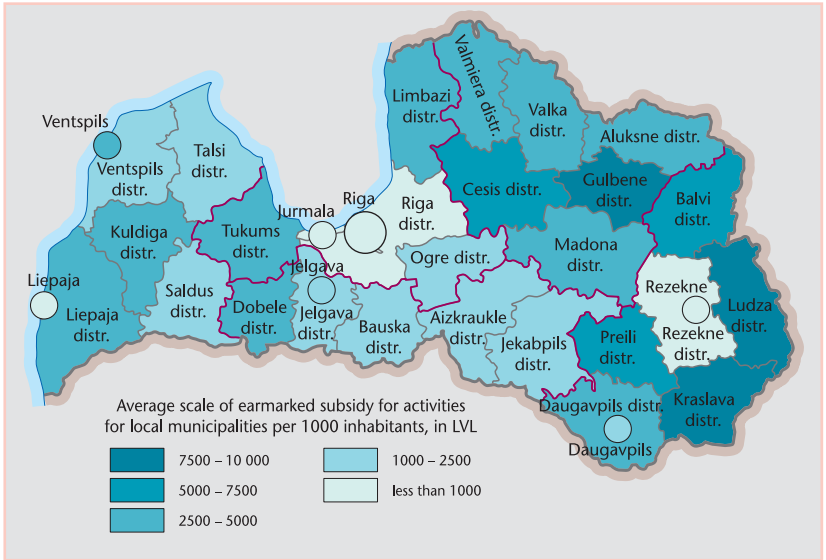

Figure 66. Scale of earmarked subsidies for activities of local municipalities per 1 000 inhabitants on average in districts and cities in 2007.

Activities funded by the earmarked subsidy were very diverse by their content and sphere, for instance, procurement of inventory, equipment, and facilities for educational, sports, culture, and social care institutions, renovation of buildings of different institutions, replacement of windows or floors, reconstruction of heating system, construction of a sports hall, etc. Basically most of these activities were related with comparatively small capital investments (small in comparison with construction), but only a small part in this list was activities in their direct sense. The following can be mentioned as the few examples – publication of books, purchase of choir costumes, release of choir CD, organisation of a camp, organization of a competition, organization of cultural educational events.

Administrative Territorial Reform and Earmarked Subsidies for Investments in County Infrastructure

Administrative territorial reform of local municipalities, regulated by Administrative Territorial Reform Law (adopted in 1998), takes place in Latvia with the aim to establish administrative territories with local municipalities capable of economic development, which would ensure provision of services of good quality for inhabitants. In order to reach the aim of the reform, larger and economically more powerful local municipalities – the counties – are planned to be established, namely, amalgamation of the local municipalities, because it would facilitate coordination of social and health care, education and transportation issues, attraction of larger investments, which would create new places of employment, implementation of larger projects, and utilization of existing resources in a more rational way.

Initially the law envisioned the implementation of local municipality reform by the end of 2004. Amendments were introduced in: Administrative Territorial Reform Law in September 2005. According to these amendments the implementation of the reform is scheduled till local municipality elections, which will take place in the new territories in June 2009.

Amendments in the law introduced in 2007 envision budget support for development of infrastructure in counties in extent of LVL 200 000 for development of infrastructure of a county:

- for each territorial unit included into a county (town and city, and parish) to the local municipality of the county, which was established by 31st January 2009 due to amalgamation of local municipalities;
- for each local municipality of a town and city, parish and county, which have adopted a decision in 2007 on establishing a new county and commencing the operation of the county after the local municipality elections in 2009; financial funds are transferred to local municipalities of the counties for each territorial unit included into the county (town and city, and parish).

The Law prescribes that the Cabinet of Ministers approves the draft of administrative division of local municipalities on the basis of results of consultations of Ministry of Regional Development and local municipality and local municipalities. Cabinet of Ministers has approved several drafts of administrative territorial division since amendments in the Law in 2005. Cabinet of Ministers issued the decree On the Draft of Administrative Territorial Division of Local Municipalities on 28th June 2006. 9 cities and 167 counties were envisioned in Latvia in accordance to this draft. The Cabinet of Ministers issued a decree on 4th September 2007, according to which 9 cities and 96 local municipalities of counties are envisioned in Latvia, additional amendments were introduced in December 2007 and, according to the recent draft of administrative territorial division, 9 cities and 103 local municipalities of counties are planned for the county, but the discussions on the final administrative territorial division after the local municipality elections in 2009 is still ongoing in 2008 (see Figure 67).

Figure 68 represents the express calculation for the development level of the new counties. Development index for both groups of territories (cities and counties) has been calculated on the basis of data of 2006 by using four basic indicators – unemployment rate, scale of individual income tax per capita, demographic burden, and population change. This Figure clearly represents that considerable social economic disparities will remain amongst the territories also after the reform, and therefore the topicality of regional development policy will have a notable significance.

In order to promote implementation of reform, the local municipalities, which have implemented the reform and adopted the decision on amalgamation into the approved territorial division, are provided with extraordinary earmarked subsidies for investments for development of the county.

In 2005 and 2006 an earmarked subsidy was endowed for local municipalities, which have already implemented the amalgamation, but since 2007 - also for local municipalities, which have decided in favour of amalgamation.

In 2005 an earmarked subsidy was provided for counties in accordance to the Cabinet of Ministers Regulation No. 769 of 11th October 2005: Order for Provision of Budget Subsidies to Local Municipalities of Counties for Development of Infrastructure in extent of LVL 1 800 000, and 15 local municipalities of counties received this subsidy.

In 2006 the provision of earmarked subsidies was regulated by the Cabinet of Ministers Regulation No. 132 of 14th February 2006: Order for Granting and Utilization of Budget Subsidies to Local Municipalities of Counties for Development of Infrastructure in total extent of LVL 2 800 000, and LVL 2 550 000 were utilized for 14 local municipalities of counties.

In 2007 an earmarked subsidy was granted in accordance to the Cabinet of Ministers Regulation No. 248 of 10th April 2007: Provisions on Distribution of Funds for Local Municipalities of Counties for Development of Infrastructure. Total scale of earmarked subsidies granted in 2007 was LVL 32 900 000, and in total 26 local municipalities of existing or potential counties received it, but in total – 164 local municipalities.

Figure 67. Draft of administrative territorial division approved by the Cabinet of Ministers on 11th December 2007.

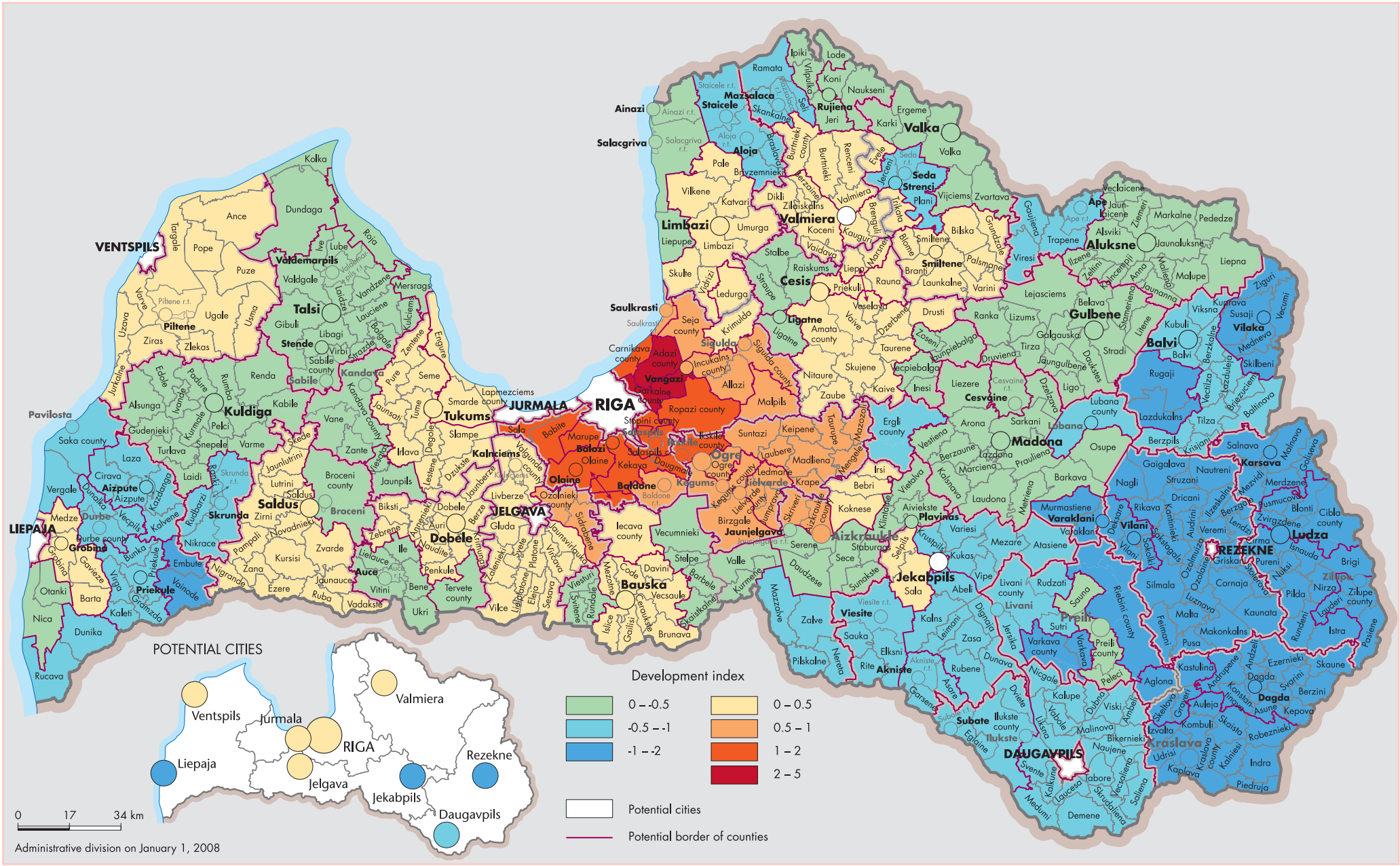

Figure 68. Development index of potential counties using data from 2006.

Distribution of this earmarked subsidy depends on the activity of local municipalities in implementation of the reform. Data of Tables 56 and 57 show that in this activity Latgale and Vidzeme regions are the most active. Considering that Latgale and Vidzeme regions have the smallest local municipalities in terms of average number of population, the activity of these regions should be evaluated very positively. But the small involvement of Riga region can be substantiated with the fact that this region has comparatively insignificant changes after the reform – both large cities and a large share of local municipalities of Pieriga will not amalgamate, and their territories will remain, after the reform, in the same state as they are in now.

Earmarked subsidies for elaboration of projects for amalgamation of local municipalities was also provided to local municipalities from the budget within the implementation of the reform. LVL 311 000 were granted in 2007 for this purpose for elaboration of 49 amalgamation projects.

Planning region	Scale of earmarked subsidy in 2005, in LVL, thousands	Scale of earmarked subsidy in 2006, in LVL, thousands	Scale of earmarked subsidy in 2007, in LVL, thousands	Scale of earmarked subsidy in 2005-2007 in total, in LVL, thousands
Riga Region	450.0	500.0	1150.0	2100.0
Vidzeme Region	100.0	400.0	10 918.0	11 418.0
Kurzeme Region	350.0	350.0	7844.0	8544.0
Zemgale Region	250.0	450.0	2088.0	2788.0
Latgale Region	650.0	850.0	10 900.0	12 400.0
Total in Latvia	**1800.0**	**2550.0**	**32 900.0**	**37 250.0**

Table 56. Earmarked subsidies for investments for infrastructure of counties in regions in 2005-2007

Planning region	Proportion of earmarked subsidy in a region, in %	Scale of earmarked subsidy per 1000 inhabitants, in LVL
Riga Region	6	1917
Vidzeme Region	31	47 506
Kurzeme Region	23	27 917
Zemgale Region	7	9794
Latgale Region	33	34 974
In Latvia	**100**	**16 328**

Table 57. Distribution of earmarked subsidies for investments for infrastructure of counties by regions and scale per 1 000 inhabitants in regions in 2005-2007 in total

Summary of Budget Earmarked Subsidies Used for Capital Investments in Local Municipalities

The aforementioned four regional development support instruments under the authority of MRDLG and SRDA (earmarked subsidies for free Internet access points in libraries, investments in local municipalities, activities of local municipalities, and for infrastructure of counties) are actually related with capital investments in local municipalities – in 2007 the total amount constituted LVL 59 300 000.

By the total amount of absolute funding in these programs two regions, which are weaker in terms of the territory development index, – Vidzeme and Latgale

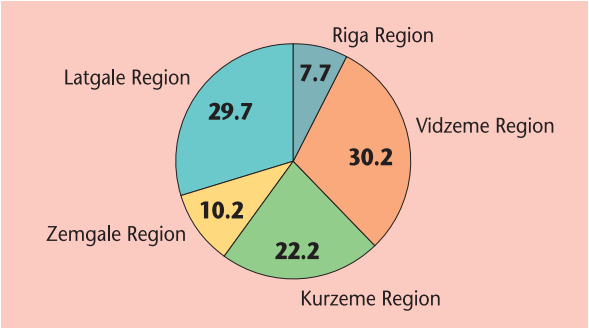

Figure 72. Proportion of earmarked subsidies from the budget used for local municipalities for free Internet access points in libraries, investments in local municipalities, activities of local municipalities, and for infrastructure of counties, in regions in 2007.

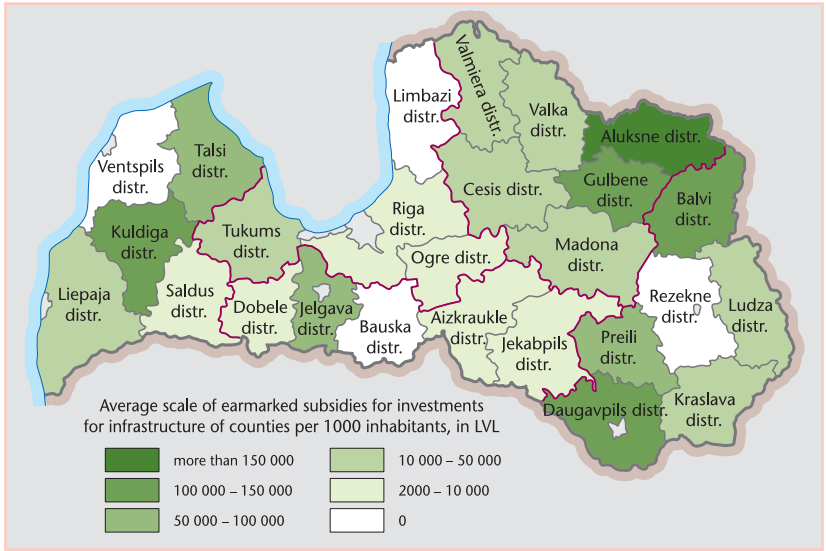

Figure 69. Scale of earmarked subsidies for investments for infrastructure of counties per 1 000 inhabitants on average in districts in 2005-2007 in total.

regions had the largest scale, but the smallest – Riga region (see Table 58 and Figure 72).

By calculating the funding of these four programs per 1 000 inhabitants in regions, the prevalence of Vidzeme region over other regions was considerable, but budget support for the economically most powerful region, namely, Riga, was the smallest (see Figure 71). Such distribution can be explained by investment distribution having already commenced before this period and the activity and readiness of local municipalities for establishing of counties within the administrative territorial reform.

Planning region	Earmarked subsidy for free *Internet* access points, in LVL, thousands	Earmarked subsidy for investments in local municipalities, in LVL, thousands	Earmarked subsidy for activities of local municipalities, in LVL, thousands	Earmarked subsidy for investments in infrastructure of counties, in LVL, thousands	Earmarked subsidies in total for capital investments, in LVL, thousands
Riga Region	146.6	2655.1	615.4	1150.0	4567.1
Vidzeme Region	134.2	5648.9	1200.3	10 918.0	17 901.4
Kurzeme Region	127.1	4428.3	744.3	7844.0	13 143.7
Zemgale Region	129.6	3247.8	611.5	2088.0	6076.9
Latgale Region	162.5	5142.1	1423.3	10 900.0	17 627.9
Total in Latvia	**700.0**	**21 122.2**	**4594.8**	**32 900.0**	**59 317.0**

Table 58. Earmarked subsidies from the budget used for local municipalities for capital investments within the four programs under authority of MRDLG and SRDA in 2007.

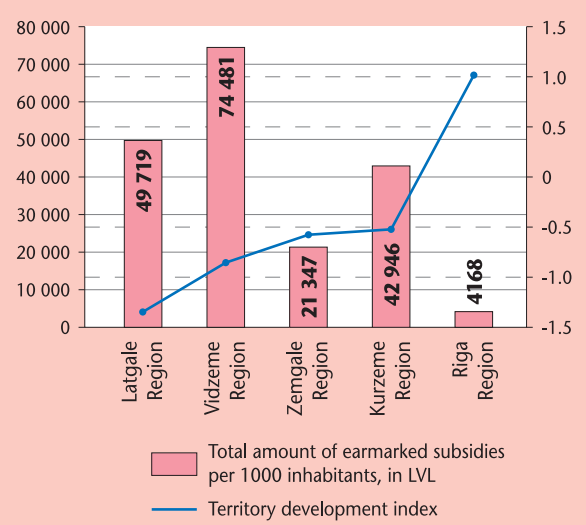

Figure 71. Total amount of earmarked subsidies from the budget used for local municipalities for free Internet access points in libraries, investments in local municipalities, activities of local municipalities, and for infrastructure of counties, per 1 000 inhabitants in regions in 2007, in LVL, and territory development index.

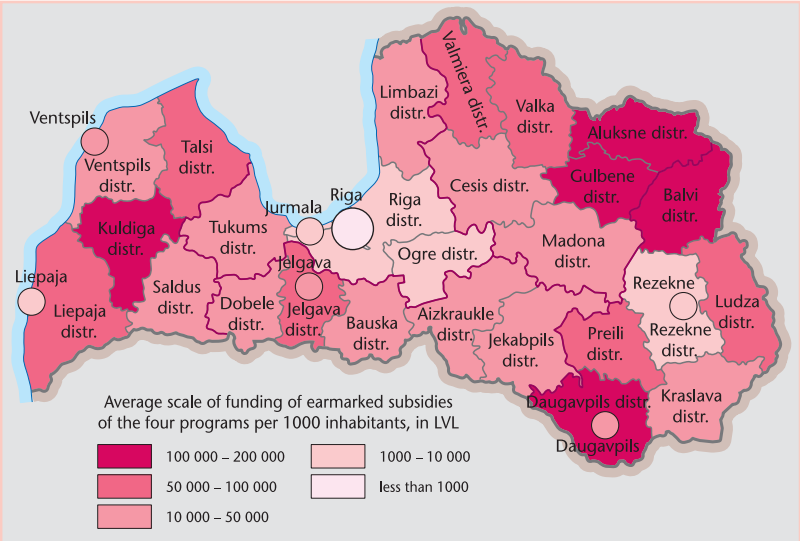

Figure 70. Funding of earmarked subsidies of the four programs per 1 000 inhabitants in districts and cities in 2007.

Figure 70 represents funding of earmarked subsidies of the four programs per 1 000 inhabitants in districts and cities in 2007.

Earmarked Subsidies for Spatial Planning

The planning documents of local municipalities, districts and regions – development plans, development programs and spatial planning are an important precondition for attraction of international, state, local municipality and private investments. Existence and real observance of such plans, spatial planning in particular, promote the trust of inhabitants in their local municipality and crease a certain sense of stability regarding properties – place of residence or place of economic activities. In the field of spatial planning the state support expresses both in elaboration of planning methodology and earmarked subsidies used for local municipalities from the budget for elaboration of spatial planning.

Ministry of Environmental Protection and Regional Development managed, supervised and coordinated the spatial planning in the country in terms of methodology until 2002. In 2002 only the supervision of elaboration of local municipality planning remained under supervision and coordination of this Ministry, but the methodological management, supervision and evaluation of national planning and elaboration of spatial planning of planning regions and district local municipalities was transferred to the authority of the Board of Regional Policy and Planning, which was included into the composition of Secretariat of the Minister for Special Assignments for Cooperation with International Financial Agencies. Since 2003 the Ministry of Regional Development and local municipality has been responsible for performance of the functions prescribed by Spatial Planning Law.

In order to promote elaboration of spatial planning of local municipalities, an earmarked subsidy has been envisioned from the budget since 1996 used for local municipalities for elaboration of spatial planning. The order for granting the earmarked subsidy is determined by Cabinet of Ministers regulations, which initially, on the basis of budget law, were adopted annually, but after adoption of Spatial Planning Law (in 2002) they have not been changing so frequently. Currently the granting the earmarked subsidy for elaboration of spatial planning takes place in accordance to the Cabinet of Ministers Regulation No. 121 of 14 February 2006 Procedure by which Earmarked Subsidy for Elaboration of Spatial Plans and Their Amendments for Planning Regions, Districts and local municipalities are Granted.

Local and district local municipalities could receive the earmarked subsidy until 2003, but

after 2003 also the planning regions can be the recipients. The maximum amount of granted earmarked subsidy is LVL 20 000 for spatial planning of a planning region, district and city, LVL 15 000 – for spatial planning of a town and county, LVL 10 000 – for spatial planning of a parish, but the amount of earmarked subsidy for amendments in planning must not exceed 50% of the abovementioned amounts.

Within the period of 1996-2002 the earmarked subsidies for elaboration of spatial planning were granted in extent of LVL 5 760 000*. Within the period of 2003-2007 (inclusive) LVL 3 000 000 were granted for local municipalities from the budget. Consequently the local municipalities have received almost LVL 9 000 000 in total until the beginning of 2008 for spatial planning.

Initially the earmarked subsidies were envisioned for elaboration of development programs and spatial planning, as well as for detailed plans and regulations for construction. The regulations envisioned that the earmarked subsidy can be utilized also for procurement of statistical data, cartographic materials, computers and software. The earmarked subsidy is not granted for elaboration of development programs since 2003, but only for activities related to elaboration of spatial planning, including the strategic assessment of influence on the environment.

Payment of granted earmarked subsidies takes place in two stages – 50% as an advance payment and 50% as a final payment after submission of all reporting materials to the Commission for Granting Earmarked Subsidies for Elaboration of Spatial Planning. Unfortunately not all of recipients of earmarked subsidy were able to acquire the funding provided by the state and to report thereof within the term specified in laws and regulations.

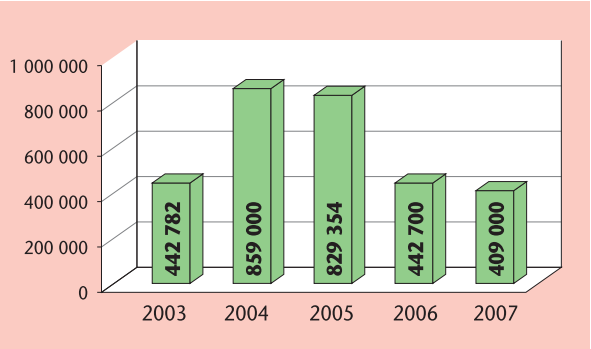

*Figure 73. Scale of earmarked subsidy from the budget used for elaboration of spatial planning in 2003-2007**.*

The earmarked subsidy is granted for local municipalities on the basis of chronological order of submission of their applications, by assessing the their conformity to the requirements. In certain years the granting of earmarked subsidy had determined priorities.

For example, the Cabinet of Ministers Regulation of 2006: Procedure by which Earmarked Subsidy for Elaboration of Spatial Plans and Their Amendments for Planning Regions, Districts and local municipalities are Granted initially envisioned the preference in granting the earmarked subsidy for:

- local municipalities for elaboration of their spatial planning, which have not received the earmarked subsidy before;
- local municipalities of Baltic Sea and Riga Gulf coasts;
- local municipalities amalgamated within the process of administrative territorial reform (counties);
- local municipalities, for which the necessity of elaboration of amendments in spatial planning is determined with laws and regulations regulating the establishment of new micro-reserves or specifically protected natural areas or the individual regulations for protection and utilization of specifically protected natural areas adopted after approval of the spatial planning;
- Claimants requesting only additional earmarked subsidy for strategic assessment.

Considering that the annual scale of earmarked subsidy for elaboration of spatial planning envisioned in the budget has been insufficient, the situation has developed that the claimants of the earmarked subsidy are forced: to wait for a considerable period of time before receiving the respective funding. The wait was extended also by the fact that 31st December 2007 was the term for elaboration and approval of spatial planning, and the funding envisioned in the budget in 2007 for achieving this aim was paid out as a final payment. It should be noted that in 2007 the earmarked subsidy is granted again only in few cases. Due to abovementioned circumstances the provision on priorities for granting earmarked subsidies was excluded from the regulations.

Table 59 represents information about distribution of the earmarked subsidy amongst local municipalities in regions within the period 2003-2007 on the basis of calculations according to indicative data of MRDLG on disbursed earmarked subsidies (this amount exceeds the amount resulting from budget reports). Within these five years the local municipalities of Latgale region have received the most extensive funding for spatial planning, namely, LVL 877 000 or a quarter of disbursed earmarked

Planning region	Scale of earmarked subsidy, in LVL, thousands	Proportion of earmarked subsidy in a region, in %	Scale of earmarked subsidy per 1000 inhabitants, in LVL
Riga Region	565.32	16.3	508
Vidzeme Region	637.26	18.7	2651
Kurzeme Region	675.99	19.8	2209
Zemgale Region	662.28	19.4	2326
Latgale Region	877.36	25.7	2475
Latvijā	**3418.21**	**100.0**	**1494**

Table 59. Earmarked subsidies for spatial planning in 2003-2007 in total.

* Latvian-Finnish bilateral project Elaboration of Supervision and Assessment System for Regional Development of Latvia. Report 1. Riga, 2003.

** Sources: for 2003-2006 - Accounting year report on the performance of the budget and the local municipality budgets. Volume No. 3 Appendix: Summary on Performance of Basic Budgets of Local Municipalities. Data of public survey of MRDLG of 2007, p. 11, were used regarding 2007.

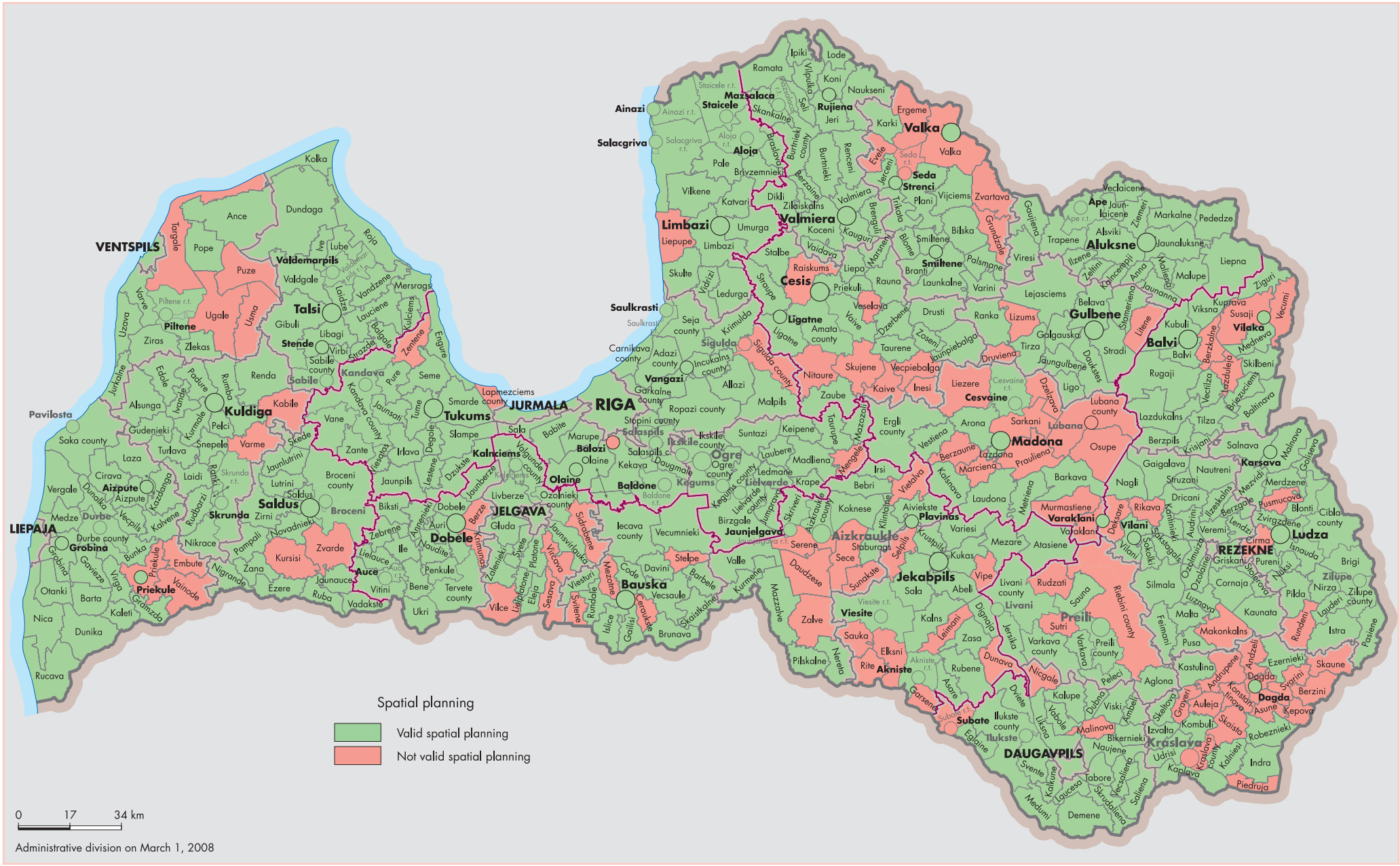

Figure 74. Spatial planning in local municipalities as of 1st March 2008.

subsidies. It should be noted that Latgale region has the largest number of local municipalities and consequently it having the largest scale of funding is logical.

Notwithstanding of the fact that spatial planning is one of duties of local municipalities prescribed by the law: On Local Municipalities (1994) and of the financial support provided by the state, not all of local municipalities had a valid spatial planning at the beginning of 2008. Situation slightly improved in the first half of 2008. According to data of MRDLG, at the beginning of 2008 129 local municipalities (inclusive of such local municipalities, which did not manage to publish them in Latvijas Vēstnesis in time) and two district local municipalities had no valid spatial planning. Consequently 25% of local municipalities had no valid spatial planning at the beginning of 2008. On 1st March 2008 already 81.3% or 427 local municipalities out of 525 had a valid spatial planning, i.e., the spatial planning of a local municipality was issued as binding regulations of a local municipality in conformity to Section 6 of Article 6 of the Spatial Planning Law. Working on elaboration of spatial planning takes place in 98 local municipalities of in 18.7% of local municipalities (see Figure 74). Comparatively largest proportion of local municipalities with no valid spatial planning is registered in Latgale and Vidzeme regions, although local municipalities of these regions received the most extensive scale of funding in total.

In 2007 MRDLG has provided opinions on 185 binding regulations and 199 final editions of spatial planning.*

Support of Regional Fund for Businessmen in Specially Supported Territories

In 1998 the implementation of Program for Specially Supported Regions was commenced, which envisioned promotion of social economic development for territories with negative development tendencies. Within the program the projects of entrepreneurial companies and local municipalities were co-funded from Regional Fund of the budget for promotion of economic activities in specially supported territories. In the beginning of implementation of the program since 1998 the law: On Specially Supported Regions (1997) and laws and regulations resulting from it were its legal framework, but since March 2002 the implementation of the program is based on: Regional Development Law (2002).

Although the resources from the Regional Fund were envisioned for extensive range of support (investments in statutory capitals of companies, extraordinary payments (payments for events of economic education, additional payments for creation of new paces of employment, etc.) interest payments for purpose loans successfully utilized in accordance to submitted business plan and investment subsidies, together with local municipality for infrastructure development, partially – for local development funds of specially supported regions and for elaboration of development programs of specially supported regions), approximately 90% were transferred for payment of interest for the purpose loans. Within the program 1 192 project applications were received, 1 073 funding agreements (845 projects were implemented) were concluded, 5 662 new places of employment were established, 14 162 places of employment were retained, and 4 687 seasonal places of employment were established by 2007.* Within the period of 1998-2007 (inclusive) the support funding of Regional Fund amounted to LVL 11 500 000 in total.**

The grant scheme: Support for Investments in Development of Companies in Specially Supported Territories administered by SRDA and determined within the Priority 2: Promotion of Enterprise and Innovations of Addition of the Program of Development Plan of Latvia (2004-2006) or the Unified Program Document is implemented since 2004 for supporting specially supported territories. Only the payment of interest for purpose loans of commenced projects is funded from the Regional Fund of the budget, and such situation will remain until implementation of supported projects by 2010.

Planning region	Payments from Regional Fund, in LVL, thousands	Proportion of payments from Regional Fund in a region, in %	Number of supported projects	Payments from Regional Fund per 1000 inhabitants, in LVL, thousands
Riga Region	21.15	4.8	6	19.3
Vidzeme Region	61.57	14.0	54	254.7
Kurzeme Region	25.87	5.9	14	84.2
Zemgale Region	60.41	13.8	19	211.6
Latgale Region	270.16	61.5	137	756.4
In Latvia	**439.15**	**100.0**	**230**	**191.9**

Table 60. Payments from Regional Fund for national projects in 2007.

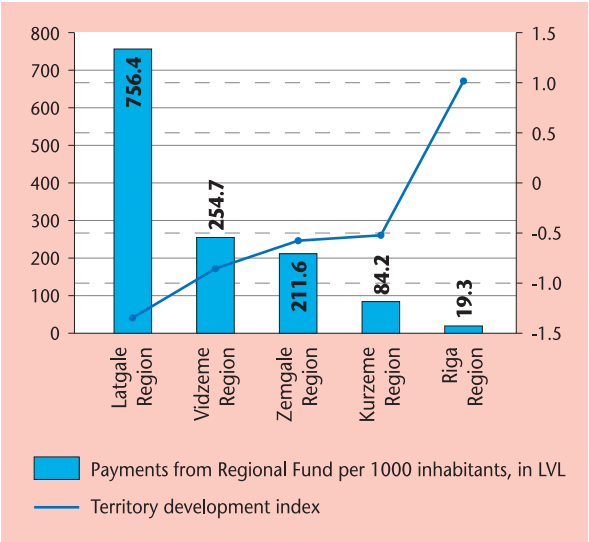

Figure 75. Payments from Regional Fund per 1 000 inhabitants in 2007 and territory development index.

** public report of MRDLG of 2007, p. 11.*

** data of the homepage of SRDA: www.vraa.gov.lv.*

*** Calculation data on 1998-2002 in Report 1 of Latvian-Finnish bilateral project: Elaboration of Supervision and Assessment System for Regional Development of Latvia. Riga 2003. On 2003-2006 – from public reports of SRDA, on 2007 – from SRDA.*

In 2007 LVL 439 150 were paid from Regional Fund for repaying interest of 230 projects in specially supported territories (see Table 60).

As more than one third (36.5%) of specially supported territories is located in Latgale region, it is logical that 61.5% of the funding from Regional Fund is provided for companies in this region. Figure 75 clearly represents the strong relationship between the funding received from Regional Fund in 2007 and the territory development index.

Tax Allowances for Entrepreneurs in Specially Supported Territories

In accordance to the Regional Development Law, law: On Enterprise Income Tax, and the law On Individual Income Tax, the taxpayers, who are registered and acting in specially supported territories, may submit the applications of development projects to SRDA for receiving tax allowances.

In case of approving the project the payer of individual income tax is entitled to apply the special order prescribed by law to writing off the fixed assets in case of depreciation (by determination of taxable income) and the special order for carrying over the losses till the end of taxation period, when the status of specially supported territory terminates.

SRDA receives information on income tax allowances applied to payers of individual income tax from the State Revenue Service on annual basis by 1st October after the declarations of companies are collected. Once in a year SRDA requests submission of a statement on the course of implementation of the development project from the payers of income tax.

In 2007 53 projects were supported for receiving tax allowances, but in July 2008 the information about the amount of allowance was not collected. In 2006 57 projects were supported and the total amount of tax allowances was LVL 3 740 000, but in 2005 46 projects were supported for the total amount of support of LVL 1 640 000.

The largest number of supported projects and also the scale of tax allowance were provided for entrepreneurial companies of specially supported territories in Latgale region (see Table 61 and Figure 76).

But the data on the number of supported projects and received tax allowances in districts show that the

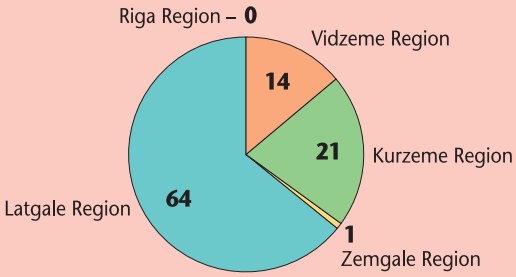

Figure 76. Distribution of tax allowances applied in specially supported territories by regions in 2005 and 2006 in total, %.

Planning region	2005 Number of supported projects	2005 Scale of allowances, in LVL	2006 Number of supported projects	2006 Scale of allowances, in LVL	2007 Number of supported projects
Riga Region	-	-	-	-	1
Vidzeme Region	14	315 966	16	444 920	15
Kurzeme Region	3	142 619	6	986 579	4
Zemgale Region	-	-	1	62 594	2
Latgale Region	29	118 3130	34	224 1453	31
Total in Latvia	**46**	**1 641 715**	**57**	**3 735 544**	**53**

Table 61. Tax allowances applied to specially supported territories.

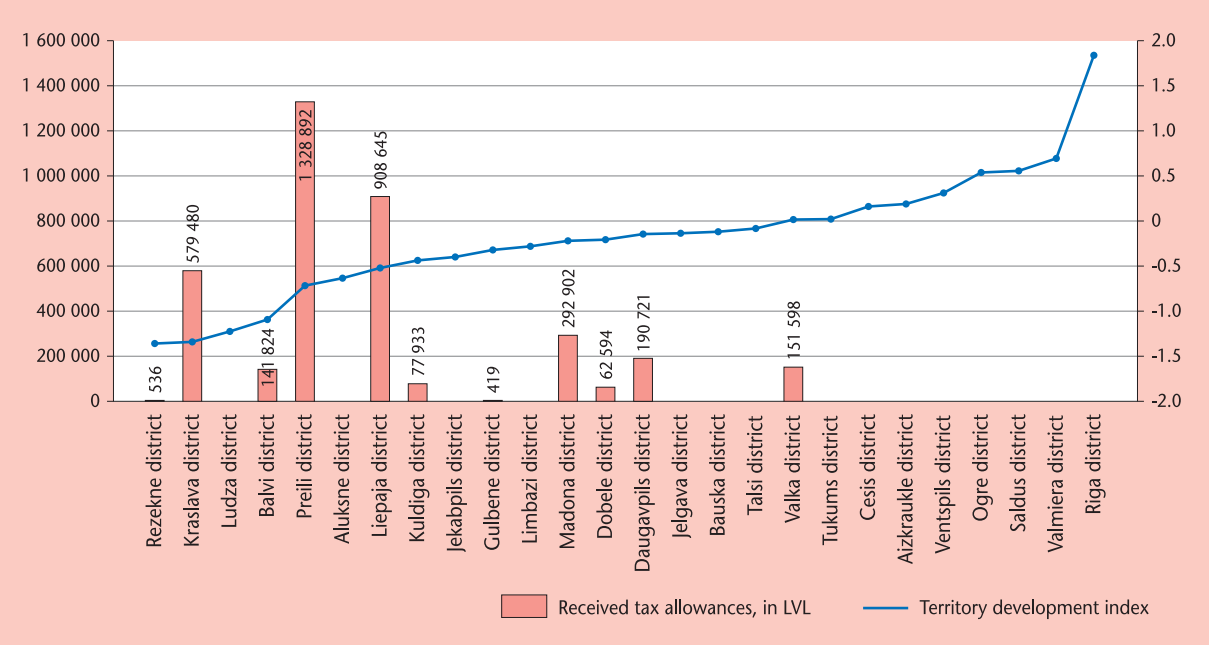

Figure 77. Scale of provided tax allowances in districts in 2006, in LVL, and territory development index.

activity of entrepreneurs for utilizing this support and respectively received scale of support are very diverse. For example, in 2006 the largest scale of tax allowances was registered in Preili district (LVL 1 300 000), its scale was considerable also in Liepaja district (LVL 908 600), but in Ludza district, whose entire territory has the status of specially supported territory, the support was not requested at all (see Figure 77).

Grant Scheme: Support for Investments in Development of Companies in Specially Supported Territories of the Unified Program Document

With the accession of Latvia to the European Union the funds from EU structural funds are available to the country. By 2008 the granting of these funds to projects took place in conformity to the state development priorities determined in the Development Plan of Latvia (2004-2006) or the Unified Program Document and to the events and activities to be carried out within these priorities.

In the planning period of 2004-2006 (according to the principle of n+2 years, the implementation of projects commenced within the planning period takes place by 2008) SRDA performed the management of the grant scheme: Support for Investments in Development of Companies in Specially Supported Territories (hereinafter – the grant scheme) of the sub-activity 2.2.1.1 implemented within the event 2.2: Development of Infrastructure Supporting Entrepreneurship of the priority 2 Promotion of Enterprise and Innovations of the Unified Program Document. Ministry of Regional Development and local municipalities (MRDLG) is the intermediary institution for the level 1, but the Central Finance and Contracting Agency (CFCA) is the intermediary institution for level 2 of this grant scheme. This grant scheme can be considered as a continuation for the Development Program of Specially Supported Regions (Territories) initiated in 1997.

In common with the Program of Specially Supported Territories also the grant scheme is focused on promotion of entrepreneurship in specially supported territories. Respectively only the entrepreneurial companies, which are registered and carrying out their operation in specially supported territories, may qualify for the funds of grant scheme 2.2.1.2.

The initial planned public funding for the grant scheme was determined in extent of LVL 3 000 000, but in the course of implementation of the plan the funding was increased by including the funds envisioned for the activity 2.4.4: Interest Rate Subsidies in Specially Supported territories, which were also provided only to the development of specially supported territories. Therefore the public funding in extent of LVL 8 990 000 in total was provided for projects of entrepreneurial companies within the grant scheme Support for Investments in Development of Companies in Specially Supported Territories, which included LVL 4 490 000 from the European Regional Development Fund (ERDF). Planned private funding is LVL 9 440 000 for these projects.

According to the data of Management Information System of EU structural funds, within the grant scheme SRDA received 388 project applications, but 175 projects or 45% from the number of submitted projects were supported (approved for funding), and agreements were concluded on implementation of 173 projects. Table 62 and Figure 78 represent the distribution of the number of projects and public funding provided for entrepreneurial companies amongst the planning regions. Notwithstanding of the fact that largest proportion of specially supported territories is located at Latgale region, entrepreneurial companies of Vidzeme region were the most active and successful within this grant scheme. Vidzeme region, which comprises approximately 27% of inhabitants of specially supported territories, attracted 39% of the funding of this grant scheme. But Latgale region, which comprises 35% of inhabitants of specially supported territories, attracted 21% of the funding of this grant scheme. Also by calculating the funding per 1 000 inhabitants, Vidzeme region has a visible prevalence – its funding per 1 000 inhabitants is 2.3 times the number of Latgale region.

Data represented in Figure 79 show that between districts the entrepreneurial companies of Gulbene district were the most active in attraction of grant scheme funding (20 projects), it is followed by Jekabpils

Planning region	Number of applied projects	Number of supported projects	Proportion of supported projects against the applied projects, in %	Public funding, in LVL, thousands	Public funding per 1000 inhabitants, in LVL
Riga Region	19	11	58	628.75	574
Vidzeme Region	141	67	48	3475.62	12 209
Kurzeme Region	71	29	41	1438.35	5984
Zemgale Region	55	27	49	1545.66	5050
Latgale Region	102	41	40	1903.83	5370
In Latvia	**388**	**175**	**45**	**8992.21**	**3942**

Table 62. Projects and provided public funding within the grant scheme Support for Investments in Development of Companies in Specially Supported Territories.*

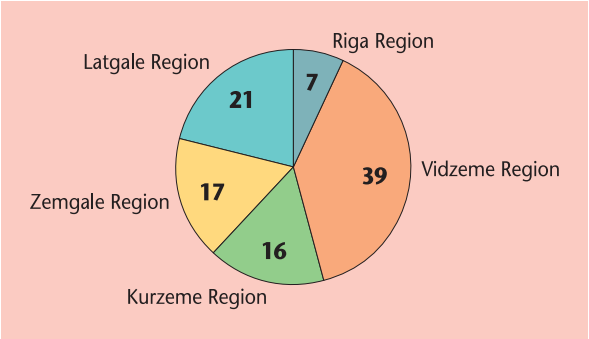

Figure 78. Distribution of the public funding provided within the grant scheme: Support for Investments in Development of Companies in Specially Supported Territories amongst regions.

* Data sources: EU SF MIS

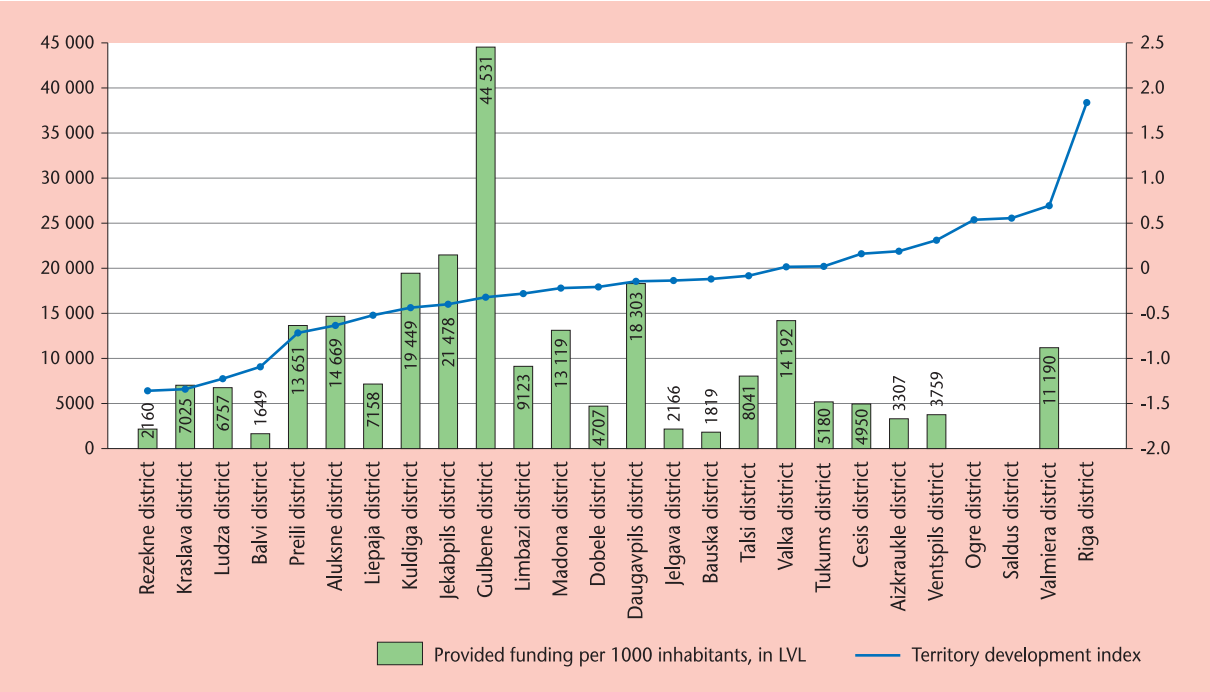

Figure 79. Distribution of the public funding provided within the grant scheme Support for Investments in Development of Companies in Specially Supported Territories per 1 000 inhabitants in districts and the territory development index.

district, Kuldiga district, and Daugavpils district, and these are not the territories described by the lowest development index.

In accordance to data of SRDA 2 236 places of employment were established and retained within the projects supported by the grant scheme.

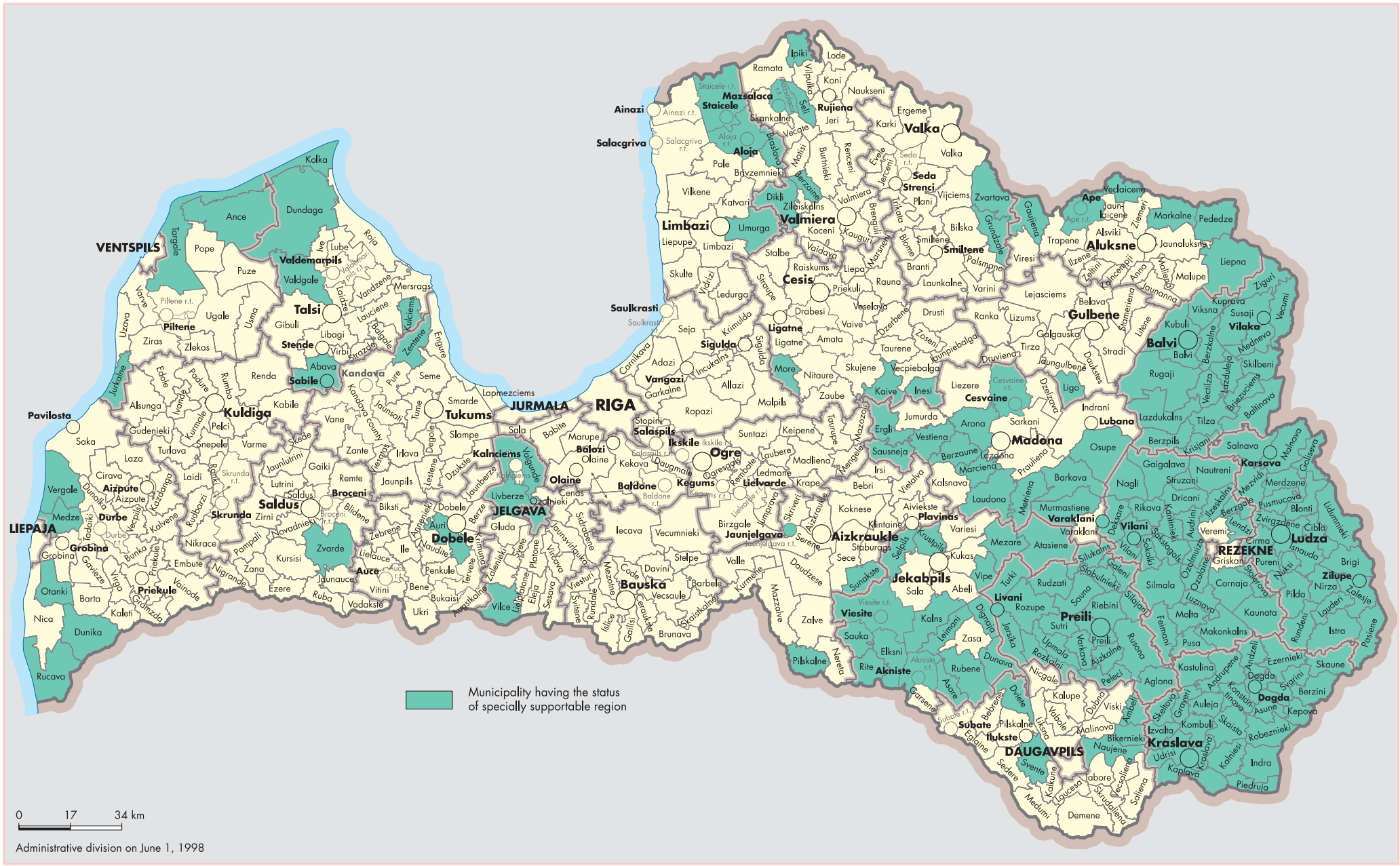

Figure 80. Specially supportable regions 1998-2001 according to the Cabinet of Ministers Regulations No.263.

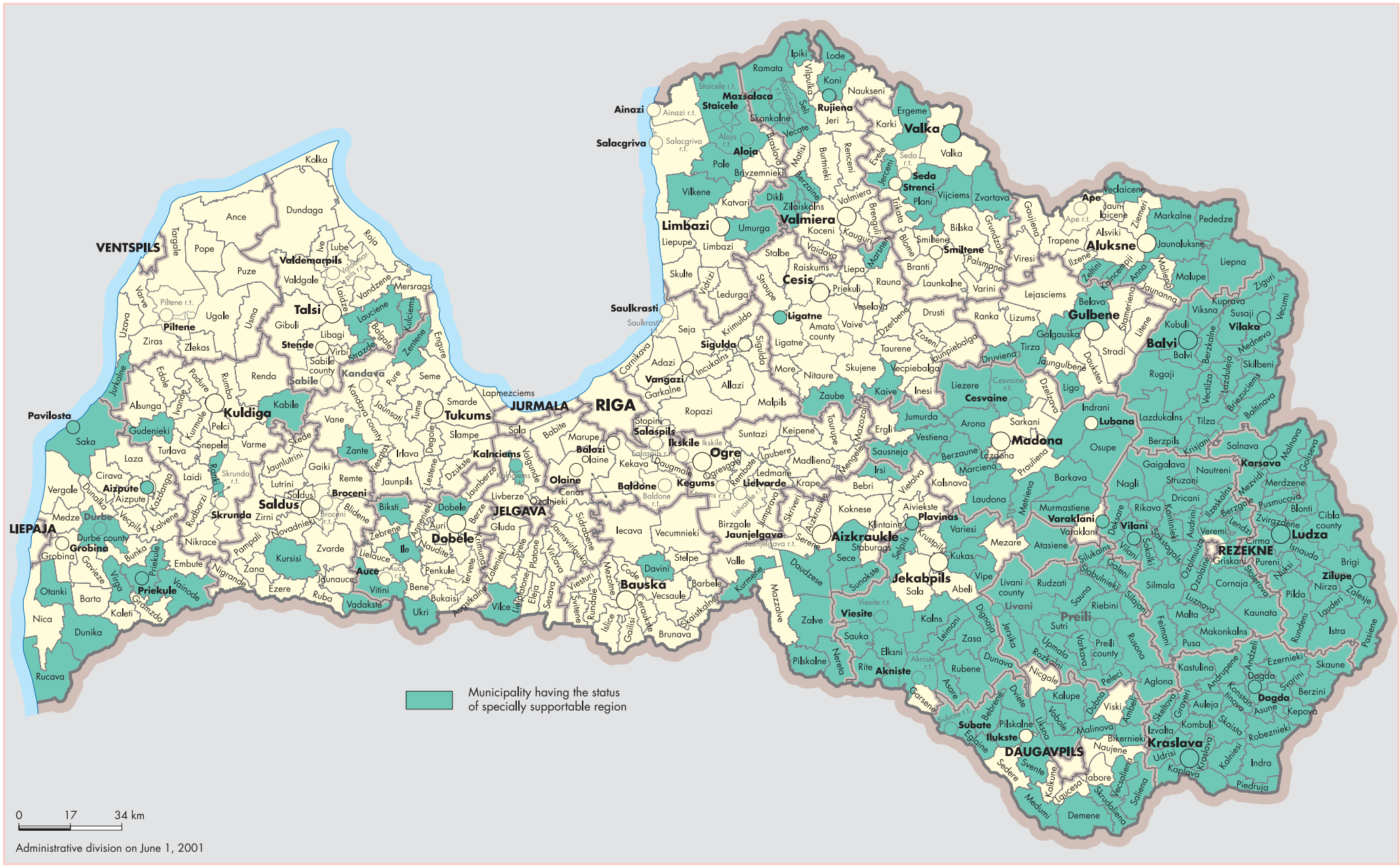

Figure 81. Specially supportable regions 2001-2004 according to the Cabinet of Ministers Regulations No.325.

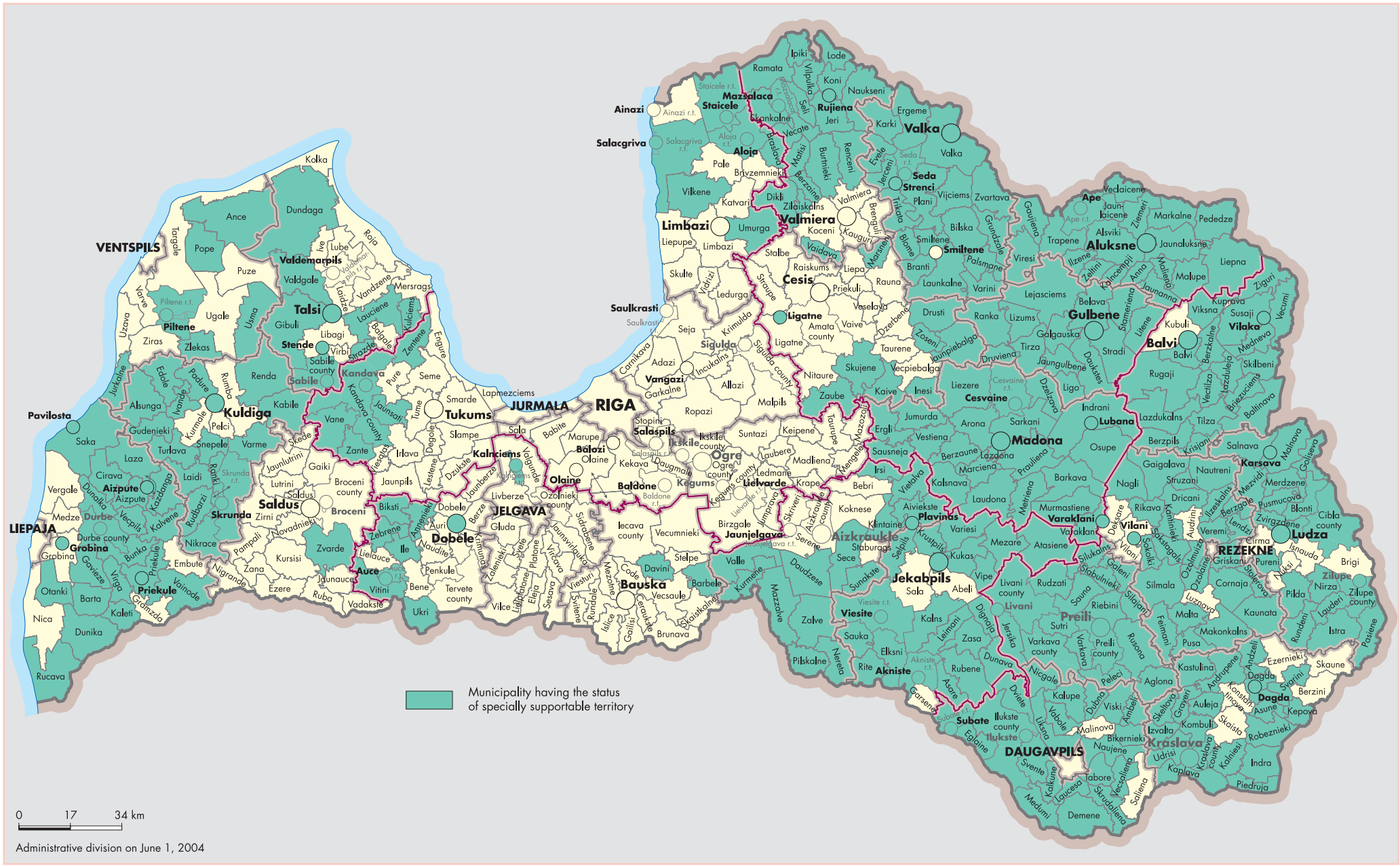

Figure 82. Specially supportable territories 2004-2006 according to the Cabinet of Ministers Regulations No.637.

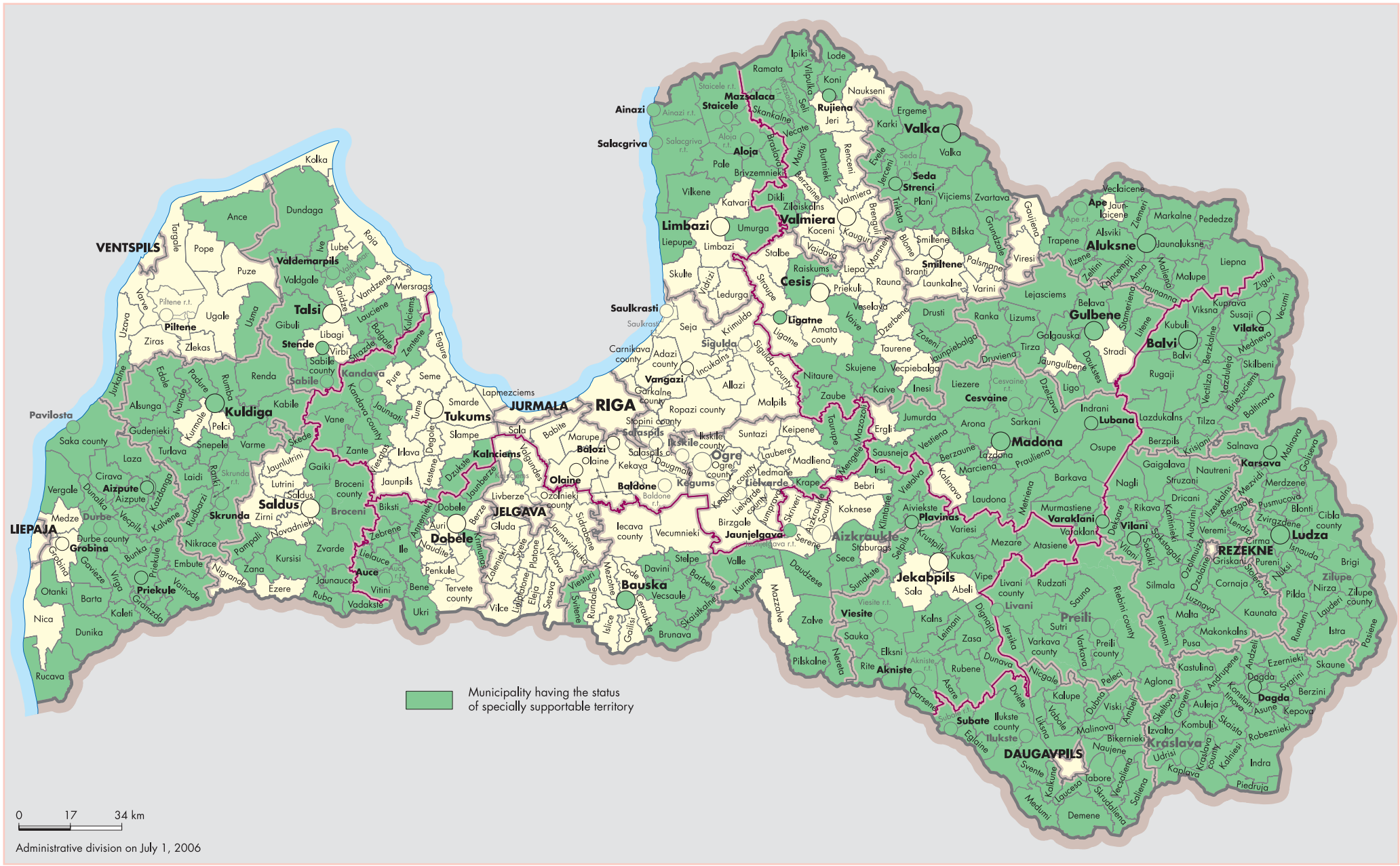

Figure 83. Specially supportable territories 2007-2009 according to the Cabinet of Ministers Regulations No.637.

EQUALIZATION OF MUNICIPALITY FINANCES

Considerable disparities can be observed in the revenue of budgets of local municipalities, which can be explained by objective, social economic, geographical, and culturally historical factors, factors described by the efficiency of operation of local municipalities, and also subjective factors. Also the needs of expenses of local municipalities differ mainly due to the different demographic and social economic situation. Therefore the equalization of municipality finances has been used in Latvia since 1995. This system has not changed since 1998 and it is regulated by the law On Equalization of Municipality Finances adopted in 1998.

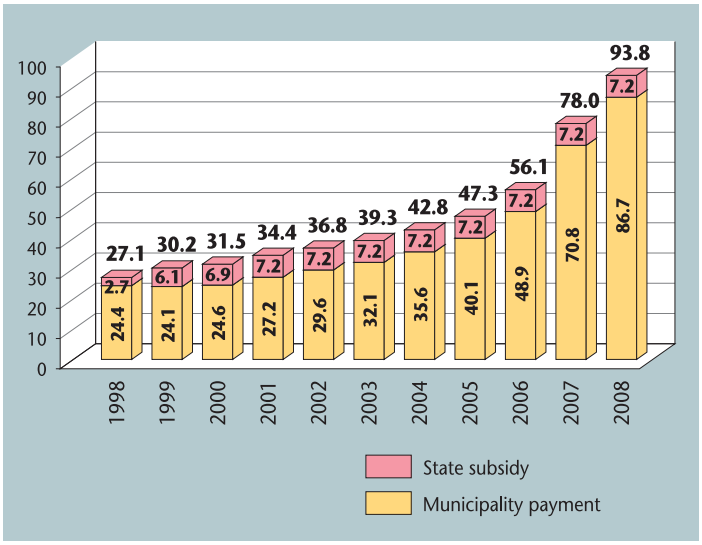

Figure 84. Dynamics of the revenue of the Municipality Financial Equalization Fund in years and in millions LVL.

The opinions of the representatives of government, local municipalities and experts on whether the equalization of municipality finances can be considered as a support instrument for regional development in Latvia have been different. In 2002-2003 in Latvia during the first assessment of regional development support instruments: (Efficacy Assessment of Regional Development Support Instruments carried out within the Latvian-Finnish bilateral project: Elaboration of Supervision and Assessment System for Regional Development of Latvia) it was concluded that in the period 1998-2003 the equalization system with Municipality Financial Equalization Fund (MFEF) was the most significant instrument in terms of scale of funds for supporting the weaker territories and reduction of respective unfavourable disparities amongst territories. The Recommendation Rec. (2005)1 of the Committee of Ministers to member states on the financial resources of local and regional authorities of Council of Europe* currently specifies the evident significance of the equalization system for municipality finances in the context of regional development. These recommendations say: "A substantial degree of financial equalisation is a prerequisite for the success of fiscal decentralisation and sound local self-government. At the same time, financial equalisation is a prerequisite for the success of policies geared to economic stability and balanced, sustainable regional development."

In Latvia the equalization system for municipality finances ensures both the equalization of municipality revenue and equalization by different needs of expenses.

A budget subsidy and municipality payments constitute the funds of the Municipality Financial Equalization Fund (see Figure 84). The scale of the equalization fund has grown from million LVL 27,1 in 1998 to million LVL 93,9 in 2008.

Although the scale of equalization fund increases on annual basis, the scale of state subsidy has remained unchanged since 2000 and constitutes less than one tenth of the Fund. For instance, in 2007 the total scale of MFEF was LVL 78 000 000, LVL 70 800 000 out of which were municipality payments, but in 2008 the scale of the Fund was LVL 93 900 000, LVL 86 700 000 or 92.3% out of which were municipality payments.

The proportion of the scale of funds in the Municipality Financial Equalization Fund constitutes approximately 6% of the total amount of basic budgets of local municipalities (in 2007 the revenue of basic budgets of local municipalities (gross) was LVL 1 524 000 000). In the same time there are local municipalities, in whose revenue of basic budgets the proportion of subsidy from Municipality Financial Equalization Fund exceeds even 40%.

The assessed revenue of local municipalities for equalization is determined as the sum of forecasted amounts of revenue of individual income tax and revenue of real estate tax. In 2007 the assessed revenue forecasted by local municipalities in Latvia constituted LVL 657 800 000 in total, but in 2008 – LVL 873 400 000. In 2007 the assessed revenue per capita constituted LVL 287 on average. The smallest revenue per capita constituted LVL 60, but the largest – LVL 507. In 2008 the disparities amongst the revenues of local municipalities has increased even more – the smallest revenue is LVL 71, the largest – LVL 700 per capita, and on average – LVL 382 per capita. During the recent years the share deducted from individual income tax, which was increased in Latvia for budgets of local municipalities*, increases also the disparities amongst revenues of local municipalities.

The necessity for different expenses of local municipalities within equalization system is determined according to the group of local municipality (group

* Adopted by the Committee of Ministers on 19 January 2005 at the 912th meeting of the Ministers' Deputies.

* deducted share of individual income tax for local municipalities by 2004 - 71.6%, in 2005 -73%, in 2006 – 75%, in 2007 – 79%, but in 2008 it was 80%.

of cities – the 7 cities, and the group of rural local municipalities – the other local municipalities) by four demographic criteria (population, number of children aged till 6 years inclusive, number of children and adolescents aged from 7 to 18, number of inhabitants after the working age), and two more criteria (number of children in children's homes, who have been placed by 1998, number of residents in old people's home, who have been placed by 1998), whose inclusion in the equalization system since 1998 was related to changes in settlements between the local municipalities.

After the comparison of the necessity of revenue and finances assessed by each local municipality, the local municipality either settles the payment to MFEF or receives a subsidy from the Fund; it can also neither pay nor receive anything and then it maintains a neutral position. The equalization system of Latvian municipalities has a peculiar feature that also district local municipalities without any of their own tax revenue receive subsidies from MFEF. Consequently the system ensures both equalization of finances of local municipalities and funding of district local municipalities.

Tables 63 and 64 represent the assessed revenue of local municipalities before equalization and the equalized revenue after equalization in 2007 and 2008 in different groups of local municipalities. For instance, in 2008 the disparity amongst revenues per capita before equalization in the group of rural local municipalities was 9.9 times, but after equalization – 2.4 times. Assessment of whether such equalization level is sufficient is not unequivocal.

In 2007 59 local municipalities settled payments to the Municipality Financial Equalization Fund, 50 local municipalities were neutral, but other 449 local municipalities, including 26 district local municipalities, received subsidies. In 2008 62 local municipalities settled payments to the Municipality Financial Equalization Fund, 61 local municipalities were neutral, but other 428 local municipalities received subsidies. Figure 85 represents the payments of local municipalities in the Fund, subsidies from the Fund or the neutral position in 2008.

In terms of scale Riga municipality settles the largest payments. In 2007 Riga settled LVL 46 500 000 into the Fund, which constituted 57.7% from the entire scale of MFEF. In 2008 the payment of Riga reached LVL 52 600 000. Table 65 represents the dynamics of payments of Riga to MFEF by years. It should be noted that in case in 2008 the necessity of finances of Riga was not increased in the system by LVL 30 000 000 with legal regulation of Budget Law, then after equalization the payment of Riga would exceed the present amount by

Year	Settled payment, in LVL, millions	Payment against all payments of local municipalities to MFEF, in %	Payment against entire MFEF, in %	Payment against the forecast of revenue of individual income tax, in %
2000	17.8	72.5	56.5	20.9
2001	19.3	70.8	56.1	20.4
2002	21.0	70.7	57.1	20.8
2003	23.0	71.7	58.5	21.1
2004	24.6	69.1	57.5	20.2
2005	27.3	68.1	57.7	19.2
2006	31.5	64.4	56.2	18.7
2007	46.5	65.7	59.6	19.1
2008	52.6	60.7	56.0	14.2

*Table 65. Payments of Riga municipality to MFEF**.*

Group of local municipalities	Assessed revenue per capita before equalization		Difference, over periods of time	On average, in LVL	Equalized revenue per capita after equalization		Difference, over periods of time	On average, in LVL
	Min., in LVL	Max., in LVL			Min., in LVL	Max., in LVL		
Districts					23 (Gulbene district)	50 (Limbazi raj.)	2.2	37
Cities	220 (Daugavpils)	410 (Jurmala)	1.9	349	223 (Daugavpils)	351 (Jurmala)	1.6	
Other local municipalities	60 (Skeltova parish)	507 (Garkalne county)	8.5	228	191 (Markalne parish)	391 (Garkalne county)	2.0	

Table 63. Assessed revenues before and after equalization in 2007.*

Group of local municipalities	Assessed revenue per capita before equalization		Difference, over periods of time	On average, in LVL	Equalized revenue per capita after equalization		Difference, over periods of time	On average, in LVL
	Min., in LVL	Max., in LVL			Min., in LVL	Max., in LVL		
Districts					30 (Gulbene district)	71 (Madona district)	2.4	47
Cities	278 (Daugavpils)	529 (Jurmala)	1.9	464	284 (Daugavpils)	454 (Jurmala)	1.6	
Other local municipalities	71 (Bikernieki parish)	700 (Garkalne county)	9.9	304	223	529 (Garkalne county)	2.4	

Table 64. Assessed revenues before and after equalization in 2008.*

* Source: calculations according to data of MFEF.

** Source: Annual Cabinet of Ministers Regulations on MFEF revenue and order for their distribution.

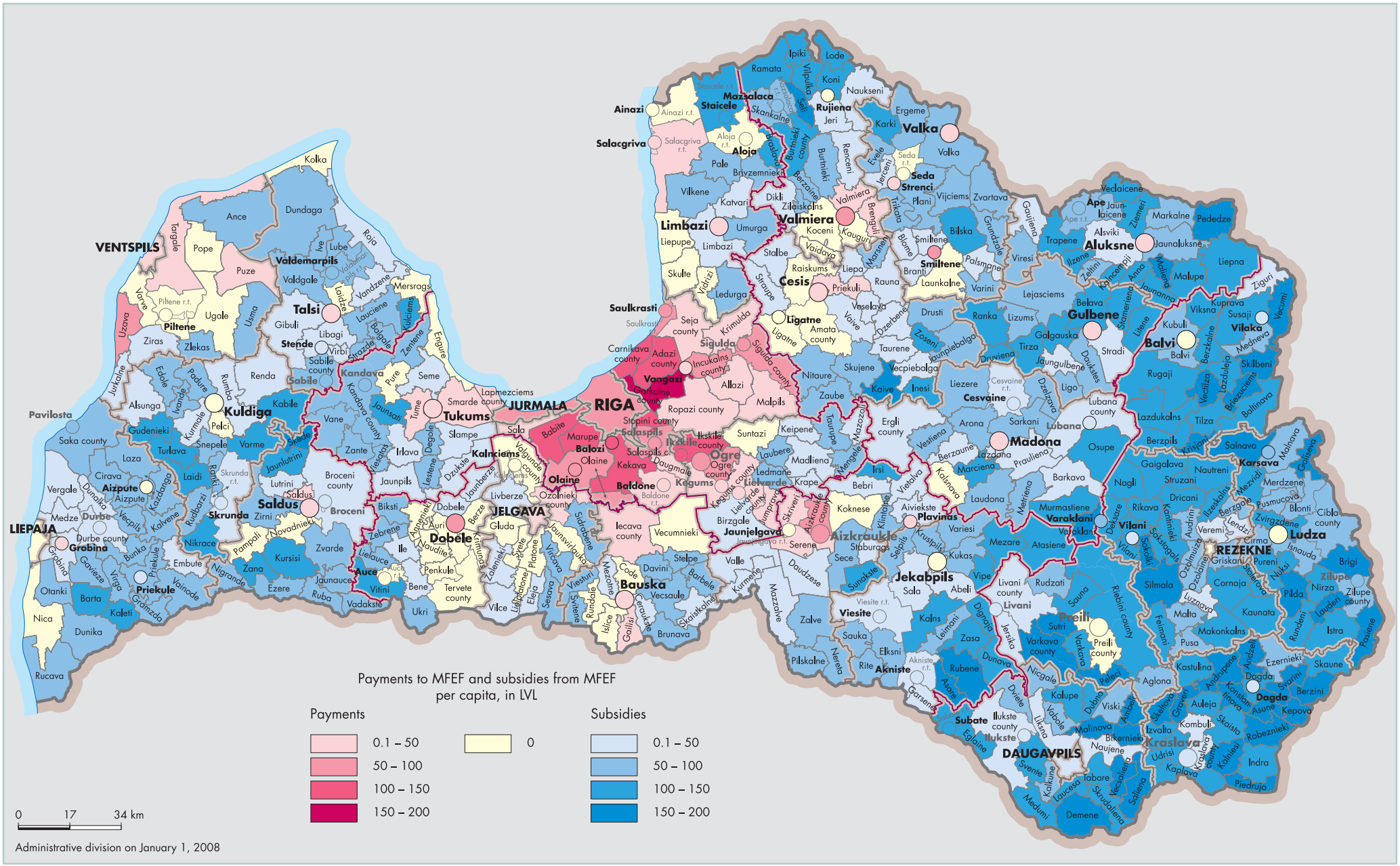

Figure 85. Payments of local municipalities to MFEF and subsidies from MFEF per capita in 2008.

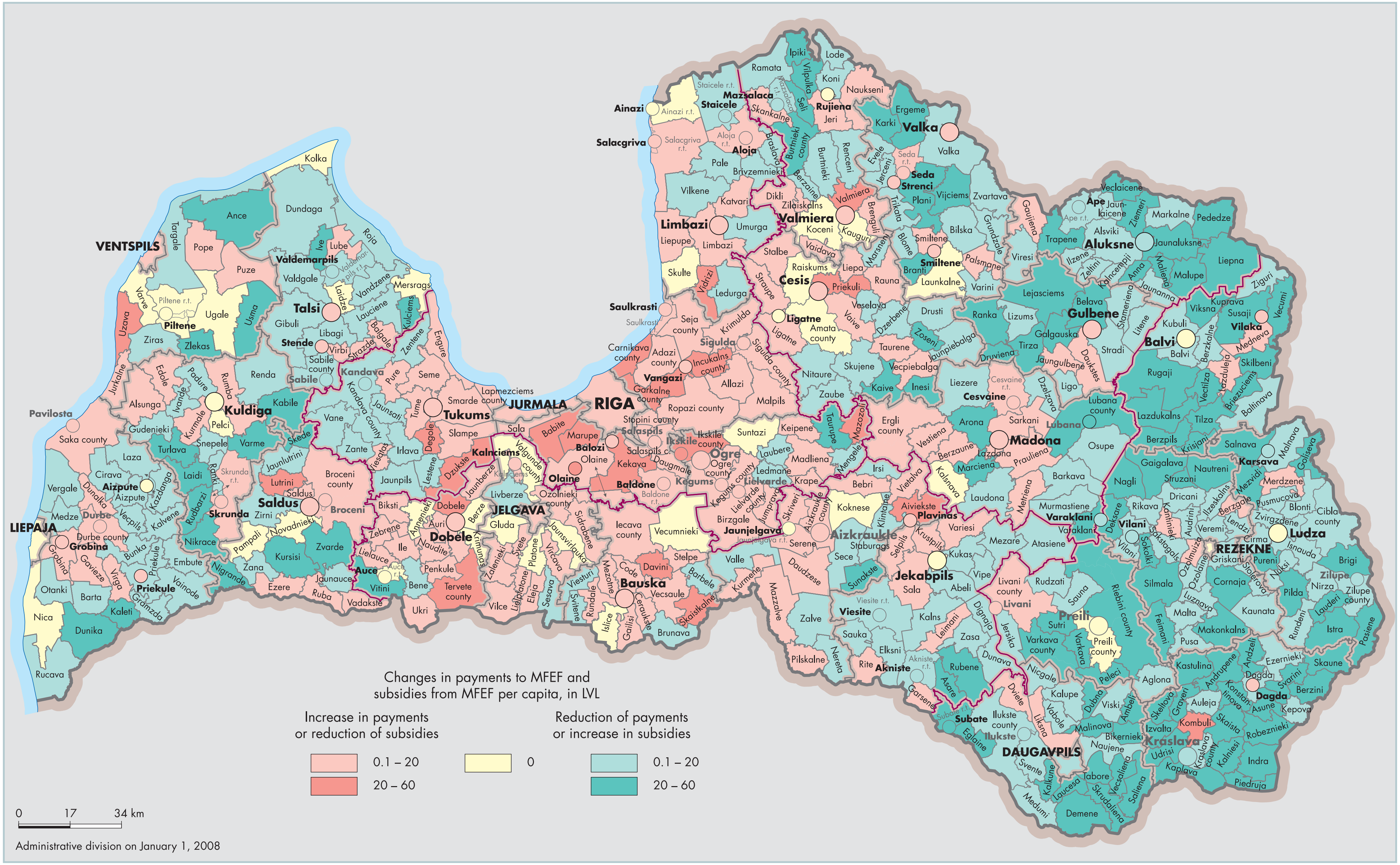

Figure 86. Changes in payments of local municipalities to MFEF and subsidies from MFEF per capita in 2007-2008.

more than LVL 10 000 000 according to the calculation order prescribed by law.

By assessing the scale of payment against the scale of individual income tax or by calculating the payment per capita, the local municipalities of Pieriga have the highest indicators during the recent years. For instance in 2008 the payment of Garkalne county to the Fund amounts to LVL 171.50, Babite parish – LVL 147.20, Marupe parish – LVL 139.20. Payment of Riga into the Fund constitutes LVL 72.60 per capita.

But by reviewing the scale of received subsidy per capita it is evident that the local municipalities Latgale have the highest indicators. For instance, in 2008 Bikernieki parish of Daugavpils district received LVL 191.50 per capita from the Fund, Andzeli parish of Kraslava district – LVL 186.50, Svarini parish – LVL 181.00, Skeltova parish – LVL 180.40, Pededze parish of Aluksne district – LVL 181.80.

Figure 87 represents the summary payment/subsidy in distribution by districts and cities by calculations per capita. Also the subsidy of district local municipalities has been considered in this regard. It can be noticed that in the group of cities four cities are payers, two are neutral (Liepaja and Rezekne), and one city (Daugavpils) receives the funds. But the group of other local municipalities has only two districts (Riga and Ogre districts), which pay in total more than receive from the Fund. But by reviewing these indicators in the breakdown by regions, they show that Riga region generally pays to the Fund, but other regions generally receive the subsidies. Figure 88 vividly represents the high correlation between the summary payments/subsidies of a region and the development index of the region.

Although a close interrelationship generally exists between the equalization summary payment/subsidy and the territory development index, by analysing the equalization components such interrelationship cannot be observed in all equalization components in more details. A significant lack of objectivity can be observed in distribution of subsidies in district local municipalities.

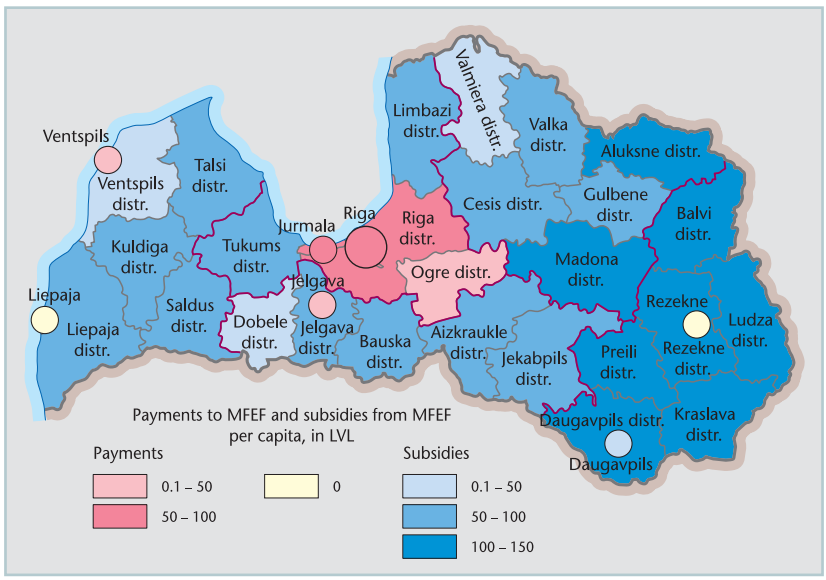

Figure 87. Summary payment and subsidy of local municipalities (inclusive of district subsidy) per capita in 2008.

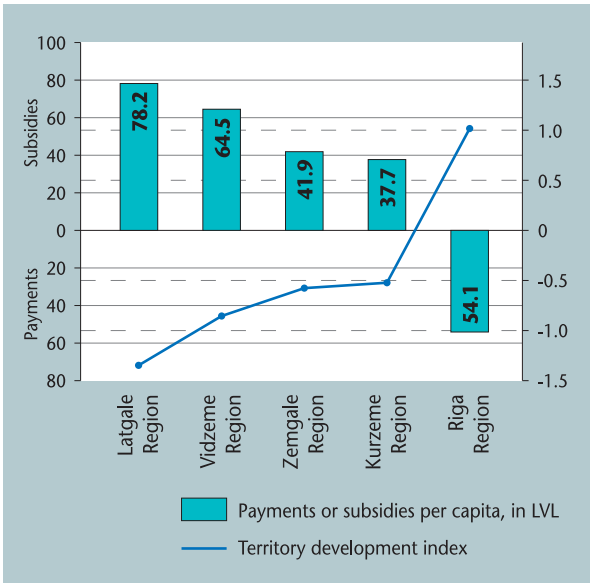

Figure 88. Interrelationship between the total scale of payments and subsidies of local municipalities in regions per capita and the territory development index in 2008.

Subsidy of district local municipalities from MFEF depends only on mathematic calculations, which results from the Law on EMF. Figure 89 represents the dynamics of total scale of subsidies for districts by years. During the recent years when the tax revenue of local municipalities has increased rapidly, but the revenue of district local municipalities from the Fund has increased even more rapidly due to mathematic calculations prescribed by law. In 2007 LVL 43 200 000 or 55.4% from the Fund were subsidies for district local municipalities, in 2008 the share of districts increased to LVL 55 200 000 or 58.8% of the Fund.

In 2007 the subsidies of district local municipalities per capita fluctuate in the equalization of finances within the range of LVL 23 to LVL 48, in 2008 – from LVL 31 to LVL 71.

Figure 90 represents the subsidy for districts from MFEF per capita and the development index; districts are arranged in progressive order by the value of territory development index. The non-existence of any interrelationship is evident. For instance, two districts with comparatively similar development index, i.e., Gulbene and Madona districts, have the minimum and maximum scale of subsidy, Rezekne and Kraslava districts, which have the lowest development index, receive subsidy in extent of LVL 40 per capita, but Tukums district of Pieriga receives one of the highest subsidies – LVL 62 per capita.

Such utilization of distorted calculations cannot be supported, and objection from Riga city and other cities is understandable against the lack of objectivity

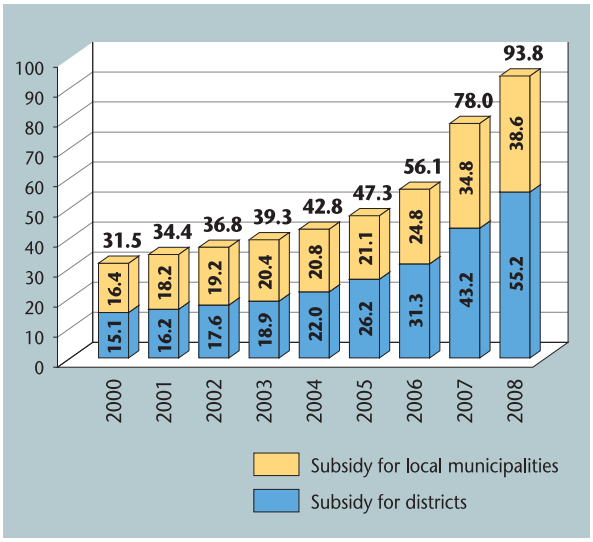

Figure 89. Distribution of the subsidy from MFEF amongst district local municipalities and local municipalities, in millions LVL.

in subsidies for districts. It is one reason for increased necessity for finances of Riga City in 2008 in the equalization calculations.

The following can be generally noted as the most significant flaws of the system:

- equalization of finances of local municipalities and funding of district local municipalities have been mixed into a single system;
- describing the disparities in determining the necessity of local municipalities for finances uses only demographic criteria and the division of local municipalities into two groups – cities (large cities) and rural local municipalities (all remaining local municipalities);
- the lack of objectivity in making the calculations is also caused by two criteria – the number of children in children's homes, who have been there since 1998, and the number of residents in old people's home, who have been there since 1998, regarding which a constant proportion has been prescribed by law;
- scale of budget subsidy into the Municipality Financial Equalization Fund has remained unchanged since 2001, therefore the state's share in the fund reduces by the increase in the total scale of the fund; the share of individual income tax in local municipalities increased within the recent years extends the disparities amongst revenue of local municipalities both before and after equalization;
- for the local municipalities, which receive subsidy from Municipality Financial Equalization Fund, by increase in tax revenue but not reaching the lower non-equalisable limit, the increase in tax revenue does not ensure the increase in entire budget revenue, but it ensures decrease in subsidy from Municipality Financial Equalization Fund; therefore recipient local municipalities have no financial motivation for promoting increase in tax revenue;
- not enough supervision and assessment is a feature of the system; forecasts are not compared with the actual situation, no regular analysis of the system is performed.

It is important for the stability of the system of local municipalities that the system of financial equalization is determined by law, and in general the existing system can be valued positively, ant it is one of the most powerful support instruments for regional development. However the existing drawbacks shall be prevented.

The local administrative territorial reform takes place in the county, due to which in 2009 after the local municipality elections there will be only city and county local municipalities; more considerable differences in needs for finances exist amongst the local municipalities. These disparities cannot be described by dividing local municipalities only into two groups as in the present system – cities (large cities) and counties (rural local

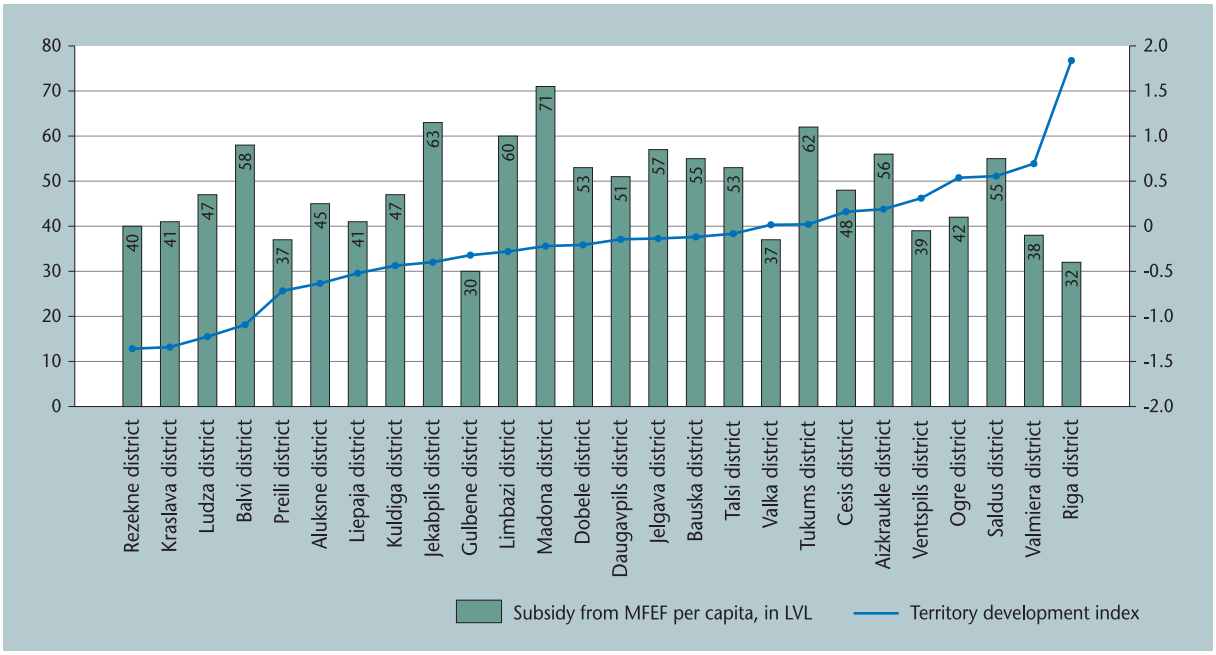

Figure 90. Subsidies for districts from MFEF per capita and territory development index in 2008.

municipalities), description of disparities requires more extensive range of criteria – demographic, geographic and social economic criteria.

Consequently possible prevention of drawbacks in the present system and consideration of the situation in local municipalities after the local administrative territorial reform requires a new model for equalization of municipality finances and a new law, respectively, according to which the equalization of municipality finances would be implemented.

In 2006 and 2007 within the framework of the order from MRDLG: Elaboration of Prospective Methodology (Model) for Equalization System for Municipality Finances SIA PKC (*Pašvaldību konsultāciju centrs*) and SIA Astrop, by involving local and international experts, performed a research and prepared a proposal for the new model of equalization of municipality finances, which could be implemented since 2010, as well as the respective draft law and its annotation. All reports prepared during the course of work are published in the homepage of MRDLG.

Report I.

Equalization of Municipality Finances.

Theoretical Aspects and Summary of Foreign Practice.

Assessment of the Latvian system for Equalization of Municipality Finances.

Report II.

Propositions for Improvement of the Latvian system for Equalization of Municipality Finances.

Report III.

Model of Equalization of Municipality Finances.

In the new model the aim of equalization of municipality finances is the equalization of opportunities for local municipalities to implement their competencies, which results from different tax revenue, thereby reducing the unfavourable social economic disparities amongst local municipalities and promoting well-balanced development throughout Latvia. Partial equalization of revenue by considering disparities in needs of expenses and helping local municipalities to be more interested in increasing revenue themselves will achieve the aim of the equalization of municipality finances.

The new system for equalization of municipality finances refers only to local municipalities. If regional municipalities are also established in Latvia after the administrative territorial reform of local municipalities, they will require a separate system for equalization of municipality finances. The new equalization system retains several basic features of the present system. For instance, also in the new equalization system the assessed revenue is calculated from the revenue of two taxes – revenue from real estate tax and individual income tax. The four present demographic criteria and four new criteria (area of territory, distance to Riga, number of service centres in counties (former administrative centres), centres servicing a broader territory (Riga – 85 points, other cities – 10 points, counties with former district centres – 5 points)) are used for determining the necessities of different local municipalities.

Calculations of equalization of municipality finances take place in two stages. Within the first equalization stage the entities settling the payment to the Municipality Financial Equalization Fund and local municipalities receiving subsidies are determined. Such figure as the total scale of equalized finances is used for these calculations, and it is calculated as the sum of assessed revenue and basic subsidy of the budget. The minimum basic subsidy of the budget is calculated on the basis of the current budget subsidy in the Fund (LVL 7 200 000), which has been increased according to the inflation rate. By using eight criteria and their proportions prescribed by law, the scale of equalized finances is calculated for each local municipality. Local municipalities, whose assessed revenue exceeds the scale of equalized finances, shall settle 40% from the excess in the equalization fund, but for local municipalities with more considerable excess part of the payment is calculated with increased rate (45%). Local municipalities with assessed revenue below the scale of equalized finances receive a subsidy from MFEF. The local municipalities, whose revenue after the first stage equalization is considerably below the scale of equalized finances (below 75%), receive the subsidy of second stage, which is completely covered from an additional budget subsidy for MFEF. Therefore the country has a motivation to promote even development in the country, because its additional subsidy is directly related to the large disparities in revenues of local municipalities.

Draft law elaborated by the order of MRDLG determines the procedure for calculation of assessed revenue of local municipalities, the basic budget subsidy, total scale of equalized finances, scale of equalized finances for each local municipality, payments of local municipalities to Municipality Financial Equalization Fund, additional budget subsidy for local municipalities from Municipality Financial Equalization Fund. Although the draft law prescribes a precise procedure for calculations, it envisions that annual discussions of the government and local municipalities also have a significant role in the process.

Taking the present situation into account that current equalization system includes also the funding for children in children's homes and residents in old people's homes, who have been placed by 1998, namely, prior to implementation of settlements between local municipalities, the draft law envisions a corresponding earmarked budget subsidy, which would have no relation to the new model for equalization of municipal finances.

In 2008 MRDLG is continuing discussions with local municipalities on the final model for equalization of municipality finances to be introduced in 2010.

CONCLUSION

The information and findings describing the territory development, which are included in the present survey, provide the opportunity to obtain a clearer picture of the course of territory development in Latvia by comparing the territories over a period of time. Significant social and economic disparities can be observed amongst different territories of the country, and these disparities have even grown within the last three to five years. Unemployment rate reduced more rapidly, income of inhabitants increased and entrepreneurship developed more actively in the territories of the capital city of the country and in the vicinities of large economically developed centres, but economic backwaters remained and social discrepancies increased in more remote territories of the country. Migration of inhabitants and resources are concentrated in development centres, which in their turn are already related to economic and social problems both in these centres and in remote areas. Also movement of inhabitants has taken place by choosing accommodation outside towns and cities with the traffic flow volumes and intensity consequently increasing. The aforementioned and other ongoing regional processes threaten the well-balanced development of the country, which would benefit everyone. Many of these processes require a specific research for finding the most appropriate solutions.

In the present survey the analysis of development levels of regions provides only a general insight into the situation of development of local municipality territories of planning regions. Statistical data and calculations based only on statistical information are only partially reflecting the actual situation in territories. Changes in basic development indicators should be assessed very carefully, taking into consideration the dependence on the changes in other indicators, and the components of derived indicators should be assessed more profoundly. Therefore it is not useful to limit gathering information about the processes of regional development only with employing the currently available statistical indicators for comparative description of territories. Obtaining additional quantitative and qualitative information would be important, which would allow assessment of complex development of local municipality territories, operation of state and local municipality institutions, role of entrepreneurs and other groups of society in the development processes, efficiency of utilization of resources, etc. Improvement in research methods is also necessary.

Regional development processes can be assessed only if their observation could be possible for a longer period of time. An improvement in methods, which would be appropriate for conditions in Latvia and which might be used for several years, thereby ensuring the possibility of unified access and territory development comparison for many years is necessary for observing and analysing further the regional development processes. By working on implementation of programs supporting territory development in the country, the State Regional Development Agency has accumulated information and experience for analysing regional development. The follow-up task is to improve the methodology for assessing territory development and to perform regular problem-oriented researches of territory development, to establish and implement the system for supervision and assessment of regional policy implementation. Its establishment is essential for provision of focused implementation of regional policy, assessment of its influence, and decision making for its improvement.

ANNEX

Development Index and Ranking of the Territories of the Planning Regions (2002–2006)

Planning region	Development index					Ranking				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Riga region	0.909	0.975	0.995	1.003	1.011	1	1	1	1	1
Kurzeme region	-0.303	-0.429	-0.428	-0.431	-0.520	2	2	2	2	2
Zemgale region	-0.440	-0.469	-0.533	-0.590	-0.574	3	3	3	3	3
Vidzeme region	-0.835	-0.885	-0.895	-0.877	-0.851	4	4	4	4	4
Latgale region	-1.257	-1.310	-1.339	-1.346	-1.341	5	5	5	5	5

Development Index and Ranking of the Territories of the Districts (2002–2006)

District	Development index					Ranking				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Riga district	1.671	1.797	1.886	1.838	1.924	1	1	1	1	1
Valmiera district	0.577	0.685	0.660	0.694	0.651	3	3	2	2	2
Ogre district	0.556	0.630	0.525	0.538	0.417	4	4	3	4	3
Saldus district	0.876	0.746	0.263	0.556	0.185	2	2	4	3	4
Cesis district	0.254	0.176	0.180	0.161	0.166	7	7	5	7	5
Tukums district	0.161	0.245	0.154	0.021	0.143	10	6	6	8	6
Aizkraukle district	0.326	0.363	0.141	0.189	0.122	6	5	7	6	7
Talsi district	0.171	0.151	0.026	-0.083	0.030	9	8	8	10	8
Bauska district	0.204	-0.111	-0.013	-0.119	-0.024	8	11	11	11	9
Jelgava district	-0.202	-0.116	-0.010	-0.136	-0.069	14	13	10	12	10
Valka district	-0.139	-0.115	0.009	0.016	-0.084	13	12	9	9	11
Dobele district	0.011	-0.072	-0.106	-0.207	-0.103	11	10	12	13	12
Ventspils district	0.518	0.083	-0.245	0.311	-0.122	5	9	15	5	13
Jekabpils district	-0.302	-0.373	-0.179	-0.399	-0.231	17	17	13	17	14
Limbazi district	-0.079	-0.175	-0.190	-0.281	-0.298	12	14	14	15	15
Gulbene district	-0.280	-0.311	-0.313	-0.321	-0.328	16	15	16	16	16
Madona district	-0.505	-0.557	-0.330	-0.220	-0.434	18	18	17	14	17
Kuldiga district	-0.246	-0.358	-0.337	-0.437	-0.460	15	16	18	18	18
Aluksne district	-0.664	-0.658	-0.621	-0.634	-0.593	19	19	20	20	19
Preili district	-0.905	-0.894	-0.882	-0.717	-0.652	22	21	21	21	20
Liepaja district	-0.809	-0.664	-0.568	-0.521	-0.745	21	20	19	19	21
Daugavpils district	-0.794	-1.004	-1.081	-1.145	-1.060	20	22	22	23	22
Balvi district	-1.293	-1.227	-1.244	-1.093	-1.216	24	24	23	22	23
Ludza district	-1.452	-1.250	-1.332	-1.225	-1.287	26	25	24	24	24
Kraslava district	-1.227	-1.180	-1.362	-1.341	-1.321	23	23	25	25	25
Rezekne district	-1.447	-1.515	-1.453	-1.359	-1.383	25	26	26	26	26

Development Index and Ranking of the Territories of the Cities and Towns Group (2002–2006)

City or town, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Balozi	Riga	1.016	1.153	1.682	1.986	2.596	2	3	1	1	1
Ikskile county [1]	Ogre	0.789	1.183	1.528	1.620	1.885	3	2	2	2	2
Salaspils county [2]	Riga	1.105	1.207	0.795	0.681	0.840	1	1	3	3	3
Baldone and its r.t.	Riga	0.092	0.360	0.408	0.513	0.642	17	12	11	5	4
Kegums county [3]	Ogre	0.557	0.677	0.615	0.583	0.523	6	5	5	4	5
Ogre county [4]	Ogre	0.404	0.399	0.619	0.509	0.513	11	11	4	6	6
Riga	-	0.399	0.422	0.430	0.427	0.434	12	10	9	10	7
Olaine	Riga	0.712	0.651	0.425	0.364	0.413	4	6	10	13	8
Sigulda county [5]	Riga	0.546	0.442	0.351	0.397	0.391	7	8	13	11	9
Valmiera	Valmiera	0.071	0.176	0.310	0.278	0.367	18	17	16	14	10
Saulkrasti and its r.t.	Riga	0.023	0.248	0.345	0.504	0.357	19	16	14	7	11
Jurmala	-	-0.156	0.015	0.184	0.221	0.349	25	21	18	17	12
Lielvarde county [6]	Ogre	0.525	0.705	0.531	0.494	0.342	8	4	7	8	13
Aizkraukle county [7]	Aizkraukle	0.188	0.351	0.314	0.261	0.328	14	14	15	15	14
Vangazi	Riga	0.602	0.561	0.351	0.236	0.286	5	7	12	16	15
Jelgava	-	-0.029	-0.023	0.576	0.467	0.261	21	22	6	9	16
Ventspils	-	0.491	0.351	0.459	0.386	0.226	9	13	8	12	17
Tukums	Tukums	-0.048	0.121	0.224	0.105	-0.030	24	18	17	18	18
Cesis	Cesis	-0.175	-0.105	-0.132	-0.116	-0.181	27	24	21	19	19
Dobele	Dobele	-0.353	-0.301	-0.173	-0.243	-0.205	34	29	23	22	20
Saldus	Saldus	0.120	0.094	-0.116	-0.240	-0.356	16	19	20	21	21
Bauska	Bauska	-0.033	0.062	-0.419	-0.524	-0.358	22	20	27	30	22
Talsi	Talsi	-0.172	-0.329	-0.274	-0.345	-0.379	26	33	25	25	23
Daugavpils	-	-0.269	-0.271	-0.533	-0.428	-0.402	29	27	30	26	24
Piltene and its r.t.	Ventspils	-0.211	-0.149	-0.142	-0.206	-0.403	28	25	22	20	25
Limbazi	Limbazi	0.134	-0.080	-0.194	-0.327	-0.425	15	23	24	24	26

City or town, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Grobina	Liepaja	-0.048	-0.325	-0.012	-0.255	-0.476	23	30	19	23	27
Madona	Madona	-0.275	-0.273	-0.510	-0.512	-0.495	30	28	29	29	28
Kalnciems and its r.t.	Jelgava	-1.268	-1.262	-0.936	-0.873	-0.525	55	55	43	41	29
Jaunjelgava and its r.t.	Aizkraukle	0.338	0.438	-0.874	-0.955	-0.533	13	9	40	44	30
Gulbene	Gulbene	-0.299	-0.483	-0.554	-0.587	-0.579	32	35	31	33	31
Jekabpils	Jekabpils	-0.595	-0.648	-0.670	-0.743	-0.580	39	39	33	36	32
Liepaja	-	-1.001	-0.966	-0.720	-0.554	-0.583	52	46	34	32	33
Smiltene	Valka	0.461	0.292	-0.392	-0.492	-0.611	10	15	26	28	34
Balvi	Balvi	-0.655	-0.659	-0.775	-0.787	-0.652	41	42	35	37	35
Aluksne	Aluksne	-0.430	-0.516	-0.471	-0.525	-0.716	36	36	28	31	36
Rezekne	-	-0.673	-0.653	-0.837	-0.730	-0.753	44	41	39	35	37
Broceni county [8]	Saldus	-0.681	-0.704	-0.619	-0.897	-0.804	45	44	32	42	38
Kuldiga	Kuldiga	-0.356	-0.653	-1.221	-1.086	-0.907	35	40	50	46	39
Valka	Valka	-0.320	-0.409	-0.797	-0.828	-0.914	33	34	37	39	40
Rujiena	Valmiera	-0.497	-0.692	-0.879	-0.867	-0.929	37	43	41	40	41
Salacgriva and its r.t.	Limbazi	-0.296	-0.328	-1.207	-0.470	-0.943	31	32	49	27	42
Preili county [9]	Preili	-0.870	-0.979	-1.019	-1.110	-0.947	48	47	44	47	43
Kandava county [10]	Tukums	-0.662	-0.771	-0.811	-0.819	-0.948	43	45	38	38	44
Stende	Talsi	-1.082	-1.067	-1.378	-1.226	-0.983	53	51	53	49	45
Aloja and its r.t.	Limbazi	-0.773	-0.326	-0.794	-0.905	-1.087	47	31	36	43	46
Auce and its r.t.	Dobele	-0.728	-1.067	-0.895	-1.080	-1.125	46	50	42	45	47
Cesvaine and its r.t.	Madona	-0.957	-1.052	-1.224	-1.345	-1.184	50	49	51	51	48
Valdemarpils and its r.t.	Talsi	-0.527	-0.563	-1.128	-1.188	-1.187	38	37	46	48	49
Ainazi and its r.t.	Limbazi	0.003	-0.240	-1.171	-0.649	-1.189	20	26	48	34	50
Plavinas	Aizkraukle	-0.615	-0.636	-1.101	-1.269	-1.277	40	38	45	50	51
Kraslava county [11]	Kraslava	-1.116	-1.174	-1.305	-1.442	-1.441	54	53	52	52	52
Strenci	Valka	-2.340	-2.457	-1.420	-1.555	-1.532	69	70	54	53	53
Lubana county [12]	Madona	-1.317	-1.566	-1.169	-1.718	-1.680	57	59	47	57	54
Skrunda and its r.t.	Kuldiga	-0.973	-1.219	-1.676	-1.637	-1.686	51	54	55	54	55
Durbe county [13]	Liepaja	-1.473	-1.561	-1.707	-1.708	-1.720	61	58	56	56	56
Sabile county [14]	Talsi	-1.398	-1.840	-1.763	-1.989	-1.730	59	61	58	62	57
Ludza	Ludza	-1.347	-1.539	-1.730	-1.937	-1.826	58	56	57	61	58
Priekule	Liepaja	-2.509	-2.145	-2.005	-1.993	-1.871	74	67	63	63	59
Staicele and its r.t.	Limbazi	-2.342	-2.090	-2.266	-1.821	-1.914	70	66	70	59	60
Ilukste county [15]	Daugavpils	-1.281	-1.805	-1.786	-2.118	-1.992	56	60	59	65	61
Aizpute	Liepaja	-1.506	-1.548	-1.848	-1.687	-2.020	62	57	61	55	62
Ligatne	Cesis	-0.925	-0.980	-2.037	-2.107	-2.024	49	48	66	64	63
Livani county [16]	Preili	-2.094	-2.035	-2.211	-2.119	-2.038	67	64	69	66	64
Seda and its r.t.	Valka	-0.657	-1.152	-1.950	-1.826	-2.066	42	52	62	60	65
Akniste and its r.t.	Jekabpils	-1.823	-2.086	-2.130	-2.264	-2.074	65	65	67	68	66
Saka county [17]	Liepaja	-2.026	-2.146	-1.836	-1.763	-2.115	66	68	60	58	67
Viesite and its r.t.	Jekabpils	-1.455	-1.841	-2.011	-2.229	-2.255	60	62	65	67	68
Mazsalaca and its r.t.	Valmiera	-1.803	-2.028	-2.137	-2.341	-2.321	64	63	68	69	69
Ape and its r.t.	Aluksne	-1.763	-2.710	-2.355	-2.397	-2.376	63	72	71	70	70
Dagda	Kraslava	-2.174	-2.370	-2.009	-2.556	-2.540	68	69	64	71	71
Varaklani	Madona	-2.441	-2.798	-2.773	-3.051	-2.822	71	74	75	74	72
Subate and its r.t.	Daugavpils	-2.504	-2.577	-2.398	-2.614	-2.898	73	71	72	72	73
Vilaka	Balvi	-3.116	-2.735	-2.517	-2.999	-3.188	77	73	73	73	74
Vilani	Rezekne	-2.997	-2.987	-3.003	-3.295	-3.383	76	77	76	76	75
Karsava	Ludza	-2.927	-2.918	-3.046	-3.255	-3.526	75	76	77	75	76
Zilupe county [18]	Ludza	-2.488	-2.847	-2.596	-3.316	-3.617	72	75	74	77	77

Note: This table includes counties with a town.

Development index was calculated for counties before their establishment by using data of all administrative units later included in a county.

[1] Ikskile county was established in 2004 from Ikskile and its rural territory (without alterations in the territory). ◆ [2] Salaspils county was established in 2004 from Salaspils and its rural territory (without alterations in the territory). ◆ [3] Kegums county was established in 2002 by uniting Kegums and its rural territory and Rembate parish. ◆ [4] Ogre county was established in 2002 by uniting Ogre and Ogresgals parish. ◆ [5] Sigulda county was established in 2003 by uniting Sigulda, More parish and Sigulda parish. ◆ [6] Lielvarde county was established in 2004 from Lielvarde and its rural territory (without alterations in the territory). ◆ [7] Aizkraukle county was established in 2001 by uniting Aizkraukle and Aizkraukle parish. ◆ [8] Broceni county was established in 2001 by uniting Broceni and its rural territory, Blidene parish and Remte parish. In 2007 Gaiki parish was added to the Broceni county. ◆ [9] Preili county was established in 2000 by uniting Preili, Aizkalne parish and Preili parish. ◆ [10] Kandava county was established in 1995 by uniting Kandava, Cere parish and Kandava parish. In 1997 Matkule parish and Zemite parish were added to the Kandava county. ◆ [11] Kraslava county was established in 2001 by uniting Kraslava and Kraslava parish. ◆ [12] Lubana county was established in 2007 by uniting Lubana and Indrani parish. ◆ [13] Durbe county was established in 2000 by uniting Durbe and its rural territory and Tadaiki parish. ◆ [14] Sabile county was established in 2000 by uniting Sabile and Abava parish. ◆ [15] Ilukste county was established in 2003 by uniting Ilukste, Bebrene parish, Pilskalne parish and Sedere parish. ◆ [16] Livani county was established in 1997 by uniting Livani, Rozupe parish and Turki parish. ◆ [17] Saka county was established in 2004 by uniting Pavilosta and Saka parish. ◆ [18] Zilupe county was established in 2002 by uniting Zilupe and Zalesje parish.

Development Index and Ranking of the Territories of the Parishes Group (2002–2006)

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Marupe parish	Riga	2.037	2.149	3.213	3.308	4.023	6	6	2	2	1
Stopini county [1]	Riga	3.754	3.998	3.883	3.807	3.442	1	1	1	1	2
Garkalne county [2]	Riga	2.066	2.461	2.517	2.735	2.661	5	2	4	3	3
Carnikava county [3]	Riga	2.070	2.235	2.616	2.470	2.326	4	5	3	4	4
Adazi county [4]	Riga	2.104	2.460	2.206	2.203	2.209	3	3	6	5	5
Babite parish	Riga	1.605	1.674	2.088	2.063	1.930	8	7	7	7	6
Kekava parish	Riga	2.305	2.262	2.285	2.152	1.894	2	4	5	6	7
Ozolnieki county [5]	Jelgava	1.315	1.531	1.732	1.663	1.434	9	8	8	8	8
Incukalns county [6]	Riga	1.689	1.294	1.355	1.348	1.384	7	11	10	12	9
Olaine parish	Riga	1.053	1.227	1.343	1.400	1.321	13	12	11	9	10
Sala parish	Riga	1.010	1.016	1.390	1.358	1.175	15	16	9	11	11
Lapmezciems county [7]	Tukums	1.051	1.034	1.336	1.362	1.104	14	14	12	10	12
Saldus parish	Saldus	1.203	1.175	1.040	1.117	1.018	12	13	15	13	13
Valmiera parish	Valmiera	1.260	1.310	1.053	1.064	0.929	10	10	14	14	14
Ropazi county [8]	Riga	0.901	1.001	0.989	0.921	0.918	17	17	16	16	15
Priekuli parish	Cesis	1.217	1.330	1.070	0.941	0.841	11	9	13	15	16
Daugmale parish	Riga	0.713	0.735	0.683	0.606	0.757	29	32	27	30	17
Gailisi parish	Bauska	0.911	0.943	0.749	0.780	0.723	16	18	20	18	18
Islice parish	Bauska	0.899	0.846	0.691	0.672	0.700	18	21	25	25	19
Gluda parish	Jelgava	0.849	0.887	0.674	0.725	0.652	20	19	28	21	20
Krimulda parish	Riga	0.800	0.720	0.813	0.766	0.646	21	34	17	19	21
Iecava county [9]	Bauska	0.784	0.776	0.656	0.679	0.631	23	24	30	23	22
Malpils parish	Riga	0.699	0.775	0.737	0.710	0.602	30	25	22	22	23
Serene parish	Aizkraukle	0.456	0.551	0.505	0.567	0.593	47	45	37	31	24
Laidze parish	Talsi	0.873	0.883	0.746	0.813	0.588	19	20	21	17	25
Svete parish	Jelgava	0.791	1.023	0.785	0.674	0.586	22	15	18	24	26
Jaunsvirlauka parish	Jelgava	0.612	0.777	0.577	0.613	0.586	35	23	33	28	27
Jumprava parish	Ogre	0.666	0.672	0.780	0.746	0.572	32	35	19	20	28
Seja county [10]	Riga	0.637	0.744	0.723	0.657	0.566	34	29	23	26	29
Platone parish	Jelgava	0.738	0.737	0.670	0.489	0.541	28	31	29	35	30
Pelci parish	Kuldiga	0.437	0.615	0.627	0.611	0.523	51	38	32	29	31
Skriveri parish	Aizkraukle	0.782	0.772	0.633	0.619	0.520	24	26	31	27	32
Naujene parish	Daugavpils	0.590	0.599	0.508	0.461	0.494	37	40	36	36	33
Auri parish	Dobele	0.473	0.789	0.519	0.399	0.454	45	22	35	49	34
Allazi parish	Riga	0.349	0.473	0.545	0.552	0.452	67	51	34	32	35
Kauguri parish	Valmiera	0.415	0.514	0.415	0.413	0.449	56	46	48	43	36
Code parish	Bauska	0.586	0.737	0.465	0.417	0.448	38	30	42	41	37
Valgunde county [11]	Jelgava	0.437	0.632	0.498	0.410	0.438	52	36	39	45	38
Tume parish	Tukums	0.691	0.585	0.435	0.460	0.434	31	42	44	37	39
Smiltene parish	Valka	-0.025	0.042	0.088	0.227	0.434	160	137	119	80	40
Koknese parish	Aizkraukle	0.368	0.398	0.488	0.516	0.423	64	63	40	34	41
Brenguli parish	Valmiera	0.247	0.268	0.089	0.275	0.418	85	84	117	72	42
Varve parish	Ventspils	0.771	0.771	0.488	0.407	0.404	25	27	41	46	43
Vaidava parish	Valmiera	0.299	0.458	0.422	0.396	0.401	76	52	45	50	44
Vecumnieki parish	Bauska	0.501	0.552	0.500	0.402	0.389	42	44	38	48	45

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Ceraukste parish	Bauska	0.348	0.400	0.380	0.411	0.387	68	61	53	44	46
Livberze parish	Jelgava	0.443	0.490	0.413	0.417	0.380	50	49	50	42	47
Puze parish	Ventspils	0.180	0.089	0.114	0.314	0.370	100	118	106	66	48
Engure parish	Tukums	0.591	0.619	0.715	0.435	0.366	36	37	24	39	49
Amata county [12]	Cesis	0.419	0.414	0.290	0.385	0.356	55	58	67	53	50
Targale parish	Ventspils	0.649	0.605	0.416	0.434	0.344	33	39	47	40	51
Koceni parish	Valmiera	0.372	0.382	0.324	0.368	0.341	63	65	59	56	52
Kolka parish	Talsi	0.530	0.732	0.689	0.543	0.337	39	33	26	33	53
Novadnieki parish	Saldus	0.392	0.483	0.323	0.388	0.330	60	50	60	52	54
Liepa parish	Cesis	0.496	0.559	0.454	0.454	0.329	43	43	43	38	55
Eleja parish	Jelgava	0.491	0.757	0.351	0.338	0.319	44	28	57	60	56
Suntazi parish	Ogre	0.384	0.445	0.392	0.393	0.302	61	56	52	51	57
Sala parish	Jekabpils	0.367	0.226	0.260	0.259	0.295	65	90	72	75	58
Roja parish	Talsi	0.268	0.395	0.332	0.332	0.294	80	64	58	62	59
Kurmale parish	Kuldiga	0.403	0.360	0.359	0.381	0.281	58	67	55	54	60
Rundale parish	Bauska	0.464	0.450	0.274	0.301	0.271	46	54	69	67	61
Veselava parish	Cesis	-0.150	-0.058	0.109	0.220	0.270	203	164	107	82	62
Medze parish	Liepaja	0.100	0.127	0.247	0.361	0.269	121	111	73	57	63
Lazdona parish	Madona	0.453	0.446	0.220	0.316	0.265	48	55	81	65	64
Nica parish	Liepaja	0.033	0.059	0.196	0.174	0.259	139	127	84	97	65
Berze parish	Dobele	0.530	0.404	0.298	0.316	0.254	40	60	64	64	66
Slampe parish	Tukums	0.382	0.501	0.413	0.374	0.254	62	47	49	55	67
Kalkune parish	Daugavpils	0.444	0.372	0.236	0.274	0.240	49	66	77	73	68
Libagi parish	Talsi	0.193	0.299	0.162	0.221	0.237	96	80	93	81	69
Seme parish	Tukums	0.067	0.045	0.108	0.328	0.235	135	135	108	63	70
Palsmane parish	Valka	-0.302	-0.122	0.229	0.292	0.225	255	182	79	69	71
Rauna parish	Cesis	0.172	0.202	0.145	0.201	0.218	103	93	100	89	72
Limbazi parish	Limbazi	0.304	0.239	0.201	0.204	0.215	75	89	83	86	73
Abeli parish	Jekabpils	0.149	0.049	0.005	0.028	0.212	106	132	145	135	74
Ligatne parish	Cesis	0.289	0.358	0.309	0.299	0.197	78	68	61	68	75
Launkalne parish	Valka	0.521	0.357	0.421	0.404	0.197	41	69	46	47	76
Stradi parish	Gulbene	0.078	0.038	0.081	0.174	0.196	130	138	121	96	77
Mezotne parish	Bauska	0.267	0.275	0.240	0.201	0.195	81	83	75	88	78
Raiskums parish	Cesis	0.009	-0.020	-0.013	0.054	0.191	148	155	150	126	79
Smarde parish	Tukums	0.401	0.597	0.396	0.228	0.178	59	41	51	79	80
Bebri parish	Aizkraukle	0.224	0.164	0.106	0.101	0.175	91	102	109	116	81
Mersrags parish	Talsi	0.423	0.199	0.305	0.195	0.170	54	94	62	91	82
Kuprava parish	Balvi	0.769	0.440	0.170	0.234	0.168	26	57	91	78	83
Skulte parish	Limbazi	0.171	0.149	0.304	0.235	0.163	104	105	63	77	84
Veremi parish	Rezekne	0.235	0.356	0.273	0.214	0.157	87	70	70	84	85
Viesatas parish	Tukums	0.045	0.124	0.129	0.149	0.156	137	113	103	102	86
Penkule parish	Dobele	0.200	0.356	0.291	0.213	0.153	93	71	66	85	87
Vidrizi parish	Limbazi	0.104	0.260	0.222	0.158	0.151	116	86	80	101	88
Grobina parish	Liepaja	0.314	0.405	0.354	0.337	0.149	73	59	56	61	89
Pure parish	Tukums	0.146	0.135	0.190	0.188	0.141	107	108	86	92	90

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Vircava parish	Jelgava	0.434	0.452	0.114	0.148	0.136	53	53	105	103	91
Lutrini parish	Saldus	0.197	0.336	0.181	0.164	0.133	94	74	87	99	92
Ziras parish	Ventspils	0.348	0.400	0.172	0.349	0.129	69	62	90	58	93
Pope parish	Ventspils	0.228	0.306	0.162	0.049	0.128	90	78	94	127	94
Keipene parish	Ogre	0.353	0.334	0.297	0.164	0.124	66	75	65	100	95
Nigrande parish	Saldus	0.264	0.334	0.276	0.344	0.122	82	76	68	59	96
Irlava parish	Tukums	0.215	0.164	0.121	0.134	0.121	92	101	104	108	97
Ezere parish	Saldus	0.172	0.260	0.026	0.061	0.119	102	85	136	124	98
Griskani parish	Rezekne	-0.022	0.178	0.262	0.137	0.117	158	97	71	107	99
Virbi parish	Talsi	0.747	0.501	0.201	0.238	0.117	27	48	82	76	100
Lube parish	Talsi	-0.113	0.062	0.158	0.015	0.109	187	126	96	143	101
Stelpe parish	Bauska	-0.035	0.086	0.088	0.107	0.108	164	120	118	113	102
Sidrabene parish	Jelgava	0.341	0.341	0.095	0.080	0.101	70	73	114	119	103
Zirni parish	Saldus	0.259	0.142	0.191	0.272	0.096	83	106	85	74	104
Vecpiebalga parish	Cesis	-0.046	0.053	0.169	0.165	0.096	167	131	92	98	105
Ledurga parish	Limbazi	0.098	0.131	0.105	0.033	0.094	123	110	110	134	106
Kalsnava parish	Madona	0.411	0.167	0.173	0.202	0.092	57	98	88	87	107
Uzava parish	Ventspils	0.022	0.243	0.130	-0.025	0.092	143	88	102	152	108
Ugale parish	Ventspils	0.238	0.220	0.159	0.174	0.090	86	91	95	95	109
Straupe parish	Cesis	0.086	0.162	0.146	0.200	0.084	128	103	99	90	110
Berzaune parish	Madona	0.178	0.031	-0.040	0.056	0.083	101	141	159	125	111
Ledmane parish	Ogre	0.250	0.297	0.237	0.146	0.082	84	81	76	104	112
Mazozoli parish	Ogre	0.075	-0.066	-0.086	-0.087	0.082	133	166	177	176	113
Taurene parish	Cesis	0.165	0.199	0.039	0.185	0.081	105	95	129	93	114
Tervete county [13]	Dobele	0.229	0.165	0.035	0.008	0.078	89	100	131	144	115
Jaunlaicene parish	Aluksne	-0.196	-0.224	0.057	0.038	0.075	222	217	125	130	116
Vandzene parish	Talsi	0.102	0.057	0.099	0.037	0.074	117	129	111	131	117
Vecsaule parish	Bauska	0.089	0.044	0.027	0.106	0.069	127	136	134	114	118
Berzaine parish	Valmiera	-0.081	0.116	0.027	0.019	0.064	176	114	135	139	119
Renceni parish	Valmiera	0.141	0.124	0.094	0.141	0.063	109	112	115	106	120
Laucesa parish	Daugavpils	-0.020	0.133	0.005	0.077	0.063	157	109	144	121	121
Dzerbene parish	Cesis	-0.159	-0.058	0.096	0.019	0.060	209	162	113	140	122
Birzgale parish	Ogre	0.100	0.021	0.039	0.082	0.060	122	145	130	118	123
Ozolaine parish	Rezekne	0.102	0.285	0.032	0.005	0.059	118	82	133	145	124
Jaunpils parish	Tukums	-0.028	0.067	0.140	0.103	0.058	162	124	101	115	125
Jaungulbene parish	Gulbene	-0.116	-0.170	0.084	-0.212	0.056	189	199	120	213	126
Lizums parish	Gulbene	-0.136	-0.111	-0.071	0.034	0.053	198	177	171	133	127
Pampali parish	Saldus	-0.291	-0.191	-0.067	-0.075	0.050	250	207	170	170	128
Garsene parish	Jekabpils	-0.511	-0.337	0.074	-0.017	0.045	317	256	122	151	129
Krimunas parish	Dobele	0.305	0.151	-0.001	0.110	0.044	74	104	148	112	130
Dzukste parish	Tukums	-0.011	0.034	-0.022	0.023	0.040	152	139	153	138	131
Vaive parish	Cesis	-0.070	-0.022	-0.011	0.145	0.040	172	156	149	105	132
Skankalne parish	Valmiera	-0.184	-0.154	-0.126	-0.060	0.039	217	196	185	162	133
Zilaiskalns parish	Valmiera	0.092	-0.001	-0.030	0.040	0.036	126	148	154	129	134
Lielplatone parish	Jelgava	0.134	0.347	0.172	0.217	0.035	111	72	89	83	135
Naukseni parish	Valmiera	0.101	0.028	0.047	0.065	0.033	119	142	128	123	136
Branti parish	Valka	0.229	0.206	0.235	0.279	0.028	88	92	78	71	137

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Naudite parish	Dobele	0.297	0.090	0.092	0.122	0.027	77	116	116	109	138
Gaujiena parish	Aluksne	0.076	0.046	0.243	0.183	0.021	132	134	74	94	139
Laubere parish	Ogre	0.185	0.167	0.362	0.289	0.017	98	99	54	70	140
Zalenieki parish	Jelgava	0.341	0.320	0.024	-0.005	0.017	71	77	138	147	141
Degole parish	Tukums	0.079	0.048	0.048	0.079	0.016	129	133	127	120	142
Varini parish	Valka	-0.131	-0.113	0.149	-0.061	0.015	195	178	97	163	143
Liepupe parish	Limbazi	0.022	0.056	-0.054	0.037	0.003	144	130	166	132	144
Blome parish	Valka	0.007	-0.061	0.014	0.099	0.002	149	165	141	117	145
Marsneni parish	Cesis	-0.071	-0.175	0.035	0.015	0.001	173	200	132	142	146
Rumba parish	Kuldiga	0.317	-0.087	-0.041	-0.029	0.000	72	169	160	154	147
Annenieki parish	Dobele	-0.145	0.014	-0.124	-0.114	-0.001	201	146	184	182	148
Sarkani parish	Madona	-0.151	-0.262	-0.078	0.049	-0.005	204	233	174	128	149
Katvari parish	Limbazi	0.039	0.024	0.063	0.112	-0.011	138	144	124	111	150
Vilce parish	Jelgava	0.288	0.250	0.049	-0.010	-0.015	79	87	126	148	151
Stalbe parish	Cesis	-0.275	-0.160	0.011	0.024	-0.019	243	197	142	137	152
Dikli parish	Valmiera	-0.304	-0.309	-0.230	-0.187	-0.021	257	252	224	203	153
Viesturi parish	Bauska	0.143	0.198	-0.049	-0.075	-0.022	108	96	163	169	154
Mazzalve parish	Aizkraukle	-0.029	-0.133	0.148	0.066	-0.024	163	189	98	122	155
Jeri parish	Valmiera	0.181	0.093	0.009	-0.040	-0.024	99	115	143	159	156
Padure parish	Kuldiga	0.018	0.033	-0.062	-0.213	-0.025	146	140	169	215	157
Skaistkalne parish	Bauska	0.027	-0.012	-0.059	-0.084	-0.025	141	151	168	175	158
Krape parish	Ogre	0.021	0.064	-0.040	0.117	-0.026	145	125	158	110	159
Jaunpiebalga parish	Cesis	-0.107	-0.118	-0.017	-0.033	-0.027	185	179	152	155	160
Mengele parish	Ogre	0.048	-0.051	-0.092	-0.119	-0.036	136	160	179	184	161
Aiviekste parish	Aizkraukle	-0.190	-0.080	-0.051	-0.011	-0.040	219	167	164	149	162
Ile parish	Dobele	-0.343	-0.299	-0.301	-0.254	-0.041	268	250	242	227	163
Lestene parish	Tukums	0.100	0.089	0.069	-0.137	-0.046	120	117	123	189	164
Dobele parish	Dobele	-0.173	-0.056	-0.159	-0.175	-0.046	213	161	198	201	165
Kulciems parish	Talsi	-0.198	-0.517	-0.112	-0.120	-0.057	224	299	183	186	166
Sesava parish	Jelgava	0.193	0.300	0.097	-0.091	-0.059	97	79	112	177	167
Svitene parish	Bauska	-0.063	0.027	-0.203	-0.114	-0.059	171	143	212	181	168
Brunava parish	Bauska	0.095	0.069	-0.039	-0.063	-0.064	125	123	157	165	169
Zeltini parish	Aluksne	-0.278	-0.142	-0.036	-0.215	-0.065	244	191	156	216	170
Vergale parish	Liepaja	-0.249	-0.211	-0.092	-0.013	-0.073	233	212	180	150	171
Gibuli parish	Talsi	0.127	0.058	-0.015	-0.038	-0.075	113	128	151	158	172
Gavieze parish	Liepaja	-0.134	-0.219	-0.213	-0.027	-0.076	197	215	216	153	173
Vijciems parish	Valka	-0.363	-0.279	-0.182	-0.237	-0.082	276	239	206	223	174
Kursisi parish	Saldus	-0.142	-0.127	-0.149	-0.189	-0.082	200	185	192	205	175
Prauliena parish	Madona	-0.250	-0.179	-0.126	-0.083	-0.087	235	202	186	174	176
Litene parish	Gulbene	-0.201	-0.292	-0.098	-0.157	-0.088	225	245	181	193	177
Aizpute parish	Liepaja	-0.315	-0.312	-0.244	-0.256	-0.099	260	253	227	229	178
Staburags parish	Aizkraukle	0.096	0.079	0.014	0.025	-0.104	124	121	140	136	179
Balgale parish	Talsi	-0.043	-0.225	-0.079	-0.077	-0.105	166	218	175	171	180
Jaunberze parish	Dobele	0.028	0.071	-0.043	0.018	-0.109	140	122	161	141	181
Cirava parish	Liepaja	-0.427	-0.274	-0.351	-0.112	-0.109	295	236	258	180	182
Jaunlutrini parish	Saldus	-0.086	-0.009	0.002	-0.001	-0.112	179	150	146	146	183
Dunalka parish	Liepaja	-0.292	-0.362	-0.360	-0.205	-0.125	251	262	263	211	184

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Alsunga parish	Kuldiga	-0.256	-0.233	-0.168	-0.098	-0.126	236	221	200	178	185
Bene parish	Dobele	0.009	0.009	-0.030	-0.034	-0.136	147	147	155	156	186
Marciena parish	Madona	-0.320	-0.439	-0.469	-0.371	-0.137	262	283	302	275	187
Gramzda parish	Liepaja	-0.182	-0.178	-0.056	-0.198	-0.140	216	201	167	207	188
Jaunanna parish	Aluksne	-0.259	-0.428	-0.266	-0.201	-0.145	239	277	233	208	189
Madliena parish	Ogre	0.111	0.087	0.021	-0.065	-0.147	115	119	139	166	190
Lielauce parish	Dobele	-0.125	-0.043	-0.075	-0.035	-0.150	193	158	173	157	191
Lode parish	Valmiera	0.127	-0.153	-0.219	-0.189	-0.154	112	195	218	204	192
Biksti parish	Dobele	-0.324	-0.183	-0.250	-0.319	-0.154	264	204	228	254	193
Krustpils parish	Jekabpils	-0.225	-0.217	-0.182	-0.116	-0.156	228	213	205	183	194
Dundaga parish	Talsi	0.072	-0.088	-0.052	-0.067	-0.157	134	170	165	167	195
Umurga parish	Limbazi	-0.175	-0.168	-0.255	-0.297	-0.178	214	198	229	248	196
Valdgale parish	Talsi	-0.051	-0.145	-0.182	-0.171	-0.183	170	194	204	198	197
Barkava parish	Madona	-0.402	-0.458	-0.336	-0.235	-0.184	289	289	256	221	198
Taurupe parish	Ogre	0.139	-0.046	-0.170	-0.247	-0.188	110	159	201	225	199
Zlekas parish	Ventspils	0.193	0.140	0.024	-0.134	-0.194	95	107	137	188	200
Bilska parish	Valka	-0.398	-0.400	-0.264	-0.263	-0.197	287	272	232	234	201
Arona parish	Madona	-0.320	-0.126	-0.178	-0.286	-0.199	263	183	202	243	202
Ruba parish	Saldus	-0.155	-0.280	-0.357	-0.287	-0.201	207	240	262	244	203
Vane parish	Tukums	-0.082	-0.143	-0.157	-0.280	-0.202	177	193	196	240	204
Kabile parish	Kuldiga	-0.303	-0.436	-0.382	-0.256	-0.203	256	280	267	230	205
Viski parish	Daugavpils	-0.130	-0.200	-0.279	-0.285	-0.212	194	210	234	242	206
Tabore parish	Daugavpils	-0.343	-0.240	-0.427	-0.294	-0.213	267	223	281	247	207
Daudzese parish	Aizkraukle	-0.018	-0.132	-0.198	-0.182	-0.214	156	188	210	202	208
Alsviki parish	Aluksne	-0.072	-0.218	-0.137	-0.212	-0.216	174	214	187	214	209
Brivzemnieki parish	Limbazi	0.117	-0.005	-0.109	-0.132	-0.219	114	149	182	187	210
Klintaine parish	Aizkraukle	0.006	-0.019	-0.148	-0.160	-0.223	150	154	190	194	211
Vadakste parish	Saldus	-0.108	-0.347	-0.421	-0.166	-0.223	186	258	279	196	212
Metriena parish	Madona	-0.634	-0.593	-0.392	-0.417	-0.224	338	322	271	288	213
Grundzale parish	Valka	-0.557	-0.478	-0.319	-0.320	-0.225	322	291	250	255	214
Strazde parish	Talsi	-0.334	-0.017	-0.222	-0.120	-0.227	266	152	221	185	215
Inesi parish	Cesis	-0.225	-0.287	-0.243	-0.266	-0.228	229	243	226	236	216
Vestiena parish	Madona	-0.534	-0.293	-0.317	-0.326	-0.229	319	246	248	257	217
Burtnieki parish	Valmiera	-0.139	-0.188	-0.263	-0.279	-0.239	199	206	231	239	218
Jurkalne parish	Ventspils	0.026	-0.232	-0.356	-0.265	-0.240	142	220	261	235	219
Nicgale parish	Daugavpils	-0.360	-0.453	-0.286	-0.421	-0.242	273	287	237	289	220
Zana parish	Saldus	-0.227	-0.366	-0.286	-0.153	-0.249	231	263	238	192	221
Kalns parish	Jekabpils	-0.175	-0.248	-0.312	-0.320	-0.253	215	226	245	256	222
Ziemeri parish	Aluksne	-0.267	-0.279	-0.315	-0.251	-0.253	240	238	247	226	223
Ergli county [14]	Madona	-0.116	-0.204	-0.200	-0.260	-0.254	188	211	211	233	224
Davini parish	Bauska	-0.162	-0.244	-0.312	-0.338	-0.256	210	224	246	263	225
Ranka parish	Gulbene	-0.017	-0.142	-0.222	-0.161	-0.256	155	192	223	195	226
Vilpulka parish	Valmiera	-0.017	-0.019	-0.072	-0.193	-0.258	154	153	172	206	227
Viresi parish	Aluksne	-0.197	-0.180	0.000	-0.058	-0.259	223	203	147	161	228
Daukstes parish	Gulbene	-0.310	-0.291	-0.222	-0.081	-0.261	258	244	222	173	229
Kalvene parish	Liepaja	-0.156	-0.271	-0.219	-0.166	-0.261	208	235	220	197	230
Jaunauce parish	Saldus	-0.099	-0.424	-0.549	-0.391	-0.262	182	275	323	278	231
Trikata parish	Valka	-0.094	-0.248	-0.384	-0.220	-0.266	181	227	268	218	232
Selpils parish	Jekabpils	-0.465	-0.238	-0.451	-0.259	-0.272	305	222	287	232	233
Ranki parish	Kuldiga	-0.419	-0.554	-0.459	-0.328	-0.274	294	310	294	260	234
Lauciene parish	Talsi	-0.047	-0.130	-0.139	-0.236	-0.275	169	187	188	222	235
Otanki parish	Liepaja	-0.300	-0.194	-0.087	-0.047	-0.275	254	208	178	160	236
Usma parish	Ventspils	-0.281	-0.102	-0.166	-0.145	-0.277	245	174	199	190	237
Liezere parish	Madona	-0.573	-0.587	-0.148	-0.173	-0.278	325	320	189	200	238
Dubna parish	Daugavpils	-0.492	-0.593	-0.496	-0.430	-0.278	312	321	311	292	239
Edole parish	Kuldiga	-0.274	-0.107	-0.085	-0.173	-0.281	242	176	176	199	240
Ivande parish	Kuldiga	-0.076	-0.135	-0.212	-0.068	-0.283	175	190	215	168	241
Burtnieki county [15]	Valmiera	-0.047	-0.086	-0.045	-0.149	-0.284	168	168	162	191	242
Jaunaluksne parish	Aluksne	-0.348	-0.345	-0.285	-0.412	-0.287	271	257	236	285	243
Lendzi parish	Rezekne	-0.429	-0.296	-0.215	-0.340	-0.291	296	247	217	264	244
Malinova parish	Daugavpils	-0.413	-0.518	-0.392	-0.380	-0.293	292	301	272	276	245
Zentene parish	Tukums	-0.297	-0.383	-0.307	-0.109	-0.294	252	268	243	179	246
Zvarde parish	Saldus	-0.087	-0.129	-0.184	-0.063	-0.295	180	186	207	164	247
Sece parish	Aizkraukle	-0.171	-0.333	-0.289	-0.302	-0.299	212	255	239	251	248
Mezare parish	Jekabpils	-0.152	-0.451	-0.467	-0.505	-0.303	205	286	300	318	249
Seli parish	Valmiera	-0.206	-0.120	-0.283	-0.401	-0.303	226	181	235	284	250
Koni parish	Valmiera	-0.284	-0.255	-0.219	-0.246	-0.305	246	231	219	224	251
Irsi parish	Aizkraukle	-0.257	-0.398	-0.331	-0.328	-0.306	238	270	254	259	252
Pale parish	Limbazi	-0.025	-0.101	-0.180	-0.205	-0.309	159	172	203	210	253
Snepele parish	Kuldiga	0.003	-0.058	-0.191	-0.292	-0.311	151	163	209	246	254
Dunava parish	Jekabpils	-0.713	-0.652	-0.707	-0.587	-0.316	358	342	354	338	255
Sauka parish	Jekabpils	-0.289	-0.199	-0.522	-0.301	-0.316	249	209	316	249	256
Rudbarzi parish	Kuldiga	-0.402	-0.372	-0.554	-0.485	-0.316	288	265	325	306	257
Stolerova parish	Rezekne	-0.745	-0.635	-0.590	-0.427	-0.318	362	333	333	291	258
Nitaure parish	Cesis	-0.026	-0.097	-0.158	-0.080	-0.320	161	171	197	172	259
Jaunsati parish	Tukums	-0.196	-0.323	-0.204	-0.369	-0.325	221	254	213	274	260
Dunika parish	Liepaja	-0.825	-0.642	-0.556	-0.398	-0.325	387	337	326	281	261
Valka parish	Valka	-0.125	-0.126	-0.149	-0.211	-0.327	190	184	191	212	262
Demene parish	Daugavpils	-0.416	-0.502	-0.492	-0.400	-0.330	293	297	309	283	263
Barbele parish	Bauska	-0.192	-0.353	-0.289	-0.432	-0.331	220	261	240	294	264
Varme parish	Kuldiga	-0.036	-0.102	-0.260	-0.267	-0.338	165	175	230	237	265
Kurmene parish	Aizkraukle	-0.269	-0.366	-0.207	-0.357	-0.340	241	264	214	269	266
Vitini parish	Dobele	-0.131	-0.298	-0.308	-0.302	-0.341	196	249	244	250	267
Zaube parish	Cesis	-0.438	-0.612	-0.752	-0.479	-0.341	297	327	361	302	268
Ozolmuiza parish	Rezekne	-0.103	-0.027	-0.328	-0.490	-0.349	184	157	253	308	269
Kukas parish	Jekabpils	-0.393	-0.348	-0.335	-0.341	-0.352	284	259	255	265	270
Laza parish	Liepaja	-0.226	-0.250	-0.326	-0.356	-0.357	230	229	251	268	271
Anna parish	Aluksne	-0.475	-0.307	-0.453	-0.234	-0.366	308	251	289	220	272
Trapene parish	Aluksne	-0.361	-0.380	-0.448	-0.526	-0.375	275	267	286	321	273
Aglona parish	Preili	-0.017	-0.120	-0.239	-0.342	-0.378	153	180	225	266	274
Lejasciems parish	Gulbene	-0.397	-0.479	-0.352	-0.414	-0.379	286	292	259	287	275
Zalve parish	Aizkraukle	-0.411	-0.436	-0.663	-0.479	-0.386	290	281	348	303	276
Ergeme parish	Valka	-0.466	-0.489	-0.465	-0.326	-0.387	306	294	298	258	277
Valle parish	Aizkraukle	-0.125	-0.297	-0.152	-0.234	-0.388	192	248	193	219	278

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Zoseni parish	Cesis	-0.373	-0.499	-0.337	-0.314	-0.388	280	296	257	253	279
Pilskalne parish	Aizkraukle	-0.624	-0.552	-0.465	-0.268	-0.388	335	308	299	238	280
Rite parish	Jekabpils	-0.502	-0.551	-0.521	-0.524	-0.390	316	307	315	320	281
Vecpils parish	Liepaja	-0.189	-0.280	-0.154	-0.203	-0.399	218	241	194	209	282
Vilkene parish	Limbazi	-0.147	-0.246	-0.365	-0.218	-0.400	202	225	265	217	283
Balvi parish	Balvi	-0.639	-0.427	-0.409	-0.432	-0.406	342	276	275	293	284
Skede parish	Saldus	-0.086	-0.184	-0.439	-0.354	-0.407	178	205	284	267	285
Ance parish	Ventspils	-0.153	-0.286	-0.361	-0.435	-0.409	206	242	264	295	286
Ipiki parish	Valmiera	-0.594	-0.644	-0.515	-0.499	-0.412	328	340	313	314	287
Dignaja parish	Jekabpils	-0.765	-0.737	-0.646	-0.747	-0.413	369	364	346	362	288
Turlava parish	Kuldiga	-0.297	-0.419	-0.588	-0.540	-0.419	253	274	332	324	289
Zebrene parish	Dobele	-0.101	-0.101	-0.298	-0.255	-0.424	183	173	241	228	290
Markalne parish	Aluksne	-0.348	-0.636	-0.478	-0.490	-0.428	270	334	304	307	291
Virga parish	Liepaja	-0.454	-0.567	-0.421	-0.620	-0.432	301	314	278	343	292
Vipe parish	Jekabpils	-0.598	-0.622	-0.421	-0.364	-0.432	329	329	280	272	293
Vietalva parish	Aizkraukle	-0.446	-0.522	-0.388	-0.256	-0.433	298	303	270	231	294
Skujene parish	Cesis	-0.497	-0.576	-0.527	-0.484	-0.434	313	315	319	305	295
Kalupe parish	Daugavpils	-0.540	-0.694	-0.481	-0.496	-0.441	320	354	306	311	296
Zasa parish	Jekabpils	-0.449	-0.566	-0.481	-0.556	-0.444	299	313	307	326	297
Variesi parish	Jekabpils	-0.286	-0.631	-0.527	-0.467	-0.450	248	332	320	301	298
Plani parish	Valka	-0.368	-0.348	-0.156	-0.283	-0.455	279	260	195	241	299
Barta parish	Liepaja	-0.580	-0.653	-0.637	-0.492	-0.456	327	343	343	310	300
Kaleti parish	Liepaja	-0.657	-0.779	-0.625	-0.496	-0.458	344	370	340	312	301
Drusti parish	Cesis	-0.361	-0.437	-0.580	-0.453	-0.460	274	282	330	296	302
Ive parish	Talsi	0.078	-0.255	-0.317	-0.422	-0.461	131	230	249	290	303
Malta parish	Rezekne	-0.383	-0.276	-0.394	-0.464	-0.464	282	237	273	298	304
Medumi parish	Daugavpils	-0.618	-0.560	-0.519	-0.535	-0.474	334	311	314	323	305
Braslava parish	Limbazi	-0.702	-0.647	-0.460	-0.650	-0.475	353	341	295	350	306
Rucava parish	Liepaja	-0.603	-0.516	-0.368	-0.361	-0.483	332	298	266	271	307
Rudzati parish	Preili	-0.449	-0.399	-0.456	-0.466	-0.484	300	271	291	300	308
Belava parish	Gulbene	-0.467	-0.447	-0.399	-0.398	-0.490	307	284	274	280	309
Evele parish	Valka	-0.257	-0.617	-0.548	-0.357	-0.492	237	328	321	270	310
Embute parish	Liepaja	-1.038	-0.965	-0.554	-0.366	-0.492	404	400	324	273	311
Dzelzava parish	Madona	-0.366	-0.380	-0.328	-0.290	-0.492	277	266	252	245	312
Veclaicene parish	Aluksne	-0.702	-0.553	-0.478	-0.461	-0.493	354	309	305	297	313
Laidi parish	Kuldiga	-0.376	-0.549	-0.627	-0.497	-0.495	281	306	342	313	314
Cirma parish	Ludza	-0.717	-0.758	-0.464	-0.572	-0.495	359	366	296	331	315
Stameriena parish	Gulbene	-0.456	-0.493	-0.568	-0.491	-0.496	302	295	327	309	316
Laudona parish	Madona	-0.641	-0.811	-0.796	-0.659	-0.503	343	377	370	353	317
Nereta parish	Aizkraukle	-0.230	-0.226	-0.475	-0.400	-0.505	232	219	303	282	318
Zvartava parish	Valka	-0.683	-0.449	-0.418	-0.502	-0.506	350	285	276	316	319
Zante parish	Tukums	-0.811	-0.707	-0.457	-0.505	-0.506	382	357	293	317	320
Luznava parish	Rezekne	-0.798	-0.610	-0.548	-0.644	-0.510	380	326	322	349	321
Liksna parish	Daugavpils	-0.552	-0.430	-0.436	-0.413	-0.512	321	278	283	286	322
Jerceni parish	Valka	-0.171	-0.564	-0.523	-0.388	-0.521	211	312	317	277	323
Ramata parish	Valmiera	-0.390	-0.388	-0.671	-0.465	-0.524	283	269	350	299	324
Berzgale parish	Rezekne	-0.212	-0.221	-0.189	-0.334	-0.524	227	216	208	262	325
Tirza parish	Gulbene	-0.344	-0.470	-0.430	-0.331	-0.525	269	290	282	261	326
Renda parish	Kuldiga	-0.249	-0.249	-0.452	-0.396	-0.528	234	228	288	279	327
Maliena parish	Aluksne	-0.579	-0.605	-0.598	-0.652	-0.539	326	324	335	351	328
Berzkalne parish	Balvi	-0.394	-0.270	-0.508	-0.626	-0.553	285	234	312	346	329
Elksni parish	Jekabpils	-0.764	-0.730	-0.734	-0.749	-0.559	368	363	359	363	330
Sunakste parish	Aizkraukle	-0.500	-0.454	-0.454	-0.516	-0.563	315	288	290	319	331
Leimani parish	Jekabpils	-0.668	-0.770	-0.668	-0.568	-0.573	346	369	349	330	332
Bunka parish	Liepaja	-0.367	-0.518	-0.384	-0.562	-0.573	278	300	269	328	333
Priekule parish	Liepaja	-0.838	-0.625	-0.573	-0.621	-0.586	389	330	329	344	334
Dviete parish	Daugavpils	-0.758	-0.715	-0.605	-0.584	-0.586	367	358	337	337	335
Ligo parish	Gulbene	-0.626	-0.669	-0.619	-0.611	-0.589	337	348	338	340	336
Ukri parish	Dobele	-0.514	-0.546	-0.781	-0.731	-0.597	318	305	366	360	337
Druviena parish	Gulbene	-0.325	-0.401	-0.465	-0.302	-0.597	265	273	297	252	338
Ilzene parish	Aluksne	-0.350	-0.636	-0.586	-0.500	-0.599	272	335	331	315	339
Gudenieki parish	Kuldiga	-0.491	-0.693	-0.685	-0.553	-0.600	311	352	352	325	340
Jersika parish	Preili	-0.671	-0.525	-0.651	-0.670	-0.602	347	304	347	355	341
Eglaine parish	Daugavpils	-0.784	-0.766	-0.625	-0.653	-0.603	375	368	341	352	342
Vabole parish	Daugavpils	-0.824	-0.718	-0.770	-0.574	-0.603	386	360	364	332	343
Nikrace parish	Kuldiga	-0.285	-0.518	-0.456	-0.534	-0.608	247	302	292	322	344
Ziguri parish	Balvi	-0.125	-0.262	-0.526	-0.636	-0.611	191	232	318	347	345
Audrini parish	Rezekne	-0.458	-0.432	-0.569	-0.618	-0.614	303	279	328	342	346
Vecsaliena parish	Daugavpils	-0.752	-0.681	-0.419	-0.580	-0.636	365	350	277	334	347
Skrudaliena parish	Daugavpils	-0.776	-0.663	-0.695	-0.642	-0.652	372	346	353	348	348
Atasiene parish	Jekabpils	-0.634	-0.843	-0.592	-0.565	-0.652	339	383	334	329	349
Saliena parish	Daugavpils	-0.933	-0.821	-0.788	-0.734	-0.655	396	380	368	361	350
Berzini parish	Kraslava	-0.756	-0.816	-0.815	-0.676	-0.665	366	378	372	357	351
Galgauska parish	Gulbene	-0.811	-0.820	-0.711	-0.618	-0.669	383	379	355	341	352
Vectilza parish	Balvi	-1.128	-1.050	-0.794	-0.603	-0.674	412	409	369	339	353
Deksare parish	Rezekne	-0.775	-0.728	-0.637	-0.672	-0.678	371	362	344	356	354
Kaive parish	Cesis	-0.793	-0.833	-0.837	-0.576	-0.680	377	381	378	333	355
Malupe parish	Aluksne	-0.749	-0.629	-0.725	-0.625	-0.693	364	331	357	345	356
Svente parish	Daugavpils	-0.624	-0.790	-0.813	-0.845	-0.701	336	372	371	369	357
Kazdanga parish	Liepaja	-0.488	-0.584	-0.495	-0.481	-0.702	310	319	310	304	358
Ezernieki parish	Kraslava	-0.317	-0.489	-0.443	-0.660	-0.702	261	293	285	354	359
Kalncempji parish	Aluksne	-0.599	-0.690	-0.353	-0.557	-0.717	330	351	260	327	360
Konstantinova parish	Kraslava	-0.413	-0.717	-0.716	-0.917	-0.733	291	359	356	386	361
Sauna parish	Preili	-0.894	-0.974	-1.006	-0.972	-0.740	392	401	400	393	362
Blonti parish	Ludza	-1.169	-1.073	-0.850	-1.010	-0.740	419	410	379	395	363
Lazduleja parish	Balvi	-0.695	-0.762	-0.824	-0.758	-0.741	352	367	373	364	364
Vainode parish	Liepaja	-0.768	-0.680	-0.645	-0.584	-0.750	370	349	345	336	365
Karki parish	Valka	-0.312	-0.578	-0.490	-0.582	-0.765	259	316	308	335	366
Peleci parish	Preili	-0.879	-0.957	-0.854	-0.804	-0.768	390	398	380	366	367
Dagda parish	Kraslava	-0.497	-0.600	-0.731	-0.911	-0.772	314	323	358	382	368
Kaplava parish	Kraslava	-1.011	-0.802	-0.932	-0.969	-0.774	403	376	393	392	369
Cornaja parish	Rezekne	-0.638	-0.658	-0.920	-0.910	-0.780	341	345	392	380	370
Nagli parish	Rezekne	-0.601	-0.584	-0.469	-0.696	-0.784	331	318	301	358	371
Zvirgzdene parish	Ludza	-0.813	-0.836	-0.760	-0.872	-0.785	384	382	362	374	372

Parish, county	District	Development index					Ranking				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Varkava parish	Preili	-0.818	-0.962	-1.044	-0.827	-0.786	385	399	401	367	373
Isnauda parish	Ludza	-0.572	-0.643	-0.898	-0.911	-0.806	324	339	387	381	374
Auleja parish	Kraslava	-1.062	-0.891	-0.914	-0.901	-0.817	407	388	391	377	375
Riebini county [16]	Preili	-0.776	-0.791	-0.910	-0.964	-0.821	373	373	390	391	376
Cibla county [17]	Ludza	-0.476	-0.653	-0.680	-0.725	-0.823	309	344	351	359	377
Osupe parish	Madona	-0.810	-0.939	-0.900	-0.905	-0.827	381	396	388	379	378
Sakstagals parish	Rezekne	-0.781	-0.693	-0.865	-0.864	-0.830	374	353	382	371	379
Dricani parish	Rezekne	-0.705	-0.703	-0.857	-0.888	-0.834	355	356	381	375	380
Viksna parish	Balvi	-0.711	-0.800	-0.832	-0.916	-0.838	357	375	377	384	381
Rugaji parish	Balvi	-0.689	-0.700	-0.826	-0.790	-0.838	351	355	375	365	382
Pusmucova parish	Ludza	-0.830	-0.796	-0.598	-0.855	-0.850	388	374	336	370	383
Kombuli parish	Kraslava	-0.917	-0.887	-0.937	-0.870	-0.862	394	387	394	373	384
Murmastiene parish	Madona	-1.082	-0.898	-0.881	-0.867	-0.873	409	391	384	372	385
Ilzeskalns parish	Rezekne	-0.680	-0.723	-0.778	-0.924	-0.878	348	361	365	388	386
Liepna parish	Aluksne	-0.749	-0.933	-0.891	-0.915	-0.888	363	395	386	383	387
Varkava county [18]	Preili	-0.941	-1.017	-1.059	-1.100	-0.895	397	403	402	406	388
Kastulina parish	Kraslava	-0.907	-0.868	-0.956	-0.916	-0.904	393	385	397	385	389
Bikernieki parish	Daugavpils	-0.794	-0.943	-0.940	-0.896	-0.905	378	397	395	376	390
Mezvidi parish	Ludza	-1.325	-1.176	-0.903	-1.024	-0.918	434	419	389	396	391
Merdzene parish	Ludza	-0.741	-0.790	-0.751	-0.961	-0.947	360	371	360	390	392
Gaigalava parish	Rezekne	-1.048	-0.894	-1.078	-1.025	-0.955	405	390	403	397	393
Sutri parish	Preili	-1.268	-1.183	-1.228	-1.166	-0.961	429	420	418	413	394
Kepova parish	Kraslava	-1.504	-1.370	-1.278	-1.259	-0.961	441	435	425	423	395
Vilani parish	Rezekne	-0.563	-0.663	-0.782	-0.942	-0.964	323	347	367	389	396
Kubuli parish	Balvi	-0.464	-0.580	-0.625	-0.829	-0.976	304	317	339	368	397
Skilbeni parish	Balvi	-0.635	-0.643	-0.826	-0.903	-0.979	340	338	374	378	398
Nautreni parish	Rezekne	-1.138	-1.201	-1.203	-1.132	-1.006	414	422	416	407	399
Rubene parish	Jekabpils	-0.742	-1.040	-0.876	-1.001	-1.020	361	406	383	394	400
Asare parish	Jekabpils	-1.058	-1.041	-1.254	-1.063	-1.028	406	407	421	403	401
Kaunata parish	Rezekne	-0.614	-0.607	-0.886	-1.034	-1.030	333	325	385	398	402
Andrupene parish	Kraslava	-1.235	-1.017	-1.130	-1.044	-1.033	427	402	409	400	403
Medneva parish	Balvi	-1.208	-1.175	-1.286	-1.149	-1.042	423	418	428	410	404
Tilza parish	Balvi	-1.755	-1.444	-1.160	-1.172	-1.076	446	437	412	414	405
Pureni parish	Ludza	-0.925	-0.757	-0.974	-1.212	-1.092	395	365	399	418	406
Skaune parish	Kraslava	-0.705	-0.642	-0.827	-0.920	-1.124	356	336	376	387	407
Rundeni parish	Ludza	-1.345	-1.229	-1.166	-1.221	-1.126	435	424	413	420	408
Varaklani parish	Madona	-1.309	-1.235	-1.115	-1.145	-1.146	433	425	407	409	409
Skaista parish	Kraslava	-0.964	-0.916	-1.156	-1.064	-1.146	398	393	411	404	410
Izvalta parish	Kraslava	-1.069	-1.108	-1.113	-1.059	-1.150	408	411	406	402	411
Berzpils parish	Balvi	-1.194	-1.114	-1.205	-1.207	-1.161	420	412	417	417	412
Struzani parish	Rezekne	-1.227	-1.169	-1.123	-1.263	-1.188	424	416	408	424	413
Svarini parish	Kraslava	-0.973	-1.033	-1.273	-1.070	-1.191	400	405	424	405	414
Nirza parish	Ludza	-1.349	-1.353	-0.969	-1.164	-1.192	436	433	398	411	415
Rikava parish	Rezekne	-0.990	-0.856	-0.762	-1.043	-1.193	401	384	363	399	416
Robeznieki parish	Kraslava	-1.230	-1.171	-1.179	-1.137	-1.227	425	417	415	408	417
Udrisi parish	Kraslava	-0.681	-0.878	-1.176	-1.198	-1.228	349	386	414	416	418
Malnava parish	Ludza	-1.095	-1.129	-1.096	-1.233	-1.263	410	413	404	421	419
Krisjani parish	Balvi	-1.620	-1.398	-1.283	-1.405	-1.264	444	436	427	434	420
Kantinieki parish	Rezekne	-1.611	-1.289	-1.245	-1.353	-1.267	443	429	420	431	421
Nuksi parish	Ludza	-0.888	-0.904	-0.953	-1.177	-1.270	391	392	396	415	422
Graveri parish	Kraslava	-1.283	-1.220	-1.238	-1.241	-1.288	430	423	419	422	423
Andzeli parish	Kraslava	-0.966	-0.893	-1.113	-1.166	-1.294	399	389	405	412	424
Silmala parish	Rezekne	-1.138	-1.344	-1.336	-1.318	-1.312	415	432	431	426	425
Pusa parish	Rezekne	-1.098	-1.318	-1.154	-1.058	-1.322	411	430	410	401	426
Istra parish	Ludza	-0.665	-1.029	-1.281	-1.335	-1.337	345	404	426	430	427
Piedruja parish	Kraslava	-1.133	-1.137	-1.260	-1.219	-1.340	413	414	422	419	428
Briezuciems parish	Balvi	-1.784	-1.582	-1.458	-1.592	-1.343	447	442	439	441	429
Asune parish	Kraslava	-1.197	-1.268	-1.394	-1.643	-1.363	422	428	434	444	430
Kalniesi parish	Kraslava	-1.006	-1.048	-1.456	-1.396	-1.364	402	408	438	433	431
Pededze parish	Aluksne	-1.141	-1.368	-1.305	-1.327	-1.378	416	434	430	428	432
Ambeli parish	Daugavpils	-1.721	-1.624	-1.297	-1.325	-1.391	445	445	429	427	433
Lazdukalns parish	Balvi	-1.250	-1.250	-1.350	-1.384	-1.404	428	427	432	432	434
Sokolki parish	Rezekne	-1.287	-1.150	-1.535	-1.414	-1.405	432	415	442	435	435
Makonkalns parish	Rezekne	-1.154	-1.574	-1.378	-1.331	-1.432	417	441	433	429	436
Feimani parish	Rezekne	-1.472	-1.502	-1.435	-1.538	-1.450	439	438	437	437	437
Lauderi parish	Ludza	-0.786	-1.187	-1.261	-1.305	-1.491	376	421	423	425	438
Susaji parish	Balvi	-1.196	-1.543	-1.536	-1.631	-1.518	421	440	443	443	439
Indra parish	Kraslava	-1.164	-1.248	-1.421	-1.448	-1.531	418	426	436	436	440
Skeltova parish	Kraslava	-1.576	-1.607	-1.709	-1.671	-1.537	442	443	446	446	441
Vecumi parish	Balvi	-1.431	-1.667	-1.612	-1.580	-1.649	437	446	445	439	442
Goliseva parish	Ludza	-1.490	-1.736	-1.942	-1.662	-1.696	440	447	448	445	443
Pasiene parish	Ludza	-1.231	-1.524	-1.552	-1.678	-1.702	426	439	444	447	444
Salnava parish	Ludza	-1.437	-1.620	-1.504	-1.601	-1.713	438	444	440	442	445
Brigi parish	Ludza	-0.796	-0.919	-1.515	-1.557	-1.865	379	394	441	438	446
Pilda parish	Ludza	-1.285	-1.339	-1.413	-1.585	-1.885	431	431	435	440	447
Baltinava parish	Balvi	-1.996	-1.946	-1.773	-1.823	-1.972	448	448	447	448	448

Note: This table includes counties without a town.

Within the reviewed period of time parishes and counties have been ranged according to administrative division as of 1 January 2007 (450 rural local municipalities). Development index was calculated for counties before their establishment by using data of all parishes later included in a county.

[1] Stopini county was established in 2004 from Stopini parish (without alterations in the territory). ◆ [2] Garkalne county was established in 2006 from Garkalne parish (without alterations in the territory). ◆ [3] Carnikava county was established in 2006 from Carnikava parish (without alterations in the territory). ◆ [4] Adazi county was established in 2006 from Adazi parish (without alterations in the territory). ◆ [5] Ozolnieki county was established in 2003 by uniting Cenas parish and Ozolnieki parish. ◆ [6] Incukalns county was established in 2006 from Incukalns parish (without alterations in the territory). ◆ [7] Lapmezciems county was established in 2006 from Lapmezciems parish (without alterations in the territory). ◆ [8] Ropazi county was established in 2004 from Ropazi parish (without alterations in the territory). ◆ [9] Iecava county was established in 2003 from Iecava parish (without alterations in the territory). ◆ [10] Seja county was established in 2006 from Seja parish (without alterations in the territory). ◆ [11] Valgunde county was established in 2006 from Valgunde parish (without alterations in the territory). ◆ [12] Amata county was established in 2000 by uniting Amata parish and Drabesi parish. ◆ [13] Tervete county was established in 2002 by uniting Augstkalne parish, Bukaisi parish, and Tervete parish. ◆ [14] Ergli county was established in 2006 by uniting Ergli parish, Jumurda parish and Sausneja parish. ◆ [15] Burtnieki county was established in 2006 by uniting Matisi parish and Vecate parish. ◆ [16] Riebini county was established in 2004 by uniting Galeni parish, Riebini parish, Rusona parish, Silajani parish, Silukalns parish, and Stabulnieki parish. ◆ [17] Cibla county was established in 2000 by uniting Cibla parish and Lidumnieki parish. ◆ [18] Varkava county was established in 2002 by uniting Rozkalni parish and Upmala parish.

Basic Indicators and Development Index of the Territories of the Planning Regions (2006)

Planning region	PD	PC	DEM	GDP	NFI	COM	IIT	UR	IND	Ranking
Kurzeme region	22.5	-3.5	558.2	3118.0	1248.7	18.7	173.5	4.6	-0.520	2
Latgale region	24.4	-6.2	534.7	1909.8	588.7	12.8	130.8	9.3	-1.341	5
Riga region	104.9	-1.0	514.9	5649.2	2111.2	38.7	276.2	3.2	1.011	1
Vidzeme region	15.8	-4.7	565.3	2308.9	1028.4	17.7	165.0	4.7	-0.851	4
Zemgale region	26.5	-2.5	533.8	2191.9	1018.4	15.4	176.2	4.5	-0.574	3
Average in Latvia	**35.3**	**-2.7**	**531.2**	**3937.9**	**1508.4**	**26.9**	**215.6**	**4.6**		

Basic Indicators and Development Index of the Territories of the Districts (2006)

District	PD	PC	DEM	GDP	NFI	COM	IIT	UR	IND	Ranking
Aizkraukle district	15.6	-3.4	556.5	2257.5	2011.3	13.4	183.5	5.1	0.122	7
Aluksne district	10.9	-5.9	585.5	1711.1	601.5	13.5	132.8	5.9	-0.593	19
Balvi district	11.4	-8.7	585.4	1400.6	306.9	9.0	114.5	12.6	-1.216	23
Bauska district	27.1	-2.9	522.4	1932.0	885.0	11.3	159.4	4.0	-0.024	9
Cesis district	19.0	-5.5	565.7	2429.2	925.4	20.6	177.5	3.7	0.166	5
Daugavpils district	15.6	-6.4	565.5	1098.2	440.2	5.4	98.1	7.5	-1.060	22
Dobele district	23.3	-4.6	551.3	2128.0	850.7	13.2	178.3	5.7	-0.103	12
Gulbene district	14.0	-5.9	567.8	1741.0	978.9	17.5	135.3	5.0	-0.328	16
Jekabpils district	17.5	-4.7	553.2	2032.0	666.3	16.0	138.0	5.7	-0.231	14
Jelgava district	23.0	-0.4	527.1	1765.3	865.8	12.0	154.0	3.7	-0.069	10
Kraslava district	14.6	-8.0	580.7	1177.1	324.7	8.7	99.4	13.4	-1.321	25
Kuldiga district	14.3	-4.7	580.8	1775.2	583.6	15.0	135.3	5.4	-0.460	18
Liepaja district	12.2	-5.0	608.5	1483.2	878.4	11.1	134.0	6.1	-0.745	21
Limbazi district	14.5	-5.3	568.3	1855.3	670.1	14.9	161.4	4.6	-0.298	15
Ludza district	13.0	-8.9	566.2	1329.7	542.6	9.9	109.3	16.1	-1.287	24
Madona district	12.8	-6.1	580.4	1878.9	678.5	16.0	136.1	5.8	-0.434	17
Ogre district	34.8	1.6	524.0	2033.0	789.8	18.4	227.5	3.3	0.417	3
Preili district	18.8	-6.6	565.7	1868.4	754.1	11.5	115.2	9.7	-0.652	20
Rezekne district	14.4	-6.0	575.2	966.2	879.5	7.8	92.7	15.4	-1.383	26
Riga district	51.4	10.9	495.1	3875.4	2561.9	24.3	270.7	3.4	1.924	1
Saldus district	16.8	-4.1	544.4	2498.4	867.9	18.6	148.5	3.4	0.185	4
Talsi district	17.0	-4.7	560.3	2221.0	959.1	19.8	153.3	4.2	0.030	8
Tukums district	22.3	-0.4	563.7	2226.2	1145.9	17.3	164.1	3.8	0.143	6
Valka district	13.0	-5.6	575.0	2507.0	1049.0	13.9	166.7	5.6	-0.084	11
Valmiera district	24.6	-2.1	539.5	2914.8	1576.2	20.0	199.9	3.8	0.651	2
Ventspils district	5.7	-4.0	524.4	1979.6	1053.5	12.2	153.1	4.1	-0.122	13
Average in districts	**18.2**	**-2.6**	**550.4**	**2193.5**	**1110.6**	**15.8**	**168.0**	**5.8**		

Basic Indicators and Development Index of the Territories of the Cities and Towns Group (2006)

City or town, county	District	PC	DEM	IIT	UR	IND	Ranking
Daugavpils	-	-4.7	479.7	160.6	4.3	-0.402	24
Jelgava	-	0.2	508.1	226.2	3.4	0.261	16
Jurmala	-	0.1	522.7	276.9	4.0	0.349	12
Liepaja	-	-2.3	555.1	193.2	4.9	-0.583	33
Rezekne	-	-4.5	492.5	196.0	7.5	-0.753	37
Riga	-	-3.3	511.7	296.2	2.9	0.434	7
Ventspils	-	-1.0	518.2	255.3	3.7	0.226	17
Aizkraukle county	Aizkraukle	-2.2	473.7	272.6	4.8	0.328	14
Jaunjelgava and its r.t.	Aizkraukle	2.4	577.4	169.5	5.1	-0.533	30
Plavinas	Aizkraukle	-5.6	618.8	193.2	5.4	-1.277	51
Aluksne	Aluksne	-2.6	557.2	196.9	5.7	-0.716	36
Ape and its r.t.	Aluksne	-9.8	642.2	96.8	6.5	-2.376	70
Balvi	Balvi	-4.5	468.8	180.5	7.3	-0.652	35
Vilaka	Balvi	-11.3	593.2	126.7	14.2	-3.188	74
Bauska	Bauska	-3.8	521.9	216.1	4.8	-0.358	22
Cesis	Cesis	-1.6	562.2	236.4	3.8	-0.181	19
Ligatne	Cesis	-10.4	731.2	167.5	2.8	-2.024	63
Ilukste county	Daugavpils	-6.9	598.3	130.7	8.2	-1.992	61
Subate and its r.t.	Daugavpils	-10.0	624.3	66.9	9.5	-2.898	73
Auce and its r.t.	Dobele	-3.7	595.4	189.8	6.2	-1.125	47
Dobele	Dobele	-2.0	539.4	267.1	5.7	-0.205	20
Gulbene	Gulbene	-3.3	533.2	192.6	5.2	-0.579	31
Akniste and its r.t.	Jekabpils	-8.3	576.3	135.6	9.1	-2.074	66
Jekabpils	Jekabpils	-2.3	522.0	168.6	5.3	-0.580	32

Abbreviations: PD – population density at the beginning of 2007, people/km²; PC – population change from the beginning of 2002 to the beginning of 2007, in %; DEM – demographic burden at the beginning of 2007; GDP - Gross Domestic Product per capita in 2005, in LVL; NFI – non-financial investments per capita in 2006, in LVL; COM – number of economically active businessmen and companies per 1000 inhabitants in 2006; IIT – amount of Individual Income Tax per capita in the local municipality budgets in 2006, in LVL; UR – unemployment rate at the beginning of 2007, in %; IND – territory development index

City or town, county	District	PC	DEM	IIT	UR	IND	Ranking
Viesite and its r.t.	Jekabpils	-10.0	586.2	129.6	8.9	-2.255	68
Kalnciems and its r.t.	Jelgava	-2.5	529.2	150.0	3.9	-0.525	29
Dagda	Kraslava	-7.0	627.2	141.2	11.1	-2.540	71
Kraslava county	Kraslava	-3.9	500.9	143.2	10.2	-1.441	52
Kuldiga	Kuldiga	-2.0	589.1	175.3	5.3	-0.907	39
Skrunda and its r.t.	Kuldiga	-6.2	607.4	131.6	6.2	-1.686	55
Aizpute	Liepaja	-4.9	647.3	171.6	8.9	-2.020	62
Durbe county	Liepaja	-10.3	598.1	127.9	4.7	-1.720	56
Grobina	Liepaja	-2.2	587.3	238.3	4.5	-0.476	27
Priekule	Liepaja	-4.8	618.7	139.9	7.9	-1.871	59
Saka county	Liepaja	-6.6	706.2	104.1	4.0	-2.115	67
Ainazi and its r.t.	Limbazi	-12.9	520.1	174.8	4.6	-1.189	50
Aloja and its r.t.	Limbazi	-6.5	580.7	149.7	3.7	-1.087	46
Limbazi	Limbazi	-4.1	528.9	229.6	5.3	-0.425	26
Salacgriva and its r.t.	Limbazi	-3.5	584.1	193.0	5.6	-0.943	42
Staicele and its r.t.	Limbazi	-5.4	679.6	105.1	4.3	-1.914	60
Karsava	Ludza	-7.7	651.1	126.0	15.9	-3.526	76
Ludza	Ludza	-5.1	501.2	160.2	12.9	-1.826	58
Zilupe county	Ludza	-6.7	529.8	91.2	20.6	-3.617	77
Cesvaine and its r.t.	Madona	-4.6	582.4	143.1	5.0	-1.184	48
Lubana county	Madona	-5.9	625.1	144.9	6.1	-1.680	54
Madona	Madona	-3.3	542.2	208.3	4.8	-0.495	28
Varaklani	Madona	-5.5	729.9	104.4	8.3	-2.822	72
Ikskile county	Ogre	17.7	537.3	305.5	2.6	1.885	2
Kegums county	Ogre	0.8	485.0	219.0	2.6	0.523	5
Lielvarde county	Ogre	4.7	545.3	226.8	3.6	0.342	13
Ogre county	Ogre	2.2	507.9	254.2	3.7	0.513	6
Livani county	Preili	-5.5	509.9	119.5	12.3	-2.038	64
Preili county	Preili	-5.3	491.1	166.1	7.4	-0.947	43
Vilani	Rezekne	-6.2	597.2	124.4	17.7	-3.383	75
Baldone and its r.t.	Riga	8.3	558.0	196.1	1.8	0.642	4
Balozi	Riga	17.0	385.0	303.7	3.5	2.596	1
Olaine	Riga	-0.6	472.5	247.7	4.2	0.413	8
Salaspils county	Riga	3.2	466.3	263.3	3.9	0.840	3
Saulkrasti and its r.t.	Riga	7.3	614.2	253.2	3.0	0.357	11
Sigulda county	Riga	2.4	547.7	270.7	3.7	0.391	9
Vangazi	Riga	-1.0	465.7	222.0	4.2	0.286	15
Broceni county	Saldus	-4.0	565.8	149.3	3.6	-0.804	38
Saldus	Saldus	-1.3	569.0	195.3	3.4	-0.356	21
Sabile county	Talsi	-6.2	593.6	108.2	6.2	-1.730	57
Stende	Talsi	-1.9	611.9	138.5	3.6	-0.983	45
Talsi	Talsi	-5.3	526.8	223.4	4.2	-0.379	23
Valdemarpils and its r.t.	Talsi	-4.9	580.8	117.9	4.0	-1.187	49
Kandava county	Tukums	-2.1	590.9	124.2	3.6	-0.948	44
Tukums	Tukums	2.1	548.1	209.5	4.1	-0.030	18
Seda and its r.t.	Valka	-7.2	626.4	150.7	8.2	-2.066	65
Smiltene	Valka	-5.8	574.2	257.2	4.9	-0.611	34
Strenci	Valka	-9.9	630.7	211.8	5.3	-1.532	53
Valka	Valka	-3.7	554.7	196.4	6.6	-0.914	40
Mazsalaca and its r.t.	Valmiera	-9.5	726.4	130.3	4.1	-2.321	69
Rujiena	Valmiera	-3.3	612.9	162.9	3.4	-0.929	41
Valmiera	Valmiera	0.4	523.3	270.0	3.8	0.367	10
Piltene and its r.t.	Ventspils	-4.8	486.6	150.2	3.6	-0.403	25
Average in cities, towns and urban counties		**-2.6**	**520.5**	**246.5**	**4.1**		

Abbreviations: PC – population change from the beginning of 2002 to the beginning of 2007, in %; DEM – demographic burden at the beginning of 2007; IIT – amount of Individual Income Tax per capita in the local municipality budgets in 2006, in LVL; UR – unemployment rate at the beginning of 2007, in %; IND – territory development index

Basic Indicators and Development Index of the Territories of the Parishes Group (2006)

Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Aiviekste parish	Aizkraukle	6.4	-3.4	595.5	142.0	4.0	121	-0.040	162
Bebri parish	Aizkraukle	10.9	-9.5	493.2	131.6	2.4	109	0.175	81
Daudzese parish	Aizkraukle	5.5	-4.4	567.5	125.7	6.5	90	-0.214	208
Irsi parish	Aizkraukle	8.3	-8.1	531.9	90.2	6.9	114	-0.306	252
Klintaine parish	Aizkraukle	9.6	-0.3	659.3	106.2	3.9	126	-0.223	211
Koknese parish	Aizkraukle	25.4	-0.7	574.8	186.3	3.5	142	0.423	41
Kurmene parish	Aizkraukle	6.9	-7.9	631.4	119.0	5.1	98	-0.340	266
Mazzalve parish	Aizkraukle	6.1	-4.9	547.6	120.7	3.5	96	-0.024	155
Nereta parish	Aizkraukle	15.5	-8.1	650.6	121.0	8.9	97	-0.505	318
Pilskalne parish	Aizkraukle	5.5	-14.0	472.0	94.8	8.8	95	-0.388	280
Sece parish	Aizkraukle	6.7	0.3	610.1	98.9	6.4	115	-0.299	248
Serene parish	Aizkraukle	7.2	-1.0	417.2	185.9	3.3	113	0.593	24
Skriveri parish	Aizkraukle	39.3	-0.2	605.4	194.4	4.2	240	0.520	32
Staburags parish	Aizkraukle	8.1	-14.5	562.9	139.2	3.3	121	-0.104	179
Sunakste parish	Aizkraukle	5.1	-7.8	652.7	86.7	6.0	112	-0.563	331
Valle parish	Aizkraukle	6.4	-5.8	659.9	127.1	5.9	103	-0.388	278
Vietalva parish	Aizkraukle	7.8	-7.0	557.6	137.6	11.5	109	-0.433	294
Zalve parish	Aizkraukle	4.0	-5.2	591.7	101.4	6.6	88	-0.386	276
Alsviki parish	Aluksne	7.8	-4.9	593.3	123.1	5.7	106	-0.216	209
Anna parish	Aluksne	9.8	-13.5	543.3	82.5	5.7	109	-0.366	272
Gaujiena parish	Aluksne	8.4	-5.6	554.3	134.4	3.5	92	0.021	139
Ilzene parish	Aluksne	7.0	-9.4	647.7	84.4	6.4	94	-0.599	339
Jaunaluksne parish	Aluksne	7.3	-6.0	585.3	103.0	5.5	88	-0.287	243
Jaunanna parish	Aluksne	6.2	-5.0	534.2	81.3	3.7	94	-0.145	189
Jaunlaicene parish	Aluksne	9.2	-6.4	554.8	119.4	1.3	74	0.075	116
Kalncempji parish	Aluksne	6.3	-21.4	600.0	58.7	5.3	105	-0.717	360
Liepna parish	Aluksne	3.8	-9.1	775.0	97.2	6.8	82	-0.888	387
Maliena parish	Aluksne	8.5	-8.0	648.1	70.5	5.2	112	-0.539	328
Malupe parish	Aluksne	5.7	-8.5	633.0	85.0	8.8	87	-0.693	356
Markalne parish	Aluksne	3.5	-14.9	498.2	79.2	6.7	74	-0.428	291
Pededze parish	Aluksne	6.1	-7.7	666.7	47.0	17.6	71	-1.378	432
Trapene parish	Aluksne	6.6	-6.3	654.0	91.3	3.4	99	-0.375	273
Veclaicene parish	Aluksne	6.2	-15.2	518.5	80.7	7.4	61	-0.493	313
Viresi parish	Aluksne	5.0	-6.1	582.3	90.7	3.9	93	-0.259	228
Zeltini parish	Aluksne	6.6	0.5	548.1	92.1	4.1	95	-0.065	170
Ziemeri parish	Aluksne	8.1	-3.8	528.2	76.0	6.1	75	-0.253	223
Baltinava parish	Balvi	7.9	-12.5	723.9	80.7	27.4	84	-1.972	448
Balvi parish	Balvi	10.1	2.3	617.5	97.6	9.1	112	-0.406	284
Berzkalne parish	Balvi	5.6	-12.7	451.1	71.9	11.5	88	-0.553	329
Berzpils parish	Balvi	7.4	-11.7	700.7	94.2	14.3	60	-1.161	412
Briezuciems parish	Balvi	8.1	-9.2	627.4	65.6	19.7	74	-1.343	429
Krisjani parish	Balvi	6.5	-11.2	573.4	68.9	19.8	69	-1.264	420
Kubuli parish	Balvi	10.2	-5.0	795.4	99.2	10.1	92	-0.976	397

Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Kuprava parish	Balvi	145.7	-21.2	514.0	85.6	18.5	148	0.168	83
Lazdukalns parish	Balvi	5.6	-10.0	680.5	67.6	18.1	68	-1.404	434
Lazduleja parish	Balvi	4.4	-5.9	490.3	51.1	13.6	66	-0.741	364
Medneva parish	Balvi	8.6	-9.4	710.3	82.2	12.1	88	-1.042	404
Rugaji parish	Balvi	5.3	-10.7	556.0	80.0	13.4	75	-0.838	382
Susaji parish	Balvi	4.5	-11.4	711.0	62.1	18.1	82	-1.518	439
Skilbeni parish	Balvi	13.8	-10.9	675.5	68.1	11.9	89	-0.979	398
Tilza parish	Balvi	11.3	-8.2	695.0	90.0	14.5	73	-1.076	405
Vectilza parish	Balvi	5.6	-7.9	519.3	80.7	12.8	64	-0.674	353
Vecumi parish	Balvi	5.9	-17.0	644.3	61.4	21.7	78	-1.649	442
Viksna parish	Balvi	6.9	-12.5	640.6	75.9	9.6	90	-0.838	381
Ziguri parish	Balvi	8.0	-12.2	556.3	160.0	14.6	87	-0.611	345
Barbele parish	Bauska	9.5	-6.0	582.3	114.9	8.0	141	-0.331	264
Brunava parish	Bauska	16.1	-4.9	560.7	90.3	3.9	151	-0.064	169
Ceraukste parish	Bauska	28.5	3.0	541.7	140.9	4.8	235	0.387	46
Code parish	Bauska	30.4	-1.2	520.4	143.0	3.9	243	0.448	37
Davini parish	Bauska	11.1	-14.8	528.9	76.9	4.1	154	-0.256	225
Gailisi parish	Bauska	33.7	-6.9	399.2	172.9	4.6	243	0.723	18
Iecava county	Bauska	30.9	2.8	539.9	176.9	3.6	294	0.631	22
Islice parish	Bauska	39.9	-2.8	470.3	163.8	3.9	255	0.700	19
Mezotne parish	Bauska	24.3	-8.2	531.8	126.4	3.8	235	0.195	78
Rundale parish	Bauska	25.3	-5.5	539.7	138.2	3.7	230	0.271	61
Skaistkalne parish	Bauska	13.5	-5.5	606.3	124.9	2.9	142	-0.025	158
Stelpe parish	Bauska	14.8	-3.2	569.7	107.4	1.7	142	0.108	102
Svitene parish	Bauska	17.1	-9.3	534.0	72.4	3.1	215	-0.059	168
Vecsaule parish	Bauska	14.1	-3.4	515.8	101.4	4.1	148	0.069	118
Vecumnieki parish	Bauska	16.9	-0.5	542.7	171.5	3.1	154	0.389	45
Viesturi parish	Bauska	14.4	-11.2	489.9	70.3	3.2	229	-0.022	154
Amata county	Cesis	15.3	-0.2	560.2	179.0	3.2	144	0.356	50
Drusti parish	Cesis	6.7	-10.0	660.4	92.0	3.8	108	-0.460	302
Dzerbene parish	Cesis	8.4	-1.7	582.0	155.6	4.5	130	0.060	122
Inesi parish	Cesis	8.9	-4.5	549.4	92.0	5.9	96	-0.228	216
Jaunpiebalga parish	Cesis	12.4	-4.5	599.0	119.4	2.9	127	-0.027	160
Kaive parish	Cesis	3.6	-10.9	678.6	64.3	4.4	101	-0.680	355
Liepa parish	Cesis	43.3	-4.3	582.5	153.2	4.7	144	0.329	55
Ligatne parish	Cesis	17.7	-4.7	514.9	158.0	5.6	128	0.197	75
Marsneni parish	Cesis	13.0	0.4	609.3	99.2	2.3	148	0.001	146
Nitaure parish	Cesis	5.7	-14.2	579.7	116.0	4.7	110	-0.320	259
Priekuli parish	Cesis	49.1	-10.1	501.7	232.4	3.4	179	0.841	16
Raiskums parish	Cesis	9.8	-5.4	592.0	198.5	3.5	110	0.191	79
Rauna parish	Cesis	20.7	-5.2	554.1	130.9	2.4	152	0.218	72
Skujene parish	Cesis	5.7	-7.9	595.5	94.7	6.5	108	-0.434	295
Stalbe parish	Cesis	8.3	-4.1	579.3	114.7	2.6	123	-0.019	152

Abbreviations: PD – population density at the beginning of 2007, people/km^2; PC – population change from the beginning of 2002 to the beginning of 2007, in %; DEM – demographic burden at the beginning of 2007; IIT – amount of Individual Income Tax per capita in the local municipality budgets in 2006, in LVL; UR – unemployment rate at the beginning of 2007, in %; CAD – mean cadastral value of land at the beginning of 2006, LVL/ha; IND – territory development index

Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Straupe parish	Cesis	9.8	-5.3	544.2	137.4	3.4	111	0.084	110
Taurene parish	Cesis	9.7	-7.4	502.3	130.3	4.1	110	0.081	114
Vaive parish	Cesis	10.5	1.0	576.4	119.1	3.9	139	0.040	132
Vecpiebalga parish	Cesis	14.7	-3.9	554.4	126.4	3.2	92	0.096	105
Veselava parish	Cesis	11.9	-6.0	458.7	121.6	2.9	146	0.270	62
Zaube parish	Cesis	6.5	-7.9	676.8	117.7	3.2	106	-0.341	268
Zoseni parish	Cesis	7.6	-10.9	685.2	93.6	1.3	94	-0.388	279
Ambeli parish	Daugavpils	11.2	-11.1	771.2	53.9	14.0	76	-1.391	433
Bikernieki parish	Daugavpils	12.0	-9.4	623.5	40.6	11.0	92	-0.905	390
Demene parish	Daugavpils	11.0	-5.2	484.8	51.7	7.9	97	-0.330	263
Dubna parish	Daugavpils	15.3	-3.0	520.9	66.0	8.0	120	-0.278	239
Dviete parish	Daugavpils	6.0	-7.3	591.1	81.3	8.7	80	-0.586	335
Eglaine parish	Daugavpils	13.6	-9.2	589.4	79.8	9.7	93	-0.603	342
Kalkune parish	Daugavpils	38.4	-6.9	558.0	133.2	4.8	188	0.240	68
Kalupe parish	Daugavpils	14.2	-3.1	568.4	78.3	9.5	101	-0.441	296
Laucesa parish	Daugavpils	26.0	-3.6	494.8	85.4	6.2	179	0.063	121
Liksna parish	Daugavpils	9.0	-5.8	608.8	118.7	10.3	120	-0.512	322
Malinova parish	Daugavpils	16.1	-1.8	524.4	56.6	8.0	121	-0.293	245
Medumi parish	Daugavpils	10.1	-6.3	581.6	81.0	7.9	69	-0.474	305
Naujene parish	Daugavpils	46.7	-2.7	496.2	130.7	4.7	133	0.494	33
Nicgale parish	Daugavpils	9.6	-12.5	520.5	119.8	7.1	110	-0.242	220
Saliena parish	Daugavpils	6.7	-7.0	633.5	58.5	6.8	72	-0.655	350
Skrudaliena parish	Daugavpils	16.2	-7.2	574.1	64.0	11.3	96	-0.652	348
Svente parish	Daugavpils	10.3	-5.9	666.7	75.8	8.6	101	-0.701	357
Tabore parish	Daugavpils	14.1	-3.0	545.1	66.5	5.7	125	-0.213	207
Vabole parish	Daugavpils	12.1	-7.9	673.2	95.5	7.7	115	-0.603	343
Vecsaliena parish	Daugavpils	9.3	-10.3	570.0	55.1	8.4	89	-0.636	347
Viski parish	Daugavpils	21.5	-12.8	580.0	112.2	5.6	114	-0.212	206
Annenieki parish	Dobele	13.9	-3.0	628.4	141.9	3.7	168	-0.001	148
Auri parish	Dobele	30.1	3.8	520.7	166.4	6.4	196	0.454	34
Bene parish	Dobele	23.1	-6.0	621.5	136.2	6.9	183	-0.136	186
Berze parish	Dobele	25.3	-1.3	564.3	143.7	4.9	258	0.254	66
Biksti parish	Dobele	10.9	-10.2	586.4	105.6	3.2	168	-0.154	193
Dobele parish	Dobele	13.2	-6.4	552.5	125.3	5.8	225	-0.046	165
Ile parish	Dobele	8.1	-3.7	531.0	107.9	4.7	138	-0.041	163
Jaunberze parish	Dobele	10.6	-0.3	560.6	131.1	8.1	190	-0.109	181
Krimunas parish	Dobele	17.5	-8.0	537.3	147.5	6.8	267	0.044	130
Lielauce parish	Dobele	7.1	-5.3	449.2	102.2	8.9	121	-0.150	191
Naudite parish	Dobele	10.3	-13.5	518.2	158.3	5.0	157	0.027	138
Penkule parish	Dobele	14.8	-3.2	523.7	136.0	5.2	210	0.153	87
Tervete county	Dobele	19.1	-10.5	524.2	132.3	4.8	211	0.078	115
Ukri parish	Dobele	5.7	-17.6	542.9	72.4	7.7	154	-0.597	337
Vitini parish	Dobele	9.3	-9.8	577.8	81.3	5.1	157	-0.341	267
Zebrene parish	Dobele	6.3	-11.3	576.9	97.4	6.6	133	-0.424	290
Belava parish	Gulbene	11.3	-5.0	664.9	78.8	5.6	125	-0.490	309
Daukstes parish	Gulbene	8.0	-5.4	557.3	94.8	6.1	118	-0.261	229
Druviena parish	Gulbene	8.7	-8.4	647.1	99.8	8.1	108	-0.597	338
Galgauska parish	Gulbene	7.5	-9.9	695.2	89.3	6.2	120	-0.669	352
Jaungulbene parish	Gulbene	14.8	-9.6	534.9	142.1	4.3	126	0.056	126
Lejasciems parish	Gulbene	5.4	-7.5	678.9	116.0	3.5	94	-0.379	275
Ligo parish	Gulbene	5.9	-14.8	620.2	80.7	5.6	124	-0.589	336
Litene parish	Gulbene	9.3	-8.6	525.6	75.0	2.1	92	-0.088	177
Lizums parish	Gulbene	15.0	-5.3	555.4	133.4	4.2	118	0.053	127
Ranka parish	Gulbene	9.0	-7.9	601.4	93.9	3.6	107	-0.256	226
Stameriena parish	Gulbene	9.0	-9.0	611.2	92.5	7.2	113	-0.496	316
Stradi parish	Gulbene	12.3	-4.3	472.8	133.3	4.8	119	0.196	77
Tirza parish	Gulbene	7.9	-8.2	617.2	75.2	6.4	115	-0.525	326
Abeli parish	Jekabpils	8.2	3.8	526.5	124.0	3.4	115	0.212	74
Asare parish	Jekabpils	7.0	-7.0	648.9	52.6	12.9	101	-1.028	401
Atasiene parish	Jekabpils	3.3	-9.0	653.6	76.8	6.0	69	-0.652	349
Dignaja parish	Jekabpils	7.2	-9.4	603.2	78.7	4.6	102	-0.413	288
Dunava parish	Jekabpils	6.8	-13.6	574.6	78.9	2.6	95	-0.316	255
Elksni parish	Jekabpils	4.6	-10.7	581.0	86.6	7.7	89	-0.559	330
Garsene parish	Jekabpils	14.4	-9.5	427.7	115.4	7.0	114	0.045	129
Kalns parish	Jekabpils	4.3	-4.7	580.9	87.0	4.0	113	-0.253	222
Krustpils parish	Jekabpils	11.9	1.0	609.4	105.3	5.5	141	-0.156	194
Kukas parish	Jekabpils	18.7	-2.3	749.4	108.7	3.8	147	-0.352	270
Leimani parish	Jekabpils	5.7	-14.4	561.8	79.6	7.5	106	-0.573	332
Mezare parish	Jekabpils	6.9	-10.2	519.4	69.2	5.1	110	-0.303	249
Rite parish	Jekabpils	7.3	-10.7	580.0	99.6	6.0	87	-0.390	281
Rubene parish	Jekabpils	6.9	-11.6	746.5	70.6	8.6	98	-1.020	400
Sala parish	Jekabpils	16.9	-3.0	473.8	147.4	5.1	124	0.295	58
Sauka parish	Jekabpils	7.6	-8.7	600.0	101.1	4.7	104	-0.316	256
Selpils parish	Jekabpils	8.9	-8.4	621.6	102.6	3.5	110	-0.272	233
Variesi parish	Jekabpils	8.8	-9.3	571.4	93.2	7.9	121	-0.450	298
Vipe parish	Jekabpils	10.6	-0.7	630.2	67.2	6.4	122	-0.432	293
Zasa parish	Jekabpils	9.0	-7.9	682.4	102.8	4.2	98	-0.444	297
Eleja parish	Jelgava	38.9	0.2	543.7	142.5	7.1	237	0.319	56
Gluda parish	Jelgava	27.5	2.7	479.0	154.3	4.0	347	0.652	20
Jaunsvirlauka parish	Jelgava	26.7	-0.4	510.3	167.6	3.0	246	0.586	27
Lielplatone parish	Jelgava	17.4	-7.7	594.5	144.6	4.4	245	0.035	135
Livberze parish	Jelgava	15.8	4.8	531.4	135.5	3.6	269	0.380	47
Ozolnieki county	Jelgava	60.6	5.0	535.0	213.3	3.3	1085	1.434	8
Platone parish	Jelgava	20.3	2.0	495.3	170.0	4.3	267	0.541	30
Sesava parish	Jelgava	19.6	-4.4	572.9	102.0	5.5	243	-0.059	167
Sidrabene parish	Jelgava	11.6	-6.3	537.2	106.6	1.8	160	0.101	103
Svete parish	Jelgava	29.5	2.8	520.9	141.8	3.0	331	0.586	26
Valgunde county	Jelgava	10.1	2.6	516.0	163.7	2.5	144	0.438	38
Vilce parish	Jelgava	14.5	-10.3	474.5	95.2	5.3	199	-0.015	151
Vircava parish	Jelgava	17.2	-6.9	525.1	97.0	2.6	260	0.136	91

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Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Zalenieki parish	Jelgava	13.9	-7.5	597.6	124.5	2.5	219	0.017	141
Andrupene parish	Kraslava	10.8	-9.2	602.8	68.9	15.8	76	-1.033	403
Andzeli parish	Kraslava	7.7	-10.2	622.8	45.5	17.3	71	-1.294	424
Asune parish	Kraslava	8.0	-9.1	666.7	77.9	19.4	79	-1.363	430
Auleja parish	Kraslava	9.6	-11.4	643.7	88.5	10.6	76	-0.817	375
Berzini parish	Kraslava	5.5	-20.8	522.7	38.7	6.0	76	-0.665	351
Dagda parish	Kraslava	15.6	-5.8	545.9	73.8	15.6	97	-0.772	368
Ezernieki parish	Kraslava	7.7	-14.5	567.4	99.2	10.9	63	-0.702	359
Graveri parish	Kraslava	9.5	-15.1	576.5	50.7	18.4	81	-1.288	423
Indra parish	Kraslava	10.9	-9.5	689.6	66.5	21.2	88	-1.531	440
Izvalta parish	Kraslava	11.9	-11.5	722.1	92.9	14.2	83	-1.150	411
Kalniesi parish	Kraslava	8.3	-9.4	645.4	53.1	18.6	83	-1.364	431
Kaplava parish	Kraslava	6.4	-3.6	555.6	70.7	13.8	62	-0.774	369
Kastulina parish	Kraslava	8.3	-11.8	593.6	61.8	12.0	59	-0.904	389
Kombuli parish	Kraslava	9.1	-13.2	645.1	100.8	11.6	84	-0.862	384
Konstantinova parish	Kraslava	8.3	-5.4	503.4	67.1	14.9	83	-0.733	361
Kepova parish	Kraslava	5.3	-21.7	537.7	46.6	11.1	82	-0.961	395
Piedruja parish	Kraslava	10.0	-14.7	581.3	45.1	19.0	83	-1.340	428
Robeznieki parish	Kraslava	8.4	-9.2	665.1	55.5	15.6	88	-1.227	417
Skaista parish	Kraslava	6.6	-16.0	625.8	62.3	13.7	76	-1.146	410
Svarini parish	Kraslava	5.4	-9.2	652.2	44.1	14.0	71	-1.191	414
Skaune parish	Kraslava	5.3	-12.8	537.2	88.4	19.3	68	-1.124	407
Skeltova parish	Kraslava	10.9	-9.6	763.4	44.9	16.8	76	-1.537	441
Udrisi parish	Kraslava	16.2	-1.3	711.3	82.4	19.1	86	-1.228	418
Alsunga parish	Kuldiga	9.8	-8.6	600.9	124.2	3.3	128	-0.126	185
Edole parish	Kuldiga	7.1	0.6	595.0	84.0	6.1	144	-0.281	240
Gudenieki parish	Kuldiga	7.0	-14.5	514.5	79.2	10.2	116	-0.600	340
Ivande parish	Kuldiga	6.1	-4.4	542.6	111.9	8.5	154	-0.283	241
Kabile parish	Kuldiga	5.0	-6.4	595.4	86.3	2.3	137	-0.203	205
Kurmale parish	Kuldiga	20.0	-3.1	481.1	134.0	4.9	157	0.281	60
Laidi parish	Kuldiga	11.3	-8.8	613.2	68.4	6.2	149	-0.495	314
Nikrace parish	Kuldiga	5.9	-8.1	584.4	84.4	9.7	133	-0.608	344
Padure parish	Kuldiga	10.1	1.4	594.1	111.8	4.0	148	-0.025	157
Pelci parish	Kuldiga	18.4	1.8	485.0	157.6	3.1	169	0.523	31
Ranki parish	Kuldiga	11.2	-12.4	555.2	85.6	4.8	176	-0.274	234
Renda parish	Kuldiga	4.5	-5.9	676.6	111.2	6.6	124	-0.528	327
Rudbarzi parish	Kuldiga	10.4	-11.2	627.8	115.4	4.5	146	-0.316	257
Rumba parish	Kuldiga	7.3	-5.9	581.3	170.1	5.2	130	0.000	147
Snepele parish	Kuldiga	10.8	-6.7	594.2	84.0	5.2	152	-0.311	254
Turlava parish	Kuldiga	8.1	-9.7	554.5	62.8	6.0	144	-0.419	289
Varme parish	Kuldiga	7.7	-5.6	547.6	76.0	6.8	140	-0.338	265
Aizpute parish	Liepaja	11.3	-8.3	552.6	108.7	4.3	163	-0.099	178
Barta parish	Liepaja	6.2	-10.5	650.6	87.5	3.9	153	-0.456	300
Bunka parish	Liepaja	9.4	-8.7	568.4	74.1	9.6	157	-0.573	333
Cirava parish	Liepaja	10.2	-9.8	550.3	109.8	3.9	147	-0.109	182
Dunalka parish	Liepaja	9.8		587.4	135.6	4.5	159	-0.125	184

Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Dunika parish	Liepaja	3.7	-5.9	613.0	96.1	4.2	108	-0.325	261
Embute parish	Liepaja	3.9	-19.1	520.1	94.2	7.4	155	-0.492	311
Gavieze parish	Liepaja	7.4	-2.7	524.9	98.4	5.3	154	-0.076	173
Gramzda parish	Liepaja	9.6	-7.1	503.7	89.4	5.7	140	-0.140	188
Grobina parish	Liepaja	21.2	-1.8	570.3	136.7	5.0	220	0.149	89
Kaleti parish	Liepaja	9.7	-6.6	544.7	83.2	9.5	132	-0.458	301
Kalvene parish	Liepaja	6.8	-7.1	589.7	112.4	5.5	151	-0.261	230
Kazdanga parish	Liepaja	11.8	-10.2	685.9	97.7	8.8	166	-0.702	358
Laza parish	Liepaja	4.6	-5.4	596.5	102.9	6.5	150	-0.357	271
Medze parish	Liepaja	13.9	5.8	554.3	130.8	4.0	216	0.269	63
Nica parish	Liepaja	12.7	5.0	592.1	164.5	3.9	153	0.259	65
Otanki parish	Liepaja	8.1	-1.7	624.2	94.1	5.0	146	-0.275	236
Priekule parish	Liepaja	4.7	-5.9	607.1	69.2	8.0	163	-0.586	334
Rucava parish	Liepaja	5.5	-11.2	671.4	95.5	3.5	115	-0.483	307
Vainode parish	Liepaja	13.7	-6.1	705.6	119.5	11.7	156	-0.750	365
Vecpils parish	Liepaja	6.8	-9.4	613.1	82.1	4.5	153	-0.399	282
Vergale parish	Liepaja	8.2	-3.8	545.2	108.3	4.7	129	-0.073	171
Virga parish	Liepaja	11.3	-0.6	683.4	99.0	6.6	142	-0.432	292
Braslava parish	Limbazi	9.1	-12.3	625.5	60.1	3.2	129	-0.475	306
Brivzemnieki parish	Limbazi	11.4	-19.7	537.8	113.3	3.8	121	-0.219	210
Katvari parish	Limbazi	11.5	-1.3	572.1	122.0	4.7	139	-0.011	150
Ledurga parish	Limbazi	9.9	-3.7	525.2	109.7	2.8	120	0.094	106
Liepupe parish	Limbazi	14.7	-7.3	561.7	131.3	4.6	186	0.003	144
Limbazi parish	Limbazi	11.0	0.0	526.4	140.9	3.9	128	0.215	73
Pale parish	Limbazi	6.1	-6.8	597.8	101.3	5.0	114	-0.309	253
Skulte parish	Limbazi	13.9	0.1	622.4	137.2	3.6	432	0.163	84
Umurga parish	Limbazi	6.8	-7.3	628.9	115.1	2.3	114	-0.178	196
Vidrizi parish	Limbazi	15.6	-2.1	547.3	141.1	4.5	144	0.151	88
Vilkene parish	Limbazi	6.8	-8.8	649.8	116.3	5.2	119	-0.400	283
Blonti parish	Ludza	5.2	-11.1	558.6	94.6	12.3	73	-0.740	363
Brigi parish	Ludza	6.2	-6.9	684.2	56.8	26.8	78	-1.865	446
Cibla county	Ludza	5.9	-13.8	561.5	89.4	12.7	75	-0.823	377
Cirma parish	Ludza	8.8	-6.6	466.4	93.9	13.6	90	-0.495	315
Goliseva parish	Ludza	6.3	-5.5	572.8	46.3	27.8	67	-1.696	443
Isnauda parish	Ludza	10.3	-4.6	519.7	106.6	18.9	92	-0.806	374
Istra parish	Ludza	5.4	-12.3	671.7	68.5	16.5	59	-1.337	427
Lauderi parish	Ludza	6.2	-12.3	574.8	47.3	22.1	70	-1.491	438
Malnava parish	Ludza	9.8	-19.1	659.1	106.8	17.3	106	-1.263	419
Merdzene parish	Ludza	9.5	-14.1	552.7	86.5	15.8	88	-0.947	392
Mezvidi parish	Ludza	8.4	-9.6	627.1	82.8	13.1	86	-0.918	391
Nirza parish	Ludza	6.0	-16.6	607.6	77.0	16.0	75	-1.192	415
Nuksi parish	Ludza	7.6	-17.3	523.5	67.1	20.3	79	-1.270	422
Pasiene parish	Ludza	6.0	-9.7	586.1	59.1	27.0	69	-1.702	444
Pilda parish	Ludza	6.3	-10.8	764.8	63.0	23.0	66	-1.885	447
Pureni parish	Ludza	8.1	-12.7	558.1	54.9	16.5	102	-1.092	406
Pusmucova parish	Ludza	9.4	-12.3	554.5	96.8	15.2	98	-0.850	383

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Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Rundeni parish	Ludza	5.2	-13.3	596.6	45.9	13.9	62	-1.126	408
Salnava parish	Ludza	5.7	-12.7	741.8	66.8	20.5	75	-1.713	445
Zvirgzdene parish	Ludza	9.6	-5.2	621.6	81.2	12.3	89	-0.785	372
Arona parish	Madona	10.8	-0.4	604.7	109.8	6.0	117	-0.199	202
Barkava parish	Madona	8.0	-11.2	514.5	122.7	6.5	106	-0.184	198
Berzaune parish	Madona	15.2	-4.1	525.2	111.9	3.9	123	0.083	111
Dzelzava parish	Madona	10.8	-10.4	667.9	122.1	6.8	128	-0.492	312
Ergli county	Madona	9.7	-10.9	628.4	134.5	4.4	112	-0.254	224
Kalsnava parish	Madona	14.3	-5.2	562.8	189.5	6.8	113	0.092	107
Lazdona parish	Madona	34.3	-4.9	512.9	132.3	5.5	133	0.265	64
Liezere parish	Madona	5.9	-8.4	531.9	86.7	5.7	109	-0.278	238
Laudona parish	Madona	7.9	-8.2	642.1	93.8	6.2	113	-0.503	317
Marciena parish	Madona	13.3	-6.4	560.9	84.6	3.5	102	-0.137	187
Metriena parish	Madona	6.0	-12.8	488.5	78.9	4.6	103	-0.224	213
Murmastiene parish	Madona	5.3	-6.6	648.2	71.0	11.1	92	-0.873	385
Osupe parish	Madona	5.7	-13.7	556.2	68.5	11.7	84	-0.827	378
Prauliena parish	Madona	9.0	-7.1	527.5	114.0	5.1	114	-0.087	176
Sarkani parish	Madona	9.7	-1.4	494.5	93.9	5.4	116	-0.005	149
Varaklani parish	Madona	10.0	-2.2	778.8	53.3	11.9	117	-1.146	409
Vestiena parish	Madona	6.6	-5.1	614.6	104.4	3.5	97	-0.229	217
Birzgale parish	Ogre	6.4	-7.9	532.8	129.4	2.5	122	0.060	123
Jumprava parish	Ogre	23.8	-3.2	528.3	194.7	2.9	230	0.572	28
Krape parish	Ogre	11.1	-8.3	548.8	109.3	2.9	122	-0.026	159
Keipene parish	Ogre	13.7	-8.0	529.5	129.8	2.8	129	0.124	95
Laubere parish	Ogre	10.0	-3.8	537.4	111.0	3.8	133	0.017	140
Ledmane parish	Ogre	18.5	-5.5	562.8	113.2	2.9	159	0.082	112
Madlienas parish	Ogre	12.4	-6.9	658.7	127.6	2.5	126	-0.147	190
Mazozoli parish	Ogre	6.8	-11.8	498.9	135.7	2.7	107	0.082	113
Mengele parish	Ogre	8.1	-13.1	501.0	102.0	2.5	109	-0.036	161
Suntazi parish	Ogre	13.1	-5.8	509.3	160.2	3.2	166	0.302	57
Taurupe parish	Ogre	7.9	-10.1	611.9	116.2	2.6	118	-0.188	199
Aglona parish	Preili	17.7	-14.4	632.2	121.9	5.7	73	-0.378	274
Jersika parish	Preili	9.7	0.8	571.4	113.6	15.0	96	-0.602	341
Peleci parish	Preili	10.5	-4.0	678.0	60.7	8.9	90	-0.768	367
Riebini county	Preili	10.4	-7.7	657.1	71.6	10.7	104	-0.821	376
Rudzati parish	Preili	7.8	-6.8	630.4	85.1	5.2	87	-0.484	308
Sauna parish	Preili	9.5	-9.3	739.6	69.1	5.5	111	-0.740	362
Sutri parish	Preili	9.5	-7.1	663.7	66.3	12.1	114	-0.961	394
Varkava county	Preili	8.7	-8.4	753.6	67.3	7.2	90	-0.895	388
Varkava parish	Preili	8.7	-9.7	632.7	60.4	9.2	113	-0.786	373
Audrini parish	Rezekne	19.1	-1.8	554.9	83.1	15.1	152	-0.614	346
Berzgale parish	Rezekne	13.4	-9.9	576.6	114.7	11.1	115	-0.524	325
Cornaja parish	Rezekne	9.7	-9.0	517.1	67.1	14.5	96	-0.780	370
Deksare parish	Rezekne	9.3	-5.9	609.8	66.4	9.8	113	-0.678	354
Dricani parish	Rezekne	11.3	-4.8	641.4	82.0	12.9	98	-0.834	380
Feimani parish	Rezekne	7.9	-6.3	644.5	60.0	21.5	81	-1.450	437
Gaigalava parish	Rezekne	5.9	-7.9	645.3	89.5	13.4	70	-0.955	393
Griskani parish	Rezekne	26.1	1.7	482.2	113.9	9.3	198	0.117	99
Ilzeskalns parish	Rezekne	11.8	-10.3	632.0	81.0	12.7	114	-0.878	386
Kantinieki parish	Rezekne	11.1	-9.8	606.0	52.3	19.0	110	-1.267	421
Kaunata parish	Rezekne	8.4	-9.2	640.1	96.4	15.6	76	-1.030	402
Lendzi parish	Rezekne	12.2	-6.7	570.6	122.0	8.2	102	-0.291	244
Luznava parish	Rezekne	15.5	-8.6	519.8	127.6	14.5	93	-0.510	321
Makonkalns parish	Rezekne	4.7	-11.9	637.9	67.0	19.6	72	-1.432	436
Malta parish	Rezekne	38.0	-6.5	541.6	120.2	17.0	119	-0.464	304
Nagli parish	Rezekne	4.3	-7.2	619.6	89.4	11.1	49	-0.784	371
Nautreni parish	Rezekne	9.3	-9.2	699.2	74.2	11.5	87	-1.006	399
Ozolaine parish	Rezekne	24.8	10.7	499.6	107.7	11.4	156	0.059	124
Ozolmuiza parish	Rezekne	21.8	-3.6	544.9	97.4	11.7	175	-0.349	269
Pusa parish	Rezekne	6.6	-13.9	645.1	88.9	18.5	73	-1.322	426
Rikava parish	Rezekne	11.2	-9.6	626.5	70.3	18.1	115	-1.193	416
Sakstagals parish	Rezekne	17.6	-4.8	544.9	69.2	17.2	124	-0.830	379
Silmala parish	Rezekne	17.2	-7.0	555.1	57.4	24.0	111	-1.312	425
Sokolki parish	Rezekne	15.9	-4.6	526.3	45.5	26.8	137	-1.405	435
Stolerova parish	Rezekne	12.6	0.4	579.6	72.5	7.1	99	-0.318	258
Struzani parish	Rezekne	25.3	-7.9	732.4	85.5	17.2	62	-1.188	413
Veremi parish	Rezekne	25.2	-6.5	495.4	153.8	7.9	175	0.157	85
Vilani parish	Rezekne	16.2	-8.9	601.6	79.9	16.8	146	-0.964	396
Adazi county	Riga	52.2	21.4	437.6	301.3	3.6	1263	2.209	5
Allazi parish	Riga	12.5	5.1	532.6	174.4	3.7	187	0.452	35
Babite parish	Riga	40.8	20.9	503.1	319.3	2.7	947	1.930	6
Carnikava county	Riga	72.6	21.3	505.6	302.6	3.0	1358	2.326	4
Daugmale parish	Riga	16.6	8.5	564.1	232.4	3.2	294	0.757	17
Garkalne county	Riga	38.4	57.0	497.3	350.5	2.4	1017	2.661	3
Incukalns county	Riga	39.7	10.4	526.2	317.6	3.9	371	1.384	9
Krimulda parish	Riga	24.2	-1.2	529.6	210.3	3.3	251	0.646	21
Kekava parish	Riga	63.8	11.9	524.1	331.9	2.8	713	1.894	7
Malpils parish	Riga	18.9	-2.7	498.6	216.7	4.1	200	0.602	23
Marupe parish	Riga	106.0	25.0	525.7	299.3	2.8	4626	4.023	1
Olaine parish	Riga	22.1	21.9	434.0	220.1	3.7	485	1.321	10
Ropazi county	Riga	20.5	8.0	447.4	200.5	3.0	240	0.918	15
Sala parish	Riga	18.4	14.1	444.4	214.8	2.2	420	1.175	11
Seja county	Riga	10.7	1.4	503.1	201.6	3.4	207	0.566	29
Stopini county	Riga	160.1	15.9	483.7	294.7	3.2	2253	3.442	2
Ezere parish	Saldus	14.5	-4.2	552.9	106.4	1.9	152	0.119	98
Jaunauce parish	Saldus	5.8	-8.5	578.4	81.3	3.3	136	-0.262	231
Jaunlutrini parish	Saldus	8.4	-7.2	500.8	82.6	4.8	159	-0.112	183
Kursisi parish	Saldus	5.8	-6.0	521.5	84.9	3.2	129	-0.082	175
Lutrini parish	Saldus	16.0	-3.5	562.4	127.7	3.2	168	0.133	92
Nigrande parish	Saldus	18.5	-10.1	467.8	108.2	4.2	143	0.122	96
Novadnieki parish	Saldus	17.7	-4.3	504.7	153.3	3.6	157	0.330	54
Pampali parish	Saldus	6.6	-11.9	516.9	145.8	3.4	126	0.050	128

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Parish, county	District	PD	PC	DEM	IIT	UR	CAD	IND	Ranking
Ruba parish	Saldus	11.9	-9.1	634.5	100.7	2.1	141	-0.201	203
Saldus parish	Saldus	40.3	-1.2	401.7	188.1	3.0	251	1.018	13
Skede parish	Saldus	8.9	-4.7	650.5	54.1	2.9	150	-0.407	285
Vadakste parish	Saldus	8.0	-17.2	531.9	84.9	2.7	159	-0.223	212
Zana parish	Saldus	9.7	-4.7	552.3	58.5	4.4	140	-0.249	221
Zirni parish	Saldus	8.7	-3.9	487.6	101.9	3.8	161	0.096	104
Zvarde parish	Saldus	1.9	-4.7	573.8	89.6	4.9	119	-0.295	247
Balgale parish	Talsi	13.2	-6.1	555.9	91.0	4.1	157	-0.105	180
Dundaga parish	Talsi	6.8	-6.9	591.0	119.8	3.9	117	-0.157	195
Gibuli parish	Talsi	7.9	-5.0	581.9	122.8	3.8	135	-0.075	172
Ive parish	Talsi	8.0	-11.5	624.6	90.5	5.2	142	-0.461	303
Kolka parish	Talsi	10.5	-4.2	544.8	198.5	3.3	116	0.337	53
Kulciems parish	Talsi	7.8	-2.9	539.4	103.0	4.4	117	-0.057	166
Laidze parish	Talsi	25.0	3.1	501.6	175.8	4.0	167	0.588	25
Lauciene parish	Talsi	11.0	-1.3	661.6	106.4	4.9	149	-0.275	235
Libagi parish	Talsi	14.9	0.0	516.7	144.2	5.1	170	0.237	69
Lube parish	Talsi	7.3	-6.0	446.6	88.1	3.3	142	0.109	101
Mersrags parish	Talsi	17.3	-7.7	596.8	165.7	3.4	273	0.170	82
Roja parish	Talsi	22.5	-3.0	575.0	152.1	3.0	215	0.294	59
Strazde parish	Talsi	10.8	-9.3	545.8	95.1	5.8	174	-0.227	215
Valdgale parish	Talsi	7.1	-5.4	524.0	101.8	6.5	132	-0.183	197
Vandzene parish	Talsi	12.9	-6.8	553.9	126.4	3.0	156	0.074	117
Virbi parish	Talsi	25.6	-4.5	562.4	139.3	5.5	161	0.117	100
Degole parish	Tukums	11.5	2.9	527.6	92.6	5.7	186	0.016	142
Dzukste parish	Tukums	9.1	-4.7	588.5	124.7	1.9	140	0.040	131
Engure parish	Tukums	21.1	-1.8	559.0	168.2	3.1	166	0.366	49
Irlava parish	Tukums	14.3	-3.1	572.1	128.3	2.9	167	0.121	97
Jaunpils parish	Tukums	15.5	-7.2	570.9	129.1	3.2	174	0.058	125
Jaunsati parish	Tukums	12.1	-4.5	659.5	79.0	3.5	167	-0.325	260
Lapmezciems county	Tukums	50.2	6.6	517.5	208.6	3.1	388	1.104	12
Lestene parish	Tukums	8.7	-10.6	522.9	126.2	4.6	161	-0.046	164
Pure parish	Tukums	15.9	-4.7	535.8	131.3	4.1	176	0.141	90
Seme parish	Tukums	9.4	15.3	618.4	129.3	3.5	163	0.235	70
Slampe parish	Tukums	14.4	0.9	551.8	141.2	3.5	187	0.254	67
Smarde parish	Tukums	13.2	1.4	639.1	177.1	3.3	148	0.178	80
Tume parish	Tukums	16.4	-2.6	523.6	176.1	3.1	207	0.434	39
Vane parish	Tukums	7.0	-8.6	568.0	79.3	2.7	138	-0.202	204
Viesatas parish	Tukums	8.8	-0.4	479.2	88.7	3.2	157	0.156	86
Zante parish	Tukums	6.9	-4.6	560.7	115.2	12.1	152	-0.506	320
Zentene parish	Tukums	5.0	-12.3	579.1	109.2	4.3	126	-0.294	246
Bilska parish	Valka	9.3	-3.9	575.9	88.8	4.4	112	-0.197	201
Blome parish	Valka	13.6	-4.3	548.7	117.1	4.5	126	0.002	145
Branti parish	Valka	8.2	0.7	559.9	152.5	6.5	127	0.028	137
Ergeme parish	Valka	5.8	-7.8	566.9	114.9	8.3	114	-0.387	277
Evele parish	Valka	6.6	-9.9	617.4	102.0	6.9	120	-0.492	310
Grundzale parish	Valka	7.7	-4.8	624.4	99.2	3.1	105	-0.225	214
Jerceni parish	Valka	7.5	-13.2	663.8	113.3	5.5	129	-0.521	323
Karki parish	Valka	6.4	-9.9	677.8	78.7	7.7	108	-0.765	366
Launkalne parish	Valka	5.8	-4.5	540.5	180.2	3.9	115	0.197	76
Palsmane parish	Valka	10.5	-3.2	536.8	146.5	2.5	109	0.225	71
Plani parish	Valka	3.5	-3.0	565.9	92.7	9.1	115	-0.455	299
Smiltene parish	Valka	17.3	-6.9	530.1	162.8	0.5	163	0.434	40
Trikata parish	Valka	9.4	-10.9	610.9	129.8	5.0	125	-0.266	232
Valka parish	Valka	5.3	-4.6	541.0	120.8	9.4	114	-0.327	262
Varini parish	Valka	9.7	1.3	552.2	95.7	3.6	117	0.015	143
Vijciems parish	Valka	5.5	-8.3	556.7	121.6	3.4	119	-0.082	174
Zvartava parish	Valka	3.2	-6.0	615.8	86.3	6.5	85	-0.506	319
Berzaine parish	Valmiera	12.0	-4.3	522.8	107.8	3.7	141	0.064	119
Brenguli parish	Valmiera	10.0	1.1	538.7	192.1	3.4	154	0.418	42
Burtnieki county	Valmiera	9.6	-5.5	604.1	89.5	4.5	118	-0.284	242
Burtnieki parish	Valmiera	8.2	-8.9	597.1	118.3	4.7	120	-0.239	218
Dikli parish	Valmiera	8.2	-7.1	566.2	128.9	3.2	124	-0.021	153
Ipiki parish	Valmiera	4.6	-19.4	495.1	67.9	4.9	101	-0.412	287
Jeri parish	Valmiera	11.5	-3.9	552.1	100.3	3.4	110	-0.024	156
Kauguri parish	Valmiera	17.9	2.3	496.7	160.8	4.7	223	0.449	36
Koceni parish	Valmiera	16.6	0.0	536.3	164.2	4.3	208	0.341	52
Koni parish	Valmiera	9.0	-7.2	627.3	82.9	3.1	127	-0.305	251
Lode parish	Valmiera	6.2	-5.3	550.8	73.3	2.7	113	-0.154	192
Naukseni parish	Valmiera	8.1	-6.5	555.1	127.1	2.7	118	0.033	136
Ramata parish	Valmiera	3.1	-12.0	607.9	65.4	4.0	87	-0.524	324
Renceni parish	Valmiera	10.9	-5.3	510.9	116.1	4.2	135	0.063	120
Seli parish	Valmiera	8.6	-7.4	550.0	65.8	4.7	102	-0.303	250
Skankalne parish	Valmiera	7.6	-6.6	524.1	117.6	3.0	109	0.039	133
Vaidava parish	Valmiera	16.0	-2.5	474.3	142.1	2.8	131	0.401	44
Valmiera parish	Valmiera	32.8	-2.0	425.0	207.6	3.4	243	0.929	14
Vilpulka parish	Valmiera	8.2	-3.3	615.0	99.4	4.6	110	-0.258	227
Zilaiskalns parish	Valmiera	30.9	2.9	603.2	108.6	5.8	79	0.036	134
Ance parish	Ventspils	1.9	-7.4	633.2	121.2	5.7	94	-0.409	286
Jurkalne parish	Ventspils	4.1	-4.5	579.8	99.2	4.7	108	-0.240	219
Pope parish	Ventspils	6.8	-3.9	533.9	140.3	3.3	124	0.128	94
Puze parish	Ventspils	5.0	-5.7	463.5	171.7	2.8	110	0.370	48
Targale parish	Ventspils	5.4	0.2	513.0	186.5	4.2	132	0.344	51
Ugale parish	Ventspils	8.7	-5.0	565.9	156.3	3.8	138	0.090	109
Usma parish	Ventspils	2.9	-2.2	593.0	104.3	5.5	97	-0.277	237
Uzava parish	Ventspils	4.7	-2.9	575.6	179.8	4.5	94	0.092	108
Varve parish	Ventspils	15.9	-3.4	476.3	172.6	4.6	154	0.404	43
Ziras parish	Ventspils	3.7	-9.9	425.7	114.2	3.8	143	0.129	93
Zlekas parish	Ventspils	5.5	-2.6	579.8	103.8	5.1	125	-0.194	200
Average in parishes and rural counties		**11.7**	**-3.1**	**557.7**	**141.4**	**6.0**	**155**		

Abbreviations: PD – population density at the beginning of 2007, people/km^2; PC – population change from the beginning of 2002 to the beginning of 2007, in %; DEM – demographic burden at the beginning of 2007; IIT – amount of Individual Income Tax per capita in the local municipality budgets in 2006, in LVL; UR – unemployment rate at the beginning of 2007, in %; CAD – mean cadastral value of land at the beginning of 2006, LVL/ha; IND – territory development index

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