

URBAN DEVELOPMENT TENDENCIES IN LATVIA

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Abstract

Over the last 30-40 years marks major urban development and urbanization trends around the world, because it includes the period during which much of the world population rather chose urban location as their place of living than a rural area. Today, more than 50 percent of the planet's 6,78 billion people have chosen to live in cities and towns rather than in villages and rural areas. Consequently, one of the most pressing issues, not only in the world, but also in Latvia is the enhanced competitiveness of Latvian cities and towns and its role in urban development. It could not be unambiguously stated who determines urban development and their competitiveness - economists, town development planners or mainly politicians.

Key words: city, urban development, population in cities and towns, EU structural funds.

Introduction

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Cities and towns are increasingly involved in competition with each other at different levels. They may become competitive if they successfully attract businesses by offering not only an urban area to place production facilities, use of infrastructure, availability of resources, low labour costs, but also qualitative and accessible environment, well-skilled workforce, favourable policy for urban residents (social security, cultural and social environment, access to education, etc.) and a variety of benefits associated with a successful business.

1. Characteristics of Latvian cities and towns

A new stage of development started with the Latvian accession to the European Union (hereafter-EU) on 1 May 2004. It brought changes not only in the life of Latvian economy but also people's thinking and new opportunities for urban and regional development.

At the beginning of 2010 the population of Latvia was estimated at 2,241 million residents, of which 68% lived in urban areas. On the whole there are 77 cities and towns in Latvia and approximately 31% of the population lives in Riga, the capital of Latvia. The other eight cities of national importance, which are spaced evenly throughout the country are Daugavpils, Jekabpils, Jelgava, Jūrmala, Valmiera and Ventspils, where (Fig. 1) 440 180 people live.



Fig 1. Map of the Republic of Latvia with 9 cities of national importance

As it is seen in Fig. 2 only in two cities of national importance Riga and Daugavpils live more than 100 000 people. It is explained by the fact that urban development in the territory of Latvia started at the beginning of the 20th century. During this period Riga became the third largest city in the Russian Empire. In 1913 Riga population reached 500 thousand people. Rapid residential and industrial building construction started in Riga. Until 1913 approximately 2000 residential buildings were built in Riga [2].

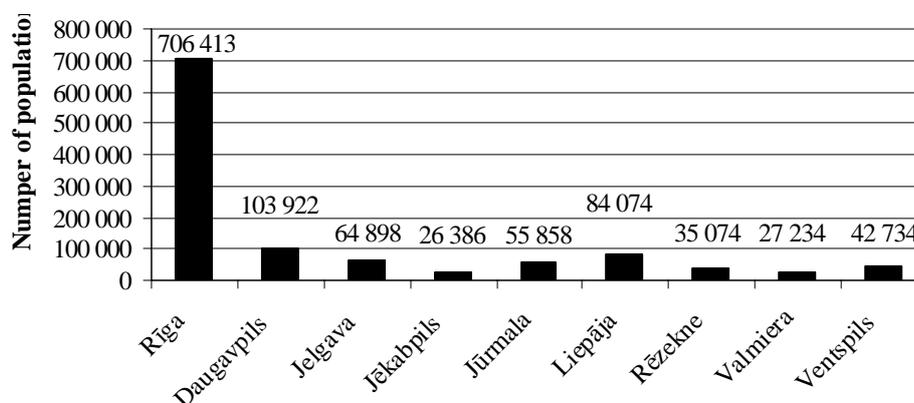


Fig. 2. Number of population in cities and towns of national importance at the beginning of 2010

Market economy and urban development have always been closely linked. The cities and towns were the first places, which based and were wholly dependent on the market and the exchange process, rather than production. Today, the cities and towns are associated with the advantages and opportunities offered by agglomeration of various economic sectors. On the

other hand, cities and towns have always caused market imperfections and their population have sought to eliminate this by economic policies (Hohenberg, 2004). Therefore, when analyzing urban development and competitiveness, the economic aspects of cities and towns should be analyzed as well.

Table 1. GDP in the cities and towns of Latvia

	2000		2006	
	Total, thous. LVL	Total, share %	Total, thous. LVL	Total, share%
Rīga	2 633 965	55,4	6 174 398	55,3
Daugavpils	145 145	3,1	398 183	3,6
Jelgava	99 818	2,1	258 625	2,3
Jūrmala	67 164	1,4	136 918	1,2
Liepāja	175 379	3,7	391 629	3,5
Rēzekne	53 586	1,1	177 896	1,6
Ventspils	245 120	5,2	303 745	2,7

As shown in Table 1, most goods and services are produced in Riga and it is more than 55% of the total production of Latvian gross domestic product (GDP). In 2000-2006 the GDP, which refers to Riga, has more than doubled and exceeded 6 billion dollars. Riga share in the GDP of Latvia over this period has not significantly changed and it is slightly more than 55%. Proportion of the rest of the cities and towns in comparison to Riga has been little. Share of Jelgava has remained unchanged, share of Daugavpils and Rezekne increased slightly, but significance of Jūrmala, Liepāja and Ventspils has even decreased.

GDP per capita dynamics is similar. From 2000-2006 in Riga it has grown more than twice

and in 2006 was 8516 lats. Ventspils may be singled out from the other cities and towns of national importance, where in 2006 GDP per capita was 6955 lats, which is less than in Riga, however, significantly higher than in other Latvian cities and towns. Overall, during the period mentioned in other cities and towns, for which data are available, GDP per capita has grown, see Fig. 3.

Over the past two decades the structure of the population in cities and towns, and the country as a whole has significantly changed. Since the early 1990s decline in population continues throughout Latvia. The intensity of depopulation is not uniform in all Latvian cities, towns and regions, see Table 2.

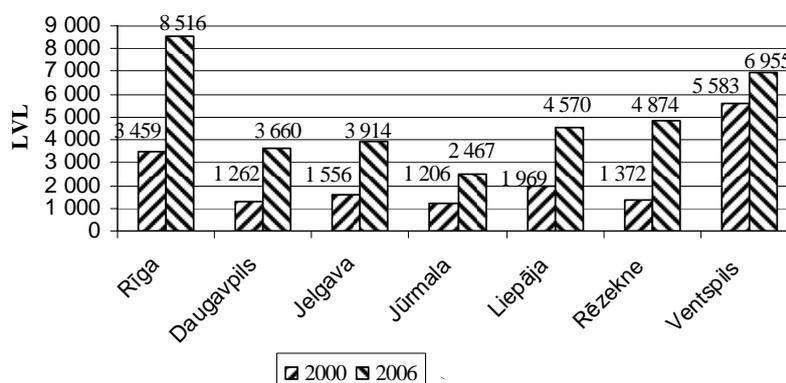


Fig. 3. GDP per capita in Latvian towns, LVL

Table 2. Number of population in Latvia and seven cities and towns of national importance in 1990–2009

	1990	1991	1995	2000	2005	2007	2008	2009
Latvia	2 668 140	2 658 161	2 500 580	2 381 715	2 306 434	2 281 305	2 270 894	2 261 294
Rīga	909 135	900 455	824 988	766 381	731 762	722 485	717 371	713 016
Daugavpils	126 575	127 482	120 897	115 574	110 379	108 091	105 958	104 857
Jelgava	73 455	72 202	66 231	63 743	66 136	66 051	65 635	65 419
Jūrmala	60 620	60 416	57 285	55 673	55 603	55 408	55 580	55 870
Liepāja	114 337	113 826	96 294	89 641	86 264	85 477	85 050	84 747
Rēzekne	42 832	43 032	41 711	39 430	36 798	36 345	35 883	35 526
Ventspils	50 235	49 968	45 147	43 951	44 017	43 544	43 299	42 963

As shown in Table 2, the largest decrease in the number of population is in Liepāja and Rīga. During the period from 1990–2009 the population in Liepāja decreased by 25,9%, in Rīga by 21,6% and on the whole in Latvia by 15,3%, so one of the most important factors for the future development of cities and towns is education.

2. European Union funds to support urban development

Both number of population and education may significantly affect the future of urban development, so one of the most important challenges of each city and town is to ensure adequacy of education to changing labour market requirements, as well as preparation of the workforce in accordance with the future economic development trends and progress towards a knowledge-based economy. For achieving it cities and towns need to think about the optimization of the school network and the quality of education, availability of education, including access to education for risk groups of socially disadvantaged and rejected persons.

In recent years cities and towns of Latvia face a significant school reform. During the reor-

ganization of educational institutions in certain cases school mergers or closures were envisaged, but in some other cases it referred to the change of the school status, such as primary schools were transformed into elementary schools. The number of schools is shown in Fig.4.

As shown in Fig. 4 starting from school year of 1998/1999 by 2008/2009 the total number of schools in Latvia has decreased by 130. A number of cities and towns have contemplated to reorganize the system by uniting pre-school (kindergarten) establishments with schools, or restructuring elementary schools into pre-school educational institutions.

When implementing the school reform and optimization, the cities and towns have a great opportunity to improve and enhance the school infrastructure, because modernization could become the most important contribution to development of human resources necessary for the development of national economy and training of skilled labour force needed to move towards knowledge-based economy. Investments in educational infrastructure and provision of material and technical support (educational and teaching

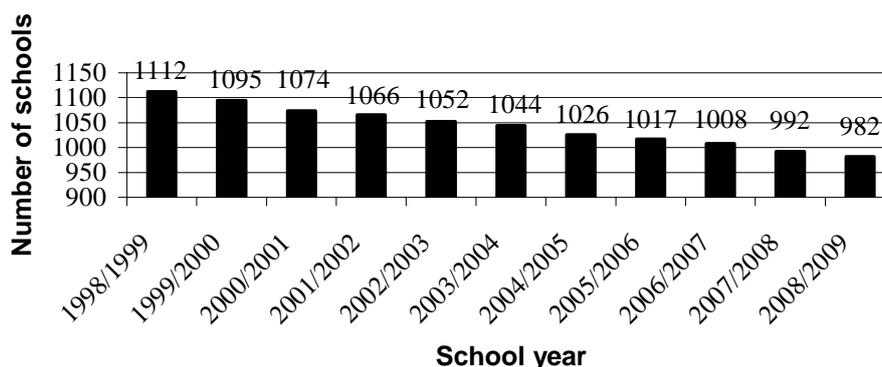


Fig. 4. Number of general education schools in Latvia

materials, equipment, devices and hardware) in urban schools will lead to such training environment that provides updated contents of studies. This will significantly improve the quality of education and thereby promote training of highly qualified specialists in accordance with the requirements of contemporary labour market. It is envisaged that for this purpose cities and towns are provided with financing from the EU structural funds. Co-financing will be ensured from the European Regional Development Fund in order to improve the quality of education in natural sciences in general secondary education and lay the foundations for the development of science and technology intensive sectors of national economy by arranging and equipping in general secondary schools four classrooms in natural sciences (chemistry, physics, biology and mathematics) with appropriate training equipment (devices, appliances, substances, etc.) and furniture, and carrying out the necessary construction works to adapt the classrooms for installing the equipment mentioned above and providing 25 computerized working places in natural science subjects, purchasing e-learning materials and software, as well as updating and supplementing the video training funds of educational institutions.

Specific support is provided to major cities of national importance for optimization the network of general education institutions, for provision of availability of education and enhancement of quality and cost efficiency, investing financial resources for adjustment and optimization of infrastructure of general education institutions, carrying out the construction works needed for expansion of education institutions or their adaptation to increased number of students by purchasing the necessary equipment and furniture. Similarly, municipalities receive co-

financing for adapting the infrastructure of general education institutions to students with functional disabilities, including carrying out construction works needed for adapting premises, classrooms and entrances of education institutions so as to provide students with functional disabilities access to general secondary education institutions and stay on the premises.

Overall, to improve school infrastructure the cities and towns will receive more than 4 673 316 Euros from various support programs of the European Regional Development Fund.

To develop schools various projects are implemented not only from the European Regional Development Fund, but financing is also received from the European Social Fund. Support is rendered for providing general education teachers of priority subjects. In general and vocational training support is envisaged in cases of teacher shortages in priority subjects such as natural sciences (physics, chemistry and biology), mathematics, information technology and foreign languages by providing grants for teachers working in schools and teaching the above mentioned subjects, and for those teachers and educators who work in schools as priority subject teachers and combine their work at school with their own studies in teacher training programs.

European Social Fund co-finances the enhancement of teachers' competencies and restoration of skills. The aid is intended to raise the professional and pedagogical competencies of general education teachers involved in developing and implementing teaching programs, continuing education programs and courses, particularly in relation to the updated contents of education, innovation and knowledge-based society, information technology, e-resources and application of e-learning environment solutions to teaching.

Co-financing from European Union Structural Funds is one option, how the cities and towns may be making rational use of financial resources for education development in their territory. Investing in education funding, the cities and towns will be able to ensure future sustainable development and quality of life.

Another option to use co-financing of the EU structural funds for urban development is to improve the attractiveness of cities and towns, to promote business and technology development and improve availability and accessibility of services. One of such activities is "Promotion of Growth of National and Regional Development Centres for Balanced Development of the Country", which is aimed at providing growth of national and regional development centres (in cities and towns), providing support for implementing projects for the development of urban environment (including cities, towns and their regions) with regard to such factors as their competitiveness, accessibility, availability and attractiveness in accordance with the municipal integrated development programs. For this activity 16 national and regional development centres in Daugavpils, Jelgava, Jekabpils, Liepaja, Rezekne, Valmiera, Ventspils, Aizkraukle, Cesis, Gulbene, Kuldiga, Livani, Madona, Saldus, Smiltene and Talsi will receive total financing of 209 216 720 lats, including 177 834 211 lats from the EU Regional Development Fund. During the first selection round 19 projects were supported, the total sum constituting 53 687 700 lats. The municipalities plan to shift 39 062 185 lats for the reconstruction of municipal streets and access roads to the municipal territories. 10 616 875 lats will be invested in self-government-owned cultural and tourist site reconstruction and 4 008 640 lats in the development of establishments for education and leisure of children and young people [4].

Data show that mainly the EU co-financed projects obtained funding will be invested by the cities and towns in improving urban infrastructure and access to it, so hoping to attract future businesses.

Conclusion

On the whole Latvia has favourable conditions for balanced and sustainable development, because urban areas are evenly distributed through the territory, which is a prerequisite for development of a polycentric state, while the current development model may be described as monocentric, because mainly Riga and its region develops [1]. In the future cities and towns will be the leading force of the development of national economy in Latvia. Development can only be achieved if in the coming years Latvia constructs a polycentric urban system, which might be the best way to ensure balanced economic and social development of the whole Latvian territory. Cities and towns have to become centres of economic development that would promote not only their own development, but also the development of the surrounding regions, thus increasing the concentration of population and its increase in urban areas.

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