

The Nature of Rural Development:

Towards a Sustainable Integrated Rural Policy in Europe

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Actors, Institutions and Attitudes to Rural Development:

The Latvian National Report

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Contents	Page
1.Introduction: the rural and agricultural character of Latvia	3
2.The institutional and policy framework for rural development in Latvia.....	7
2.1 Institutions	7
2.2 Rural policy programmes	12
3. An institutional map for rural development in Latvia.....	16
4. Analysis of perceptions and perspectives of the main institutions and other key players	21
5. Challenges for sustainable rural development.....	32
6. Helping and hindering sustainable development.....	40
References	44
Annex I – Institutions involved in rural development in Latvia.....	45

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1. Introduction: the rural and agricultural character of Latvia

Countryside occupies most of the territory of Latvia, and is defined in the Rural Development Programme of Latvia as rural regions with individual farms, as well as villages and small towns where people live and work.

Recently in Latvia the concept of 'rural environment' is used more often as a synonym for the more general concept of "countryside", indicating all the economic and social relations which characterise the countryside as a whole, including natural and cultural values in the rural landscape.

In the early 1990s rural development was almost a synonym for the agricultural sector. Now it is clearly understood that it also includes other industries employing the rural population, as well as social issues such as education and training, environmental protection, medical care, and infrastructure. Among the many, varied activities taking place in rural areas are:

- Primary industries including agriculture, forestry, inland fishery and hunting.
- Transport infrastructure: creation of roads, railways and power lines.
- Small processing enterprises to process agricultural produce, wood etc.
- Services for agriculture: machinery repairs, primary processing of cereals, fuel supply services and land melioration.
- International services: rural tourism, commercial hunting and holiday resorts.
- Social infrastructure: commerce, public catering, communications, financial institutions, schools, cultural institutions and health care institutions.
- Institutional infrastructure: local government institutions and others.
- Privately owned holiday homes.
- Crafts.

The agricultural sector includes agriculture, forestry and hunting activities. The value-added amount of the agriculture sector in comparable prices decreased by more than 50% in 1997 in comparison with 1990. Crop production fell by 30%, and livestock production by as much as 70%. Its total profit decreased from 21.1% to 6.3% of the GDP. Amounts of agricultural production in 1997 stayed at the level of the previous year. In 1998, because of unfavourable weather conditions and the crisis in Russia, the agricultural sector decreased by 8.7%. In 1999 there was no substantial change in agriculture and its share in the GDP fell to 3.4%, of which 1.3% is the result of forestry and its related services.

Not only did agriculture shrink rapidly during the process of market reforms, but the whole GDP during 1990-1993 fell by around 50%. In 1994 the Latvian economy stabilised and began to recover, but in 1995 decrease in output resulted from a banking crisis. The agricultural sector is one of quite few industries that is still struggling. Significantly reduced economic activities caused a shortage of financial resources at all government levels, even after a continuous rise in taxes. The raised taxes, in turn, promoted an increased share of the "hidden economy".

Rapid recession in the beginning of 1990s was caused by, first of all, the disintegrating Soviet Union's centrally planned economy. Parts of the SU became independent states and introduced their own national currencies. The price levels among the newly established states diverged. In 1992 a substantially higher price

level in Latvia compared to the price levels in the Commonwealth of Independent States caused an additional loss for Latvian exporters and reduced their competitiveness, in agriculture and the food processing industry. The markets in the East (CIS) were lost and this forced the national economy to re-orient to the West and the main trading partner is now the EU.

Agricultural land occupies 42.9% of the national territory. At rural commune level this figure can vary from 30% to 60% across the country. The remaining Latvian landscape is mostly covered by forests occupying 44% of the national territory. Agricultural land is used by a large number of farms, subsidiary farms and household plots. The number of farms in 1999 reached more than 101,000; the average size is under 24 ha and they use around 59% of agricultural land. Subsistence farms and household plots use 29% and 1% of agricultural land respectively, and their number is around 147,000 and 16,000 respectively. Most of these structures are self-subsistent and this is one of the ways for people to live at the present economic and social situation in the countryside.

The demographic, social and economic conditions are different from region to region, from district to district and even from one rural commune (civil parish) to another. Especially the conditions differ between rural areas and major cities. Rural areas of Latvia are characterised by lower economic development levels than in the major cities. For example retail turnover per inhabitant in 1997 in rural areas of Latvia was approximately two times lower than the average in the major cities. Additionally, in the rural areas retail turnover depends greatly on the economic development level of the district and its location within the country. The lowest retail turnover per inhabitant was observed in Latgale districts. In rural areas whose centres are major cities, retail turnover is decreasing due to the close relation of nearby centres, which serve corresponding areas. Even higher differences between rural territories and major cities can be observed for industrial production and capital investment. So production of industrial products per inhabitant in 1997 in rural areas was on average 2.5 times lower than in cities.

Capital investment per rural inhabitant in 1997 was three times lower than in major cities. This is one of the reasons why many rural areas are under-developed. Especially low capital investments are observed in several Latgale districts.

The existing situation in rural areas is negatively influenced by the low initiative of the rural population to establish new enterprises. On January 1, 1998 the number of registered and active enterprises per inhabitant in rural areas of Latvia was on average 2.6 times lower compared to the major cities. Latgale districts lag also in this respect.

Lower economic activities have a direct impact on employment in rural areas. The previous Soviet political and economic system guaranteed an occupation for any citizen. During the Soviet times there was no unemployment at all, at least officially. Moreover, there was a shortage of specialists in almost any sector. In the agricultural sector there was also a shortage of labour force, especially during harvest seasons. For years people had got used to the idea that government is supposed to take care of employment. Due to economic reforms year by year the unemployment rate increased, reaching its highest level after the financial crisis in Russia in 1998. It

indicated that not only objective reasons underlie this problem, but also lack of initiative among people, and ability to adopt to the rapidly changing situation. Only in 2000 did the unemployment rate started to decrease. The official rate of unemployment in 2000 was under 8%, but in various state regions and towns it ranges from 4% in the capital city up to 27% in Latgale districts. The actual level of unemployment is considerably higher. The Central Statistics Department's data analysed by the International Labour Organisation shows that unemployment is almost twice as high. The unemployment rate in rural areas used to be twice as high as in the major cities, and this situation is not changing much.

Statistical data indicates that 54% of the rural population are employed, 5% are job seekers and 41% are economically inactive. The employed rural inhabitants consist of 58% employees, 4% employers, 22% are self-employed and 16% are unpaid family workers. According to the Central Statistics Department's data the number of people employed in agriculture, hunting and forestry in 1998 was 18.2%, down from 21.1% in 1997. In 1999 this figure fell to around 15%, but it is still much higher than the EU average.

Labour productivity in the agriculture, hunting and forestry sector is substantially lower than in the EU, and experts estimate that it varies by up to 10 times of magnitude. This reveals a problem that does not exist in the developed Western countries: self-subsistence farming. People having self-subsistent farms are included in statistical data as employed in agriculture. In fact, they produce food only or mostly for their own consumption and do not supply anything to the market. Labour productivity is significantly higher on large acreage and modern farms using land intensively. Due to the large number of self-subsistent farmers, labour productivity is so low and this figure cannot be fully compared to the corresponding indicator in developed EU countries. This problem also refers to the number employed in agriculture that is also quite misleading. Self-subsistent farms, of course, do not employ anybody else except for family members, and in many cases they are old, retired people. The food produced on their farms is an extra support for their pensions and social benefits received from government. In the future a natural decrease of self-subsistent farms can be expected as the oldest age groups stop farming.

The administrative division of Latvia defines seven major cities and 26 rural districts. Rural communes, centres of respective districts and small towns located in the district form the total area of rural districts. The exceptions are a few districts, the centres of which are major cities (Riga, Daugavpils, Liepaja, Yelgava, Ventspils, Rezekne districts). The seventh city of Jurmala is located in Riga district.

The division of Latvia into administrative regions is in the process of creation. The last decision made by the Cabinet of Ministers states the territory is going to be divided into 5 administrative regions (whereas before the government suggested 9 regions). They are: Kurzeme, Zemgale, Pieriga (Riga and it surrounding territories), Vidzeme, Latgale.

In Latvia, 31 per cent of the citizens live in rural areas of which 48% are concentrated in villages. According to the Population Census in 2000 the population of Latvia stood at 2.4 million. The population during the last decade decreased by

more than 10%; the urban population decreased by 13% and the rural population by 5%. The restitution of land promoted the return of a part of the urban population, however, due to out-migration and the negative rate of natural increase of the population, the rural population decreased, but not so much as urban population. During the beginning of 1990s many people, predominantly ethnic Russians, from major cities, moved out of Latvia. The ethnic composition also changed. Latvians comprise 57% of total population in 2000 compared with 51% in 1990, but it is far below the level of 75% before the Soviet occupation in 1940.

There are big fluctuations in the density of population. The lowest density of population is in the wooded Ventspils district (5.7 per km²) and in Aluksne district (12.1 per km²). The highest density of population is in the regions close to Riga city; Riga district 47.5 and Ogres district 34.6 per km². Average national population density is 38.1 inh./km²; in rural territories it is 11.9 inh./km².

Rural development is essential to the economic development and cohesion within Latvia, and the rural population has the right to have access to medical care, clean water and sanitation, family planning services, educational opportunities and sufficient nutritious food in the same way as the urban population.

2. The institutional and policy framework for rural development in Latvia

2.1 Institutions

A large number of governmental organisations and NGOs deal with the development of agriculture and other issues in rural areas. The institutions which are most influential in rural development are the Ministry of Agriculture and the Ministry of Environmental Protection and Regional Development. The Ministry of Agriculture is responsible for the agricultural sector, and several other industries like forestry and fishery. The responsibility of the Ministry of Environmental Protection and Regional Development is related to the territories, the largest part of which are rural areas. Other ministries are involved with the process of rural development according to their area of activities.

This implies the sectoral approach in rural development prevails over the territorial approach in Latvia. The rural problems are tackled by eight central government institutions, and this requires appropriate co-ordination among them. Besides, there is a dispute between the two most influential ministries over the leadership in making rural policies. This dispute may end however, since the Regional development Council made a decision at the end of 2000 to transfer the responsibility for co-ordination of rural development to the Ministry of Agriculture. This is quite an important decision, and in the future it may have a positive effect on the process of implementation of integrated rural development policy. Several other ministries are also responsible for other specific issues in the countryside. For instance, the Ministry of Economy, the Ministry of Education and Science, the Ministry of Welfare, the Ministry of Culture, the Ministry of Transport and the Ministry of Justice.

Within the wide range of political parties there is only one representing the rural population: the Latvian Farmers Union. This party has been elected into the Latvian Parliament at every election since Latvia regained independence in 1990, except for the last parliamentary elections in 1998. The Farmers Union members also participated in the coalition government.

The most influential NGOs are: the Union of Local self-Governments, the Latvian Farmers Federation, the Farmers Saeima (the Farmers Parliament), the Collaboration Council of Public Agricultural Organisations, the Union of Statutory Companies (representing the larger farm enterprises).

National level

The **Ministry of Agriculture (MoA)** is the central executive institution for developing and carrying out the state's policy in the fields of agriculture, forestry and fisheries. Rural development policy has become an important part of the MoA's strategy, considering rural development trends in the European Union as well as in Latvia during recent years. The Department of Rural Development of the Ministry is responsible for agricultural development strategy, the use of agricultural land and the issues of agricultural education and training. The Ministry of Agriculture is responsible for:

- Diversification of non-traditional agriculture sectors and alternative employment possibilities.

- Use of state subsidies for agriculture development.
- Agricultural education reform.
- Forestry policy implementation programme.
- Programme for efficiency improvement of inland waters, and fisheries resources.
- Specialised beef cattle breeding programme.
- Introduction of intervention activities in the meat and milk market.
- Development and implementation of monitoring of toxic materials in soil and plant production products.

The **Ministry of Environmental Protection and Regional Development** is the central executive institution making state's policy in the area of environmental protection and regional development including rural development. It is responsible for:

- Implementation of activities under the National Planning framework
- Activities under the Latvia regional development national programme framework
- Improvement of water supply and sewage water treatment systems for inhabited localities
- Establishment of hazardous waste management system
- Establishment of a household waste management system
- Sub-programme *Rural Development* under the national state building programme Rural Tourism

The **Latvian Academy of Agricultural and Forestry Sciences** is a scientific institution playing an active role in shaping policy in the field of agriculture, animal breeding and veterinary, rural engineering and power industry, economics and agrarian information, food processing, forestry, wood processing and land irrigation.

The **Latvian University of Agriculture** is involved with researching the main fields of rural economics and social issues. It prepares specialists in the field of economics, agriculture, food processing, engineering, veterinary medicine and forestry, information technologies and humanitarian sciences. The University also prepares specialists for local and regional government institutions.

The **Latvian Agricultural Advisory and Training Centre** was established on January 31, 1991, as an institution for training of and consultation with farmers and rural entrepreneurs. Since 1997 it has been a non-profit organisation which is 99% state owned (the Latvian Farmers Federation holds 1%). The Advisory Service has a two level structure: the Centre in Ozolnieki and 26 branches - District Advisory Offices. Government policies for the organisation of agriculture and the education of rural adults are being developed. Farmers and entrepreneurs have to partly pay for the use of the advisory service. Educational services are accessible to all those involved in rural business activities. The priority of LAAC strategy is to be an essential organisation in the field of consulting and training of rural entrepreneurs, thus improving the efficiency of rural business activities. The strategy includes:

- Expansion of commercial activities and services, in accordance with market demands, so ensuring stability of LAAC activities.
- Increasing professionalism of advisers.

- Optimal use of resources.
- Tight intercommunication with state and scientific institutions.
- Drawing in foreign projects.
- Expansion of individual consultations and work with interest groups.

Strategic activity directions are:

- Agricultural and economic consultations for farmers.
- Consultations and training in rural economy and business administration.
- A wider range and availability of training programmes.
- Design of the necessary application forms for SAPARD resources adoption.
- Diversification of the rural economy, and consulting in non-agricultural business activities.

Several other institutions also support the development of rural areas as part of their organisational remit. These are listed below.

The major responsibilities the **Latvian State Institute of Agrarian Economics** are:

- Rural development planning
- Co-operation among the frontier regions
- The use of possibilities offered by the EU Structural Funds for rural development in Latvia

The **Ministry of Economy** is responsible for implementation of measures in the framework of:

- Programme for Specially Supported Regions
- Latvia National SME Development Programme
- Latvia National Power Industry Programme

The **World Bank Technical Unit in the Ministry of Finance**, is responsible for implementation of activities of the World Bank Rural Development Project. The aim of the project is to decrease the level of poverty and unemployment in rural regions, by promotion of economic development and possibilities of alternative incomes and improving access to loans for rural clients. The project started on December 8, 1998. Loans will be accessible until 2015. Total funds involved amount to US \$ 10.5 million during the first stage, and US \$ 14.5 million during second stage.

The **Ministry of the Education and Science** is responsible for:

- Improving technical conditions of the general and professional education institutions in the framework of the World Bank loan for education.
- Establishing a state gymnasium network.
- Establishing regional education and examination centres.
- Developing a business education framework.
- Adult Education, facilitating social and economic development of the regions.

The **Ministry of Culture** is responsible for:

- A programme of technical provision of infrastructure for rural culture.
- Sub-programme development of rural libraries.
- Museums.

- Cultural education.
- Accessibility of professional visual and music art.
- Adjusting the future education system for culture workers.

The **Ministry of Transport** is responsible for:

- Developing a programme of regional roads.
- Improving local roads.
- Telecommunications in rural areas.

The **Ministry of Welfare** is responsible for:

- Health care in rural areas.
- A programme of measures for improving the demographic situation.

Regional and district level

In the near future, five development agencies are planned to be re-established corresponding to the five administrative regions. So far more than five agencies exist. The agencies are founded by the local government and private companies willing their region to be successfully developing. Since the decision to establish the agencies did not come from the central government, any agency determines its own goals according to the real situation in the region. As an example, the Development Agencies of the Latgale and Zemgale regions are chosen:

Zemgale Development Agency	The Agency is responsible for the region's development. Rural development is the main field of Agency's activities. Each project the Agency works on includes both rural and environmental issues.
Latgale Development Agency	The Agency's goal is to elaborate the development strategy for the Latgale region. It is responsible for training and advising the planners, establishing data bases and support in making business plans.

There are 26 district councils which form the second level local administrations. Yelgava District Council, for example, is responsible for rural development planning, implementation of rural socio-economic development plans, monitoring of these plans and implementation of environmental protection activities.

Political Parties

The Latvian Farmers Union (LFU) is the only political party representing farmers and the rural population. It was elected in 1998 to the Parliament at the two previous elections but lost the last elections because the party's leaders made an extremely liberal market policy causing huge losses to the agricultural sector. During the period of 1994-1998 the party had a coalition with the Christian Democratic Party, otherwise the LFU might not clear the 5% hurdle to enter the Parliament in 1994. This idea turned out to be very unsuccessful. In the Parliament the fraction uniting farmers and Christian democrats was very often not able to make compromises within the fraction, and the result was they could not make many crucial decisions

supporting the agricultural sector and rural areas. This coalition fell apart and before the last elections a part of the LFU radical members separated and established another political party. During the elections of 1998 the newly established separatist party made significant progress. The LFU now plays almost no role on the political stage. The goal of the party is to increase prosperity of rural population and the whole nation.

Rural Interest Groups

Most NGOs were set up in the early 1990s after the Soviet Union collapsed. During the Soviet times NGOs were not allowed. The collapse of state and collective farms in the countryside and related problems forced many interest groups to form. Many different producer associations appeared, but usually they represent very specific interests and are not united to be able to influence the decisions made by the government. In rural areas in the early 1990s the most influential NGO was the Latvian Farmers Federation. Then even a part of the functions of the Ministry of Agriculture was handed over to this NGO. After few years, functions such as the co-ordination of provision of the following services in rural areas: rural road construction, installation of power supply, communications and purchase of equipment and machinery, were taken over by the ministries, or there was no need for them since private businesses were developing.

At present the most influential and important umbrella NGO is the Collaboration Council of Public Agricultural Organisations, since it unites many NGOs and has formed a strong position in negotiations with the government.

The most influential NGOs presented in the Council are the following: the Latvian Farmers Federation, the Association of Statutory Companies, the Farmers Parliament, the Latvian Rural Support Association and the Young Farmers Club. The head of the Council is elected every 6 months. Year after year it becomes more influential, and the Minister of Agriculture has started to co-ordinate all the crucial issues with the Council before making decisions. The Council submits proposals and suggestions to the governmental institutions; it deals only with economic interests of the agricultural producers excluding any political interests. Its general objectives are:

- To carry out a common opinion of all members in the Council.
- To provide publicity in solving the problems of the agricultural sector.
- To represent the interests of producers in negotiations with the Ministry of Agriculture and another governmental institutions.

The Latvian Farmers Federation is a non-governmental institution uniting many NGOs in rural areas. The objectives of the federation are:

- Education.
- Promotion of co-operation and mutual assistance.
- Marketing.
- Co-operation with foreign organisations.
- Co-operation with the Collaboration Council of Public Agricultural Organisations.
- Rural development.

The Union of Local Self-Governments associates most of the local governments in Latvia. Its main objectives are:

- To make local government policy in Latvia.
- To tackle common problems of local governments.
- To defend the interests of local governments.

The Farmers Parliament (Farmers Saeima) organisation intends to establish a farmers' self-government, having the responsibility of forming a common opinion of farmers to protect their interests in negotiations with government institutions and the entrance negotiations to join the EU.

The Association of Statutory Companies unites statutory companies and state enterprises of the agricultural sector in order to co-ordinate activities of the association's members towards advocacy of common interests. The objectives are:

- To make economic analyses and submit proposals for making changes in the laws and regulations.
- To compile and disseminate information on successful business experiences gained by the association's members; information on resources used in agriculture and market changes.
- To promote training and exchange of experience with foreign partners.
- To inform the association's members about the latest changes in the laws and regulations.

The Latvian Rural Support Association is a non-governmental institution uniting rural inhabitants and scientists. Its objectives are:

- To carry out and submit suggestions and programmes on rural development issues to the governmental institutions.
- To collect and classify information on the situation in rural areas.
- To influence the government's opinion on rural development issues.
- To educate rural inhabitants by publishing and disseminating the necessary information.
- To take an active part in achieving the goals of the association by representing its interests in governmental institutions.

2.2 Rural policy programmes

The Rural Development Programme (RDP) of Latvia was prepared by the Ministry of Environmental Protection and Regional Development in co-operation with the Ministries of Agriculture, Economics, Education and Science, Transport, Welfare and Culture, representatives of the World Bank, and the administration unit of the rural development project of the European Union, and other organisations involved in rural development.

The RDP in its present form discusses spheres concerning responsibility and activities of ministries, and claims neither to provide a complete analysis of rural problems nor to solve them.

The RDP is worked out at the national level. It depicts the situation in 1998 and is to be reviewed and supplemented from time to time.

The RDP does not substitute any of the earlier programmes that were produced by different Ministries. The aim of the RDP is to create preconditions for integrated, multi-functional and sustainable rural development.

The RDP is a view on problems of regional development from the rural point of view. It allows an organisation of the existing problems and, in connection with them, the determination of objectives and the necessary actions. The RDP also gives a notion about the readiness of Ministries for their horizontal co-operation.

The RDP of Latvia has three objectives:

- 1) to provide arguments for development policy;
- 2) to define objectives for rural development policy;
- 3) to determine the necessary actions and responsibility for realisation of these objectives.

The RDP is connected with regional development policy, and the elaboration of the RDP should be connected with the elaboration of special purpose programmes and action programmes, the development of regional and local programmes as well as production of development plans and physical plans of the territories of municipalities.

The fact that the RDP was elaborated for the first time in the history of Latvia after regaining independence brings hope that problems in the countryside are not left without any attention. In the future the next rural development programmes can be expected to be improved, and capable financially to solve the problems. Due to limited financial resources in government budgets, the implementation of goals of the first programme are also quite limited, and may not produce the expected results for the countryside. However, the programme determines policy for special purpose programmes and projects. The financial resources assigned to the programme are distributed among the ministries according to their area of responsibility (see Figure 2).

In the future the role of co-ordination of rural development programmes might be taken over by the Ministry of Agriculture. This change could be welcome by many rural development actors, as it seems more logical and therefore preferable.

In order to benefit from the European community support for pre-accession measures in agriculture and rural development (SAPARD) the Latvian RDP has been elaborated under the guidance of the Ministry of Agriculture. Elaboration of this plan was supervised by the inter-ministerial SAPARD working group, comprising representatives from the Ministries of Agriculture, Finance, Economy, Environmental Protection and Regional Development, Education and Science, Welfare, the European Integration Bureau, International Support Co-ordination Office and the Union of local self-governments of Latvia.

The Latvian National Programme on Integration into the European Union (NPIEU) and National Development Plan (NDP) are taken into account in this Plan. Priorities

and objectives of NPAA and NDP are compliant with the priorities set in this Programme. The objectives of this plan are:

- To promote an increase of farm income and to reduce production costs by modernisation of agricultural machinery, equipment and buildings.
- To support a diversification of the rural economy, thus reducing out-migration from countryside to towns.
- To promote the adoption of EU quality and hygiene standards both at farm and processing levels.
- To preserve the countryside and maintain the landscape.
- To approximate Latvian legislation to that of the EU in the field of structural reforms in agriculture and rural development.

Under the SAPARD programme the following measures, based on a survey carried out in all districts and decision of the SAPARD inter-ministerial working group, are eligible:

- Objective area 1: Development of sustainable agriculture
 - Priority 1: Investments in agricultural holdings*
 - Measure 1.1 Modernisation of agricultural machinery, equipment and construction
 - Measure 1.2 Afforestation of agricultural land,
 - Measure 1.3 Land reparcelling
 - Priority 2: Improvement of agricultural and fisheries product processing and marketing*
 - Measure 2.1: Improvement of agricultural and fisheries product processing and marketing
- Objective area 2: Integrated Rural development
 - Priority 3: Development and diversification of economic activities providing alternative income*
 - Measure 3.1: Development and diversification of economic activities providing alternative income
 - Priority 4: Improvement of General rural infrastructure*
 - Measure 4.1: Improvement of general rural infrastructure
- Objective area 3: Improvement of environment:
 - Priority 5: Environmentally friendly agricultural methods*
 - Measure 5.1 Organic farming
 - Measure 5.2 Preservation of biodiversity and rural landscape
 - Measure 5.3 Reduction of agricultural run-off
- Supporting measure 1: Training
- Supporting measure 2: Technical assistance
- Supporting measure 3: Technical assistance initiated by the Commission

The SAPARD programme will be managed by the Rural Support Service established particularly for this purpose. The Rural Support Service will be supervised by the Ministry of Agriculture.

Under the SAPARD programme Latvia is going to receive funds amounting to near 23 million Euro/year. This is not a substantial assistance in light of the many rural problems, particularly the acute problems in the agricultural sector. Many Latvian academics and scientists believe this programme may not have a significant role in shaping both agricultural and rural policies.

Other pre-accession funds

The Phare programme in Latvia commenced in 1992 as the main structure for channelling EU technical assistance to the country. In 1997 following the publication of Agenda 2000, the policy document in which the EU outlined its policy towards enlargement, the Phare programme was explicitly oriented towards the preparation of Latvia, and the other applicant countries, for membership of the EU. In the agricultural sector, commitments by Phare between 1990 and 1999 amounted to 24 million Euro. For this period, total technical assistance for agriculture and land reform amounted to 41.45 million Euro Phare accounted for 15.2 million Euro of this assistance.

The main emphasis of Phare in this sector has been to assist privatisation of agri-food industries and land. In the latter case, the land registration and titling system has attracted particular attention. Other priorities are veterinary and phyto-sanitary standards and systems, which have tended to be below those required in the EU; institutional strengthening of the Ministry of Agriculture and its specialised agencies and services (e.g. the border inspection services, the agricultural advisory service); and approximation of legislation relating to food and agriculture. Food, fisheries and wood processing industries have also benefited from projects aimed at modernising equipment, management and quality standards.

Phare assistance which is of particular relevance to the areas described as eligible measures of this programme include:

- The agri-food sector.
- Forestry (technical support to private forestry (1996 – 1997) and institutional support to private forestry (1998 – 2000)).
- The fisheries sector (support to private fisheries, food product quality assurance).
- Assistance to farmers (support to the Latvian Agricultural Advisory Centre, technical assistance to private farm business development. Support to agricultural finance organisations).
- Support to Diversification of the Rural Economy
- Development of Rural Credit (support to agricultural finance organisation).

ISPA concentrates on large-scale infrastructure projects in transport and environmental protection. The scope of ISPA is different from SAPARD or national aid schemes in the rural territory and therefore this programme is less important for rural areas in Latvia.

3. An institutional map for rural development in Latvia

Figure 1 shows relations among the main actors or groups of actors having influence on the rural development process in Latvia. There are four levels included in the diagram, starting with the national one that is represented by the central governmental institutions, mostly ministries. Apart from governmental institutions such as the Regional Development Council, organisations such as the Union of Local Self-governments are important actors at this level.

The lowest level is the local level, representing local self-governments of rural communes and towns. Between the top and bottom levels there are two other levels. The regional level is going to be created during the Administrative and Territorial Reform. At present there is no regional government, but there are some regional level institutional bodies such as the Regional Environmental Boards supervised by the Ministry of Environmental Protection and Regional Development.

The other level represents district self-governments. This government level is not elected, but nominated by local self-governments. The chairman of a district self-government is also the chairman of some local self-government in this district. This administrations at this level are going to be eliminated after regions and regional level administrations are set up.

The local level is also facing changes because of the planned reform of the regional administration. The local rural communes and towns are encouraged to merge, and this leads to the establishment of larger territorial units at this level. One of the objectives of this process is to increase efficiency, since the territorial division at the local and district levels was inherited from the Soviet times and is not appropriate for today's needs.

Figure 1: Institutional diagram

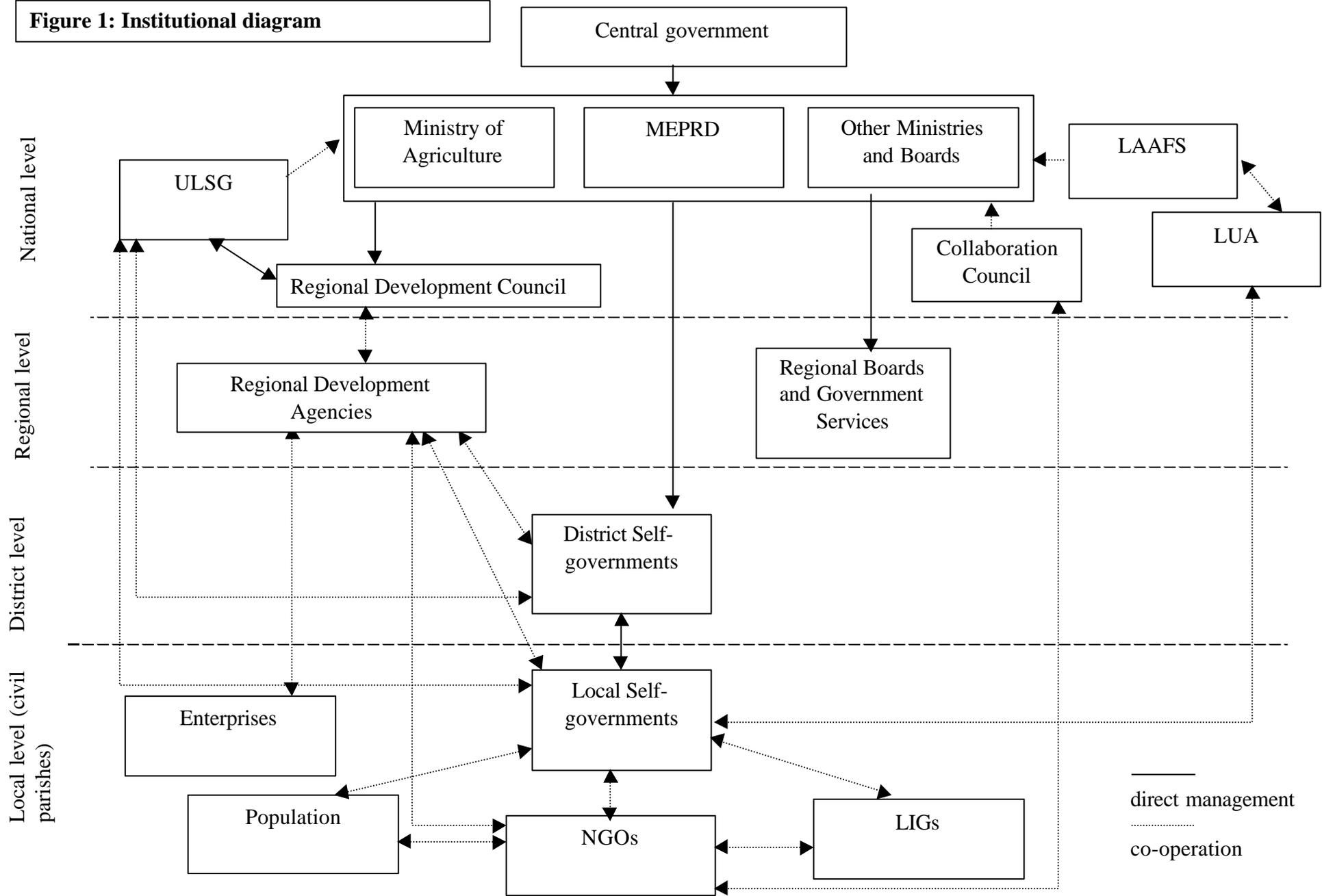
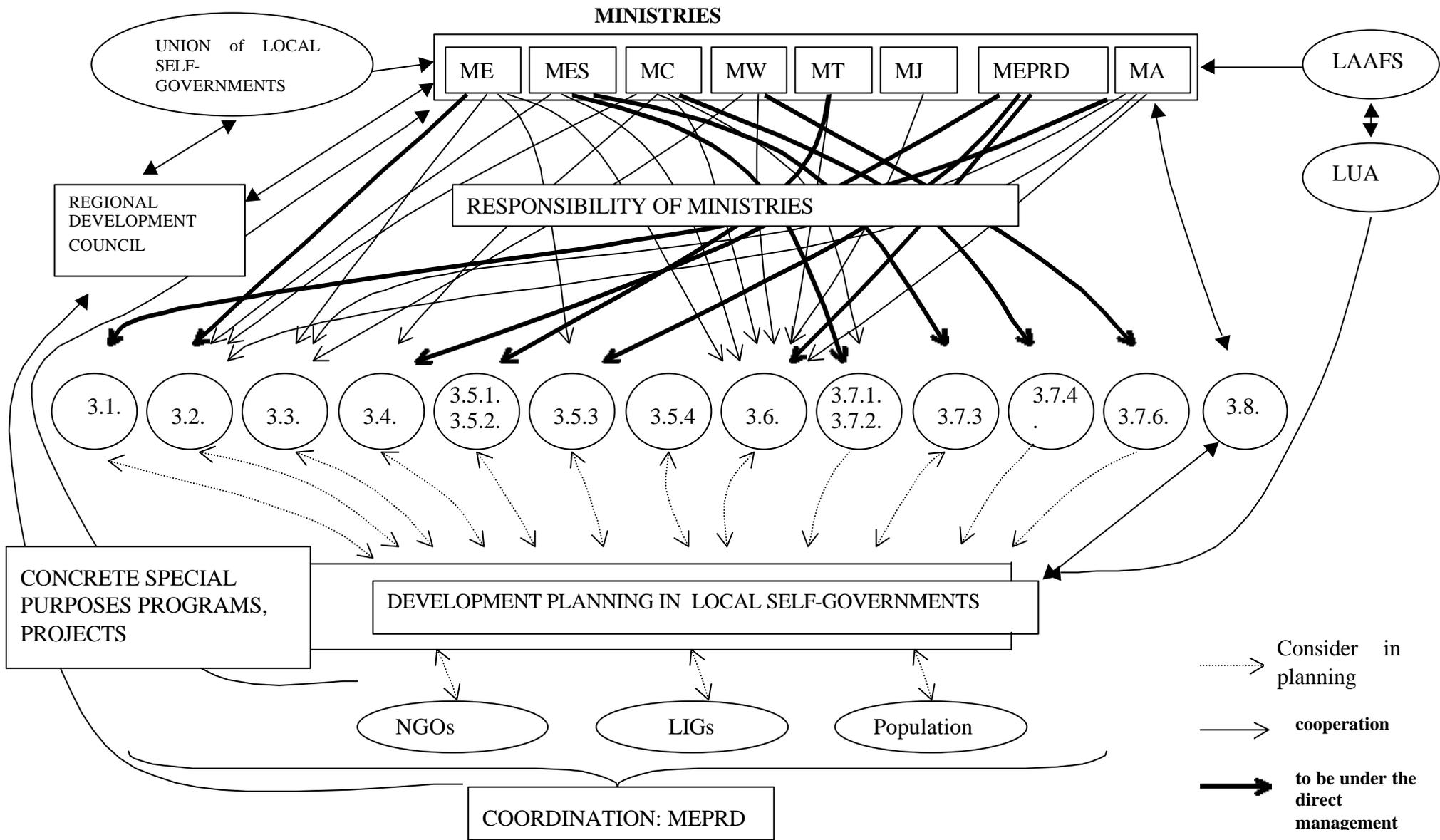


Figure 2 Institutional structure for carrying out and realising rural development



Abbreviations and legends for Figure 2

MEPRD	the Ministry of Environmental Protection and Regional Development
MA	the Ministry of Agriculture
ME	the Ministry of Economy
Other ministries	the Ministry of Education and Science, the Ministry of Culture, the Ministry of Welfare, the Ministry of Transport, the Ministry of Justice
LUA	the Latvian University of Agriculture
LAAFS	the Latvian Academy of Agricultural and Forestry Sciences
NGOs	non-governmental organisations
LIGs	local initiative groups

- 3.1. Development of agriculture, forestry, fishery and their diversification
- 3.2. Promotion of entrepreneurship
- 3.3. Diversification of occupations and incomes
- 3.4. Protection of environment and cultural heritage
- 3.5.1. Telecommunications, development of rural road network and environmental protection infrastructure
- 3.5.2. Rural settlement
- 3.6. Planning of territorial development
- 3.7.1. General and professional education; education of adults
- 3.7.2. Culture in rural areas, cultural education in rural areas
- 3.7.3. System of health protection in rural areas
- 3.8. Co-operation of institutions, organisations and interest groups involved in rural development

As the diagram (see Figure 2) indicates, many organisations are directly or indirectly involved in rural development and have direct responsibilities for rural development issues. Carrying out and realising national and regional rural development programmes is a direct responsibility of eight ministries. Each ministry is responsible for its specific areas, for example the Ministry of Agriculture is directly responsible for the issues of agriculture, forestry and fisheries and their diversification. The Ministry of Agriculture also co-operates with other ministries, and participates in areas such as affecting rural development promotion of entrepreneurship, diversification of occupations and incomes, and planning of territorial development. The local governments are responsible for concrete purposes of programmes and projects. Other active role players at the local level are non-governmental organisations, local initiative groups and population. The NGOs also work on suggestions to be submitted to the ministries.

Another organisation involved in shaping rural development policy is the Union of Local Self-Governments. It co-operates with the Regional Development Council which is formed by three deputies of the Parliament, one representative from the Union of Local Self-Governments and six ministers selected by the cabinet of Ministers. The Regional Development Council defines the strategy of regional development, including rural development, gives recommendations to the government on the shape of the

regional development programme and considers the opinions of municipalities.

Since the Ministry of Environmental Protection and Regional Development works on the Rural Development Programme, it provides co-ordination among all the organisations involved in defining rural development policy. Nevertheless, this co-ordination is not sufficient. This ministry was the leading institution having the whole responsibility for the co-ordination of rural development. At present the Ministry of Agriculture does not guide all the fields of rural development, like the issues of environment, infrastructure etc. In the future this situation is likely to change as the Regional Development Council has made a decision to transfer the responsibility for co-ordinating rural development policy to the Ministry of Agriculture. The current co-operation of institutions, organisations and interest groups involved in rural development is very poor and this is a serious problem affecting rural development.

The Latvian University of Agriculture and the Latvian Academy of Agricultural and Forestry Sciences also take an active part in rural development. The University supplies policy makers to the institutions, prepares specialists for many sectors of economy and researches rural development issues.

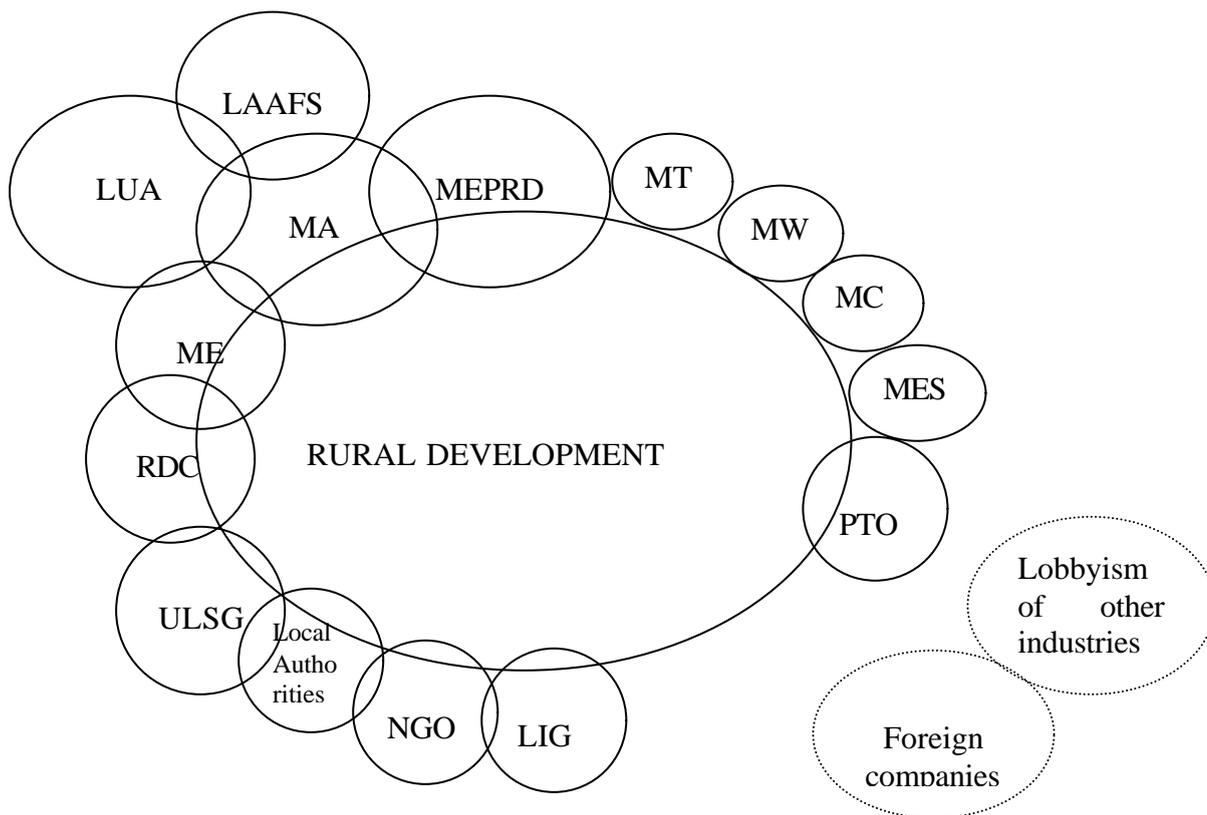


Figure 3: Venn diagram of rural policy stakeholders

The size of a circle indicates how influential a particular organisation is. The intersections of the circles relate to interconnection of their functions or the degree of involvement.

4. Analysis of perceptions and perspectives of the main institutions and other key players

Social and economic inequality among the districts in rural and urban areas in Latvia has increased. It is particularly remarkable when the Latgale region and another rural districts are compared to the Riga agglomeration. Industrial output per capita in 1998 varies from Ls 91 in Ludza and Rezekne districts, up to Ls 248 in Daugavpils district, while in Riga district it reaches Ls 805, i.e. 4 or even 5 times more.

According to the research done by the scientists of the Latvian University of Agriculture, rural development should include 5 major directions:

1. To retain the necessary rate of population in rural areas in order to avoid the negative consequences caused by urbanisation process. (In Latvia around 30% of total population lives in the countryside.)
2. To diversify the production of goods and services in rural areas. It includes both agricultural and non-agricultural sectors, services produced for sectors mentioned before.
3. Environmentally friendly technologies, including organic farming.
4. To retain the specific rural life style.
5. The countryside as a recreational area for the whole society. This function of the countryside can be successfully fulfilled in case of using environmentally friendly technologies in urban areas as well.

Research investigating income of farmers per capita indicated that around 70% of farmers gained income under the level of subsistence. This means that poor families have problems to buy clothes and food, pay for utilities and apartment rental, and to educate their children. A decrease in the standard of living for the inhabitants in countryside took place as a result of the consequences of extreme liberalism policy.

Implementation of a purely liberal economic policy in Latvia created and developed "oases" type economic structures, featuring sharp differences between the levels of economic development in separate territories according to the chosen indices (GDP, industrial and agricultural output per capita, sufficiency of resources per unit of area). The decline of the social and economic situation in the depressed areas of the country requires changing the conception of economic development, by refusing a purely liberal economy. The recovery of depressive regions and rural areas in most cases is possible, and it can be done by redistributing the centralised government funds: mostly subsidies and low interest loans to finance particular social and economic projects. The general precondition to approximate the development levels between rural and urban areas, and stop the creation of "oases" type economic structures, lies in choosing other economic policy goals. As it was mentioned before, regional development cannot be based on pure market economy principles. International experience proves that in today's social and economic conditions, a socially oriented market economy and a conception of harmonised market laws and government economic policy, developed by Keynesian economists, is advised. In particular, Keynes believed that the government must intervene and take an active role in the economy, instead of

relying on market forces to set everything in equilibrium. This is particularly important in low income and transitional economies. Otherwise, it leads to sharp income distribution inequality, and pauperisation of a part of population, mostly in rural areas. This in its turn, causes a decrease in purchasing power, reduces markets and creates social tension.

The scientists believe that the central government has to accept responsibility for the backwardness in rural areas. The perspectives of different governmental and non-governmental institutions on rural problems are presented as follows.

Ministry of Agriculture

The Ministry believes there is no really influential institution or organisation on rural development. Presently existing organisations are not founded and united according to territorial interests. They are organised by sectoral and professional interests. They tackle the problems in their own industries. Even the Regional Development Council does not focus its activities on the solution of specific rural problems. Actually the specific rural development problems are formulated neither at the central government level nor at the NGO level.

The rural economy is too much dependent on agriculture. The problems of agriculture, the poor shape of infrastructure that hinders the development of another industries and the increasing average age of the rural population are the main obstacles towards successful development of rural areas.

There are two core areas to be developed in the future. The first one is the development of economic activities additional to agriculture; the second one is the improvement of socio-economic infrastructure in order to make rural areas attractive both for entrepreneurship and modern life. The economic capacity of agriculture, forestry and other industries using natural resources must be considered. The preservation and formation of landscape without successful development of agriculture and forestry is not possible. The development of the countryside cannot be observed without public support and involvement of the whole society.

The Ministry is responsible for distributing the EU funds of different programmes including SAPARD, that can improve the situation in rural areas, and particularly in agriculture. There are however problems in implementation of the SAPARD programme:

- The administration in Brussels has not determined clear priorities for the programme.
- The administration in Brussels requires the principles of operation for SAPARD Agency to be in complete compliance with the EU standards. It does not consider the local situation.
- There are substantial administration costs and bureaucracy in managing the programme.

Ministry of Environmental Protection and Regional Development

Respondents in the Ministry of Environmental Protection and Regional Development considered that a comprehensive decline of agriculture takes place and the share of agriculture in the GDP decreases as well. Small farms are dominant and only 5% of the total number of farms produce agricultural goods for the market. Small farms are also not able to accumulate the necessary funds or get loans at an appropriate interest rate. During the recent years the costs of production have continuously increased, but the prices do not offset extra expenses. Agricultural businesses become less and less profitable in the result of this trend. There is no efficient support system for agricultural development provided by the government. Both agriculture and food processing industries lack sufficiently educated specialists

The forestry sector lacks a long-term strategy for the land use. This makes it impossible to plan the areas to be afforested. The present legislation does not correspond to the present forest ownership structure and cannot balance the economic needs and society's environmental needs. The structures of private forests are just in the process of development

Entrepreneurship in rural areas faces many problems too. This is insecurity, lack of experience and knowledge to start new businesses as well as insufficient knowledge of markets for realisation of products. This means there are great difficulties in preparing business plans and development perspectives. It limits the possibilities to reach financial resources. There is also lack of initial capital for the beginning of entrepreneurship. The shortcomings of legislation that regulates entrepreneurship and insufficient support from institutions on local and national level hinder the development of entrepreneurship in the countryside

Diversification of rural activities is obstructed by the public's passivity to undertake innovative activities. The rules for financing innovations must be improved and co-operation as an instrument diversifying rural activities must be promoted

In the field of rural tourism the quality standard system corresponding to the EU requirements for rural tourism has to be carried out. At the same time the quality of tourism services must be improved. Attraction of tourists is related to the quality of rural infrastructure: rural roads, communications, postal services, information signs etc.

Protection of environmental, cultural and historical heritage has a problem of disregarding the requirements for environmental protection in the areas of business activities. Otherwise it would promote the recovery of rural landscape and prevent possible damage to environment. In addition, the criteria for balanced development in different regions of Latvia have not been elaborated in order to preserve landscape.

The poor quality of rural roads and other infrastructure is dominant in rural areas. Poor quality of drinking water can create a danger to human health. Sewage not always is fully purified due to ageing equipment. The rural settlement system is polarised: the system of rural settlement concentration into villages created in the Soviet times does not correspond to the policy made after regaining independence.

Ministry of Economy

The main problems were considered to be that:

- The way of thinking of people has not changed since the Soviet times, when the state guaranteed jobs for everyone.
- The central government must carry out and financially support many programmes helping the development process in rural areas. Financial support from the government is too small. The programmes are to be financed in two possible ways. The first option is that businessmen get loans in the Regional Fund instead of the commercial banks. The second option is that the commercial banks grant loans to the projects of particular sectors supported by the government. In this case the banks co-operate with the state.
- Marketing at the national level. This could increase the price producers get for their goods or services. A good example is ecological agricultural produce.
- Increasing despair, especially in rural areas.

Yelgava Regional Environmental Board

The Ministry of Environmental Protection and Regional Development has eight regional branches - Regional Environmental Boards across the country. The Boards implement environmental policy made by the Ministry. The Boards control the impact of pollution on environment, impose environmental standards for construction activities, and grant licences for using water, exhausting pollution into the air and depositing waste. The boards carry out environmental monitoring, and control the law enforcement regarding the quality of air, water and use of minerals.

The main problems for the implementation of environmental policy in the region are:

- Very limited financing provided by the Ministry, which restricts the renovation of vehicles and equipment used by the board to ensure normal functioning of the institution.
- Lack of environmental specialists in rural areas, which hinders efficient control of the environmental situation, and advice to the rural population on environmental problems.
- Local governments lack finances to solve the environmental problems like sewage, drinking water purification, and waste depositing.
- Society involvement and interest in environmental issues is very low. The low standard of living prevents the public from paying more attention to the environment.

The Board is quite an independent unit in the ministerial structure, and functions within its legal framework. However, relation between the imposed policy by the Ministry and its implementation at the regional level should be improved.

Latvian Agricultural Advisory and Training Centre

The major problems in rural development are as follows:

- Infrastructure. The rural roads are not maintained sufficiently. It leads to very poor conditions of gravel rural roads during spring and autumn, due to abundant moisture and rainfall. The situation worsened substantially after the government cut expenditures on the Rural Road Programme. It was caused by general economic recession and the Russian financial crisis of 1998. Communications in rural areas are in quite poor condition too.
- Investments in new technologies. Technological backwardness so far is a reality for most of farms.
- Vocational education and training. In general, the level of agricultural knowledge among farmers is low. It obstructs introduction of new technologies, especially in growing crops, and using fertilisers and herbicides.
- Lack of motivation and optimism. A part of rural population, because of economic and social problems and hardships caused by a fast and substantial decrease in agricultural output, suffer from mental depression and alcoholism. The worst situation is in the Latgale region.

Latvian State Institute of Agrarian Economics

The problems in rural areas:

- Lack of professionalism in solving rural development problems:
 - No concrete opinion on the rural environment, its development possibilities nor the solution to existing problems.
 - Incompetence and unwillingness of the ministries and politicians to be involved into making rural policy.
 - No strategic nor unified rural development plan including concrete measures and financial resources for improving the entire rural environment.
- Society is passive, and it has an opinion that the government will solve any problem and finance any activity.
- Rural inhabitants lack financial resources to start their businesses. The government also has very limited funds to support activities improving infrastructure and the economic environment.
- Lack of educated and adventurous people in rural areas.

Latgale Development Agency

The problems in the region:

- The rural population is cut off from many important services due to long distances to the main centres, poor possibilities for transportation and communication. There are some rural communes where no radio and

TV is available and newspapers are delivered with delays. Internet is available only in the district centres.

- Educated and talented people move to towns. There are two universities in the region, and very few graduates remain in the districts they come from.
- There is no regional policy in the country. No instruments are available to provide state support for the region. The Regional Development Council and the Regional Development Fund have no sufficient finances to make a substantial impact on the process of development.

Zemgale Development Agency

The problems in the region:

- The rate of unemployment is high, and people seek jobs in towns, mostly in Riga. At the same time there is a lot to be done in the region
- Rural restructuring and diversification is not finished.
- Education of rural inhabitants is low, especially in the field of information technologies.
- Poor infrastructure: roads, communications.
- There is no economically efficient governmental support for regional development programmes.

Yelgava District Council & Vilce rural commune

The problems in the district:

- The Land Reform was carried out unsuccessfully due to the lack of a rural development policy.
- The mistakes of the Land Reform created high unemployment in rural areas.
- The rural population could not adapt to the new economic conditions after the big state farms collapsed. There is a lack of entrepreneurs and an abundance of employees in the countryside.
- Agricultural policy has not been elaborated during the last ten years.
- The privatisation of food processing enterprises was done incorrectly, and the domestic market was lost. Farmers do not control them. These enterprises settle payments with a long delay.
- Low interest loans are not available
- The producer associations are weak.

WWF Latvia

Although state institutions give even more heed to rural development, it should be mentioned that regional differences between cities and the country continue to grow in both demographic and economical aspects. Currently, there were not considerable changes taking place in the policy of rural development. The functions of ministries in this field are not integrated and managed politically and purposefully. The real policy of rural development consists of separately executed activities that are realised under the competence of each ministry/ organisation. Issues to be addressed:

- lack of a nation-wide, multi-sectoral land use strategy for rural and regional development;
- lack of scientifically based biological studies on agriculturally used land in Latvia, on the impact of different farming methods and farming intensity on biological diversity - disturbs elaboration of recommendations for agricultural farming increasing nature protection;
- need to observe overgrowing of agriculture lands, particularly meadows overgrowing;
- lack of educational programmes, experience and public information.
- most nature conservation/development projects in Latvia currently focus on one or few sectors, and often nature conservation and economical development activities are contradictory.

Latvian Farmers Union

The Latvian Farmers Union is a political party targeting rural inhabitants. It was elected to Parliament at the two previous elections but did not manage to clear the 5% hurdle at the last elections in 1998.

Rural areas include many industries but agriculture is the basic one providing comprehensive societal development, and keeping the landscape in good shape. Agricultural decline might eliminate harmonised urban and rural development possibilities.

The shrinking agricultural sector is an objective relationship as in the Western countries. At the same time unemployed rural inhabitants are not supposed to move to towns. New jobs must be created in the countryside in the sectors of infrastructure and services. The too sharp decrease in agricultural production was caused by liberal market policy as a wrongly understood junction of democracy and incompetence.

The major problems in rural areas are:

1. During ten years of independence the agricultural output declined in Latvia. Some agricultural sub-sectors shrunk 2.5 times or even more. Only partly the former agrarian policy of the former SU was responsible for it. The main reason for it was liberal policy, and lack of abilities to protect the domestic market from subsidised imports from the EU and other countries.
2. The Law on Antidumping does not function, and there is no institution responsible for its implementation. Besides, there are no law enforcement instruments to discourage dumping of agricultural goods. This led to the fall of competitiveness, reducing income of farmers and investments into new technologies. The technological backwardness increased even more.
3. The banks are not interested in granting loans to farmers, considering them risky clients. The interest rate is also too high.
4. Rural inhabitants lose any motivation in farming.

The shrinking agricultural sector caused other problems:

- Overpopulated urban areas.

- Worsening of landscape; a lot of agricultural lands are covered with weeds and shrubs, pests and plant illnesses spread; melioration systems are not maintained and stop functioning.
- Social problems in the area of education. Many children in rural areas do not attend their schools.
- The right wing parties worsened the social environment by closing small rural schools and rural dispensaries, and cutting funds for rural road maintenance and construction.

Farmers Parliament (Farmers Saeima)

The dominant problems in this organisation's perspective are that:

- There is no information exchange among the agricultural non-governmental organisations. This makes it impossible to carry out a common opinion of farmers. It also creates unnecessary misunderstandings and makes tension among these organisations
- There is no information exchange among the leaders of NGOs and their members, hindering formation of a variety of opinions
- An active rural policy must be made, instead of dilatory responding to the consequences of wrongly made policy.
- Farmers in Latvia are not informed on the necessary preconditions for joining the EU Common Agricultural Policy.

Latvian Rural Support Association

As to rural development problems, the Association emphasises several general issues:

- 0.5 million hectares of agricultural land is not used. This land is covered with shrubs, and weeds and pests spread around.
- The government does not fulfil its obligations, and the Parliament does not control the government the laws to be fulfilled.
- There is no rational rural development management system. The Collaboration Council of Public Agricultural Organisations was established at the Ministry of Agriculture, and it consists of the leaders of the Latvian Farmers Federation, and other non-governmental organisations who are not elected by rural population. It is the institution whose members are selected by the government, and it is not represented by scientists.
- There is no financial support for rural development. Lack of funds hinders self development of rural areas and promotes a degradation of the rural population.

The Rural Development Programme of Latvia is a long term programme. Annual programmes should be carried out as well. Even the quality of the long-term programme is poor because the government has not clearly declared what kind of economic model must be accepted; whether liberal, socially oriented or purely liberal.

An important issue is related to the food processing enterprises. The owners of these enterprises are not farmers. It allows the management of enterprises

to set the price and terms, and completely disregard the agricultural producers.

Latvian Farmers Federation

Disregarding a decrease in the number employed in agriculture, this sector will have the dominant position in the countryside. If politicians do not realise it, they make a big mistake. Agriculture is an important sector in transitional economies, creating a basis for a stable economy. The development of agriculture promotes the development of non-agricultural sectors producing goods and services for agriculture. It is of great importance to retain agricultural activities in rural areas, since this is the main sector using agricultural lands and forming landscape.

Unlike other organisations the LFF believes the countryside cannot be set aside. Rural development must be shaped by applying an integrated approach for diversification of business activities, establishment of small and medium size enterprises, use of natural resources; promotion of cultural, tourism and recreational activities based on legislative and political structure.

The problems in rural areas are considered to be:

- There is no governmental support for small and medium size businesses, especially for the beginners of business activities. The banks in Latvia are cautious and do not grant loans to start-up businesses.
- Socialistic legacy in people's mind and inferiority complexes.
- Latvian mentality: no willingness to have a risk and undertake any serious activity.
- Burden of taxation is too large. Agricultural businesses are not able to pay high taxes.
- Infrastructure (rural roads, communications) is in very poor condition.

Collaboration Council of Public Agricultural Organisations

The main problems:

- None of the governmental institutions know what agricultural and rural policy to make.
- Insufficient financial resources are available, due to declined output in most sectors of the economy. Lack of finances limit any policy-making.
- Frequent amendments in legislation (taxes, tariffs, customs duties) obstruct both domestic and international co-operation.
- Bureaucracy and unfair actions at the governmental institutions.
- Poorly developed infrastructure and lack of information.

Association of Statutory Companies

The Association emphasises two major problems:

- There is no common understanding on rural development, and no governmental institutions and public organisations being responsible

for systematic involvement into rural development process. Just a few attempts have been made, like the Rural Development programme elaborated by the MEPRD, and this programme has already been forgotten.

- Lack of common policy on rural development. The local governments can have enough financial resources to solve specific rural problems, in case of stabilisation of agricultural output, and reasonable development of other sectors in the countryside.

Overview

If the views of different governmental institutions and non-governmental organisations are analysed, it is possible to notice the common features and different perspectives. Most institutions and organisations interviewed point at problems like strong decline in agriculture, poor infrastructure, lack of financial resources at any government level to support any activity in the countryside, problems with agricultural land abandonment, rural unemployment, and increasing despair among the rural population.

It is specific to governmental institutions that they point at problems, like lack of bottom-up initiatives among rural population, and ability to adapt to the new economic and social situation. They usually refer to the Soviet times when almost everything was guaranteed by the government, and people themselves were not supposed to care about it. This way of thinking has still remained and affects people's behaviour. Especially they emphasise mental degradation among the rural population, caused by loss of hope for the future and despair.

Non-governmental organisations, in turn, used to blame governmental institutions, mostly central government, for lack of concrete policy or even lack of any policy regarding both agriculture and rural development: weak top-down implementation of policy. The lower-level governmental institutions are not satisfied with policy made by the central government in the area of the Land Reform and the privatisation of food processing enterprises. The political party pointed at some political reasons that affected the worsening of situation in rural areas. The academics of institutions like the Latvian University of Agriculture and the Latvian Academy of Agricultural and Forestry Sciences believe there is a problem of implementation economic policy in general. Quite liberal market policy leads to a sharp decrease in output in many sectors, especially in agriculture, and creates an "oasis" type national economy.

Further analyses indicated that the main approach in rural development is top-down (administrative) because initiatives usually come from the ministries. The latest trends indicate that the influence of public organisations get more and more active, and gradually a top-down approach loses its dominant position against a bottom-up approach. A good example is recent farmers' activities. Under the guidance of several farmers' NGOs they blocked the main country roads and stopped the movement of cargo trucks across the

border in July 2000. The farmers' riots are explained by very acute problems in rural areas, and particularly in the sector of agriculture. Farmers are not satisfied with the liberal, and to a great extent Europeanised, policy of the ministries. At the same time, as was emphasised by several NGO leaders, weak implementation of these policies has not Europeanised rural development wholly.

Only some governmental institutions and organisations have regional offices. The Union of Self-Governments is represented in most regional and local governments, and therefore not only a top-down approach is used, but very influential is bottom-up approach. However, NGOs are limited in submitting proposals directly to the legislation body. It can be done whether through ministries or the Parliament's deputies as an elector.

During 1990-1998, an important role in the Parliament and government was played by the Green Party. Very important activities were carried out in the late 1980s, when environmental NGOs stopped the building of a new hydro power station on the river Daugava. According to perspective of environmentalists, the new power station would cause substantial environmental impact on the areas next to the river. A lot of areas would be flooded, especially during the spring and autumn seasons; biodiversity would change both in the river and next to it; and, many rural inhabitants would be forced to move away from their places of residence. Besides, the new power station could promote the building of new plants, and immigration of labour force from other regions of the former Soviet Union.

5. Challenges for sustainable rural development

Although there are several constraints, there are many opportunities in rural development in Latvia too. The environment has improved over the last decade due to a rapid decline which took place in Latvia's economy during 1991 – 1994, which led to reduction of amounts of water, electrical energy utilised in production, as well as the amounts of sewage water, toxic waste produced and the consumption of pesticides and mineral fertilisers in agriculture. In 1998 the use of commercial fertilisers was nine times less than level of 1990. The lowest level of use of chemicals was reached in 1995, after which the use of mineral fertilisers, pesticides and modern technologies is now increasing. Therefore state of environment may deteriorate in the near future as a result of lack of knowledge and, experience of farmers, who farm intensively. On the other hand reduced economic activities limit available funds to be invested into the environment.

Biodiversity

In large areas of Latvia, species and biotopes have remained, which are rare or have even disappeared in other European countries. Coastal wetlands and wet forests, large and nearly untouched high bogs, as well as natural and semi-natural meadows are recognised to be of national and international importance.

In total 18 047 animal species have been recorded in Latvia. According to the most recent scientific assessments, there could be more than 30,000 animal species in Latvia altogether, including 20,000 insect species. Migration routes crossing the territory of Latvia determine the number of bird species (about 320).

There are several species of birds and mammals threatened in Europe or even globally whose Latvian population constitutes a substantial part of the whole population. These are: black stork (*Ciconia nigra*), corncrake (*Crex crex*), lesser spotted eagle (*Aquila pomarina*), white-backed woodpecker (*Picoides leucotos*), common crane (*Grus grus*), beaver (*Castor fiber*), otter (*Lutra lutra*), wolf (*Canis lupus*) and lynx (*Lynx lynx*). Big colonies and important hibernating sites for several bat species are also found in Latvia.

In 1997 protected areas covered 6.8 % of Latvian territory, and law stipulates their status. For many protected areas, new nature conservation plans are being elaborated which provide for the management of these territories, according to the requirements of maintenance of biodiversity. The categories of protected areas presently used in Latvia are in compliance with the internationally accepted IUCN system (The World Conservation Union). A 300-km long zone along the coast of the Baltic Sea, and the Gulf of Riga, was formerly monopolised by the Soviet army limiting the economic activities. In this zone, untouched biotopes have remained, including natural dune plant communities, extinct in many other areas of the Baltic Sea coastline.

Biological diversity has remained, thanks to both the Soviet times when the agricultural land use intensity during this period of time was relatively low in relatively large areas, and the period of independence after 1991, when the land use intensity fell substantially compared to the past period. In contrast with the use of land, the use of forest resources increased. About a half of forests belong to private persons since this property was returned to the former owners. Intensive use of the forests, forced by the economic situation in rural areas, can create concerns about biodiversity in this area.

Wider use of intensive technologies is expected in agricultural production in the future. Together with further decrease of the total area of agricultural lands (both due to abandonment and because of afforestation) this can lead to considerable loss of the biological diversity. Today, protection of the existing biological diversity, elaboration and implementation of the sustainable development concepts, requests considerably smaller investments than will be needed for restoration of degraded habitats and populations of wild plants and animals in future.

Proposals for a national agri-environment programme have been elaborated to counteract the negative effects of agricultural intensification and land abandonment on wild-fire. Limited agri-environment pilot areas are included in the Latvian SAPARD programme. However, there is a clear need to extend the whole agri-environment programme over the whole country as recent surveys show that there are more valuable but threatened semi-natural grasslands in Latvia than previously expected. Agri-environment measures to maintain important landscape structures and limit the negative impact of agro-chemicals are also necessary in the areas of intensive agriculture. This could also provide socio-economic support to farmers in one of the most marginal rural areas.

As the result of the reduction of agricultural production, there is approximately 430,000 ha abandoned land (7% of total territory), including 160,000 ha of agricultural land overgrown with shrubs and weeds. This is a waste of potential production, and in addition the quality of the rural landscape is degraded. Afforestation of this land would prevent the deterioration of the rural landscape, if combined with appropriate agri-environment programmes and landscape planning. One of the goals of Latvia Forest policy is to facilitate afforestation of marginal agricultural and abandoned land. This principle will make possible an increase in the total area, and proportion, of forest, and provide valuable raw materials for wood processing industry. Taking into account that provision of material for planting forests in 1999 was inadequate, setting up of tree-nurseries shall be supported in order to ensure enough seedlings for reforestation and afforestation purposes.

Water, soil & air

The results of agricultural run-off monitoring show that the former Soviet type large state and collective farms, which specialised in animal production, may still constitute potential risks for the environmental quality of inland waters in Latvia and the Baltic Sea. Due to the economic problems during the current

transition period, most of the new private farmers did not use intensive farming methods. Non-point pollution from private family farms is rather low compared to most EU countries. Based on the existing monitoring data, there is no regionality displayed and considerable contamination of both shallow and deep (artesian) groundwater by nitrogen compounds. Higher natural ammonia content is often observed in shallow groundwater beneath coastal areas and, in very rare cases, in deep artesian groundwater. Outside of point pollution sources (for instance landfills) and except shallow dug wells, evident groundwater contamination was observed in only a few samples taken from shallow aquifers. Besides, even in the above-mentioned occasions, the content of nitrates is smaller than the maximum permissible value for drinking water and limits set by Nitrate Directive.

There is no reliable data on pesticide contamination of both surface and groundwater. In order to reduce pollution from agriculture sources, farmers are recommended to use the Code of Good Agriculture Practice (GAP). The work for GAP Code was started in 1998. The goal to establish Good Agriculture Practice is determined by the Nitrate Directive of the European Union (EEC/91/676). The Ministry of the Agriculture and the Ministry of Environmental Protection and Regional Development has endorsed the GAP Code for Latvia. The GAP Code is acknowledged as a statement of goodwill of each farmer to follow the situation and development of its agriculture, to give priority to the preservation of the environment, and to cause no ecologically adverse consequences on national, regional, and global scale today and in future.

Latvian soils can be considered relatively clean, and should therefore be considered as part of the national wealth. In the majority of Latvian soils, the heavy metal content is at natural background levels.

The six largest industrial cities account for more than half (57%) of the country's stationary source air pollution. The major part (65-68%) of the air pollution is created by transport. 95% of emissions from stationary sources in Latvia registered in 1993 were created by the following: sulphur dioxide (50.1%), nitrogen oxides (10%), carbon oxide (24%) and solid particles - ash (10.8%). More than 200 other listed dangerous substances formed just 5%.

Cultural and historic heritage

Most of the Latvian national heritage comes from the countryside, where it was created by the Latvian ancestors living in close relations with nature for many centuries. They intuitively knew how much they could remove from the nature to allow permanent sustenance in food, building materials, fuel, clothing and natural medicine. Nature has also influenced the Latvian cultural heritage, and continues to form the national ethical and aesthetic perceptions. Many national holidays are celebrated only in the rural areas. Besides, the rural areas of Latvia are mostly populated by ethnic Latvians, except for the eastern part of Latvia. The major cities are mostly inhabited by the nationals of other nationalities, mostly Russians, and Latvians are a minority there. For instance, Latvians comprise 40% of the population in the capital city of Riga

(one third of country's population lives in the capital), only 15% in the second biggest city of Daugavpils. There are only two major cities where ethnic Latvians comprise a slight majority – about 51% in cities of Ventspils and Yelgava. This is the legacy from the Soviet times when immigration from other parts of the former Soviet Union was promoted, and most of the immigrants settled down in the biggest urban areas.

Economic diversification

One of the reasons for low productivity of the agricultural production is the outdated machinery inherited by producers, after the privatisation of collective farms. The average age of tractors owned by farmers is 16 years. 38% of all tractors have been in use for more than 15 years, but only 18% are new-up to 5 years old. Most of the production buildings (60-65%) were built 50-60 years ago. These buildings are not only outdated, but also harmful to the environment and to their users, not meeting the requirements of working conditions.

Fragmented and non-specialised farming hampers the development of agricultural production from being compliant with national and EU standards. For example, the average size of a dairy farm is 2.7 cows. Small farms find it not profitable to invest in the new technologies while maintaining current volumes of production, therefore specialisation of the agriculture is slow. This, in fact, discourages the deliveries of agricultural production to the processing industry. Self-subsistence farming is still very common.

In order to ensure restructuring of agriculture in terms of more rational farm structures, support shall be limited to farms of certain size in order to provide an incentive for competitive size holdings. This aid shall ensure that agricultural holdings possessing most economically viable projects shall remain in business, while for those leaving agriculture other business opportunities shall be provided like organic farming, rural tourism, growing of herbs, mushrooms or berries.

Organic farming

As a separate sector, organic farming has existed for just a few years in Latvia. There are about 200 farms (0.2% of the total number of farmers) involved in organic farming, taking up 2,750 ha of agricultural land. Organic products have captured a small but stable segment of the local market. If the growing demand for organic products on the local market, as well as that of Scandinavian and EU countries, is taken into account, further development of the organic farming sector can be expected. Organic farms, and farms in transition from conventional to organic farming, are regularly inspected by the Organic Farming Certification Inspection, which is established in accordance with Council Regulation 2092/91. Annual inspection is necessary for farms which have organic farming certificate.

Rural tourism

Rural tourism has become an important sector in rural development. Its economic importance in rural areas has increased as new jobs are created, rural landscape is preserved, sale of agricultural products is increased and the income of rural entrepreneurs has risen. Often tourism could become the only possibility for development in regions with unfavourable conditions for agriculture, thus usefully exploiting spare living area, land unusable for agriculture, and also landscape which can not be used for other purposes. Untouched nature, rich cultural and historic heritage, and also traditional agriculture and crafts, create a large opportunity for development of tourism in Latvia. 80% of these tourists are residents of Latvia. Foreign tourists come mostly from Germany, Finland, Denmark, Sweden, and other countries. In 1998 Latvia was visited by 1.788 million foreign tourists, of which 109.0 thousands stated the most important aim for visiting Latvia was recreation, health and sport. Therefore only small part of these tourists use services offered by rural tourism. However, it is very likely that the vast majority of visitors to Latvia spend at least some of their time in rural territory, and with proper development this could be increased, as an attractive rural landscape is a good prerequisite for the development of tourism.

Rural tourism development is hindered by poor infrastructure in the countryside, deficiency of information in Latvia and abroad, poor road sign system, information posters, as well as insufficient levels of knowledge of tourism entrepreneurs. Therefore it is important to improve:

- Tourism infrastructure: restaurants, sporting facilities (for example horse riding and tennis) and camping places.
- Information: road signs, maps, brochures, guides.
- Places of entertainment: renovation of cultural /historic buildings, natural, cultural and scientific places of interest.

Growing of herbs, volatile oil plants and fibre plants

The local market being saturated, there is a potential for export. The weak points of this sub-sector are the underdeveloped market channels, and the lack of first treatment and storage capacities. Besides that, some support is necessary for information dissemination and training. Currently the total herb area is about 100 ha.

Hemp production has not reached commercial levels. Currently it is mainly grown on household plots for seeds to be processed just into hemp butter. According to research data, Latvian soil and climatic conditions are appropriate for hemp production. In the last years there has been considerable growth of both hemp seed and sisal twine production in the world, which attests to the fact that the demand is going up. In Latvia however, the lack of information and expertise on hemp growing, harvesting technologies and marketing, as well as the lack of processing facilities, is serious obstacle to development of hemp production.

Cranberry growing

A considerable amount of exploited peat bogs, from which the peat is no longer obtained, are available for cranberry growing in Latvia. The natural growing potential (climate, soil, humidity regime) lies in the raised bogs (about 3000 ha). The total acreage of cranberry bogs in 1998 was 21 ha, which is 33% larger than the year 1997.

Setting up of 1 ha of cranberry beds costs 19,354 EUR and the annual maintenance costs are 3,710 – 8,548 EUR per ha. The return on the investment can be achieved in 8 years. The set-up of a well-arranged cranberry bog (for obtaining of maximum yield regardless of weather) is one third of the price in the USA or Canada. Lower labour costs and more favourable natural conditions in Latvia explain this.

Other berries

Commercial blueberries and dewberries are grown on some farms too. Commercial production of wild berries such as cloudbberries and bilberries is not common in Latvia.

Timber production

There is a certain interest in the growing of hazels and cherry trees for timber.

Mushrooms

Wild mushrooms are used neither for processing nor for commercial market. Shiitake and oyster mushrooms are the most widespread mushrooms grown commercially in the world, as well as in Latvia. The mushroom import into Latvia shows a tendency to go down (from 183 t in 1995 to 134 t in 1997), while the exports are increasing (from 92 to 194 t, respectively). The obstacle to finding an outlet in the Western market is the non-competitive price of Latvian mushrooms, although, regarding the high demand of the Russian market, Eastern export may become realistic after restoration of stability in Russia where the demand for mushrooms exceeded the supply several times a relatively short time ago.

Raising of freshwater crayfish and snails

The particular freshwater crayfish species widespread in Northern and Western Europe as well as in Latvia is *Astacus astacus*, therefore the climatic and environmental conditions of Latvia, as well as water quality, are appropriate for breeding and raising the above species. At this point there is just one farm in Latvia breeding and raising crayfish, but there is a tendency and potential for the growth of crayfish farm numbers, especially in Latgale. The most part of breeding and raising costs are taken up by the fixed costs (purchase and installation of incubators, water circulation system, heating, construction of production areas and crayfish ponds). In European countries

like Sweden, Finland and France there is a foreign trade deficit in crayfish. The demand for this product exceeds the supply.

Already for five years Latvia exports live snails to countries of EC. Generally it has been done by collection of wild snails, but also special snail farms occur. During the production season this sector employs around 10,000 people in countryside, the total annual export volume being 150 tons of snail. For more effective exploitation of the resource, full processing of live snail needs to be developed.

Keeping rare species of poultry

The present market of ostrich meat is very limited in the catering sector, and almost non-existent in the processing sector. To make estimates on the development of future demand for ostrich meat is a difficult task, for this product is relatively new and untapped for Latvian consumers. In case the ostrich meat market starts to develop in Latvia, just one or two producers will be able to saturate it. Nowadays the raising of quails and marketing their eggs to retailers is more popular.

Agriculture - related training and social capacity building

The share of population employed in agriculture, forestry and hunting is expected to decrease, therefore employment and retraining issues will emerge. Besides, the education level of the population employed in agriculture is insufficient, thus social capacity needs to be increased. This problem should be tackled by both governmental institutions and NGOs.

Hand in hand with professional training, farmers have the possibility to constantly improve their level of knowledge at the courses organised by the Latvian Agricultural Advisory Centre (LAAC), Latvian University of Agriculture (LUA) and elsewhere. The basic principles of education guaranteed for the population employed in agriculture is laid down in Ministry of Agriculture Decree of 1997. It defines five levels of professional education. There are eight agricultural education centres and thirty vocational schools, operated by LUA and LAAC in a joint educational system. The reform of professional training implemented by the Ministry of Agriculture is targeted at provision of high quality agricultural education, and promotion of retraining from conventional agricultural professions to alternate professions related to rural entrepreneurship and the environment.

A good example at the local level is a project developed by WWF Latvia in the Lake Pape area in western Latvia. On one hand, the project is going to maintain and improve the biodiversity of the area, and restore and diversify the local economy and business structure, through sustainable development based on local qualities, by transforming the land use, carrying out nature conservation activities and creating new jobs in the local communes. On the other hand, the project builds local social capital and capacity; it provides adult education classes in business skills, languages and tourism management, environmental issues, raises awareness and promotes

initiatives among the population in the commune. The project provides a solutions for the current situation in Latvia, when the intensity of farming has gone dramatically down, and a lot of agricultural lands are simply abandoned, due to a decrease in demand for agricultural goods both in domestic and foreign markets. Livestock breeding activities have declined to the extent that there is a serious lack of grazing, or other uses, to maintain semi-natural grasslands dependent on agricultural use. The abandoned meadows are being overgrown by shrubs and trees, and would disappear without direct human involvement. The project is introducing semi-wild grazers (Konik horses initially) to the area. They are supposed to restore natural grazing pressure, which is a necessary component in the maintenance of grassland habitats. The immediate objective of the project is to promote environmental restoration activities as an alternative use of agricultural land, and as a tool for sustainable rural development. The ultimate goal of the grazing project is to restore natural processes in all appropriate habitats of the project area.

6. Helping and hindering sustainable development

Latvia is a post socialist country. Its economy was very deeply integrated into the economy of the former Soviet Union and mostly Russia. After political and economic disintegration in the beginning of the 1990s, Latvia's GDP during 3-4 years fell by more than 50%. The former planned economy was not efficient, and this legacy affects today's standard of life, placing Latvia within low-income countries. Compared to the EU and other associated countries, Latvia has one of the lowest levels of GDP per capita. As calculated on the basis of purchasing power parities, Latvia per capita GDP was just 27% of the EU average. In 2000, GDP per capita amounted to around \$2500. This is one of the major financial resource constraints hindering a supply of finances for the economy's renovation and development. Another significant reason limiting the availability of financial resources is a huge current account deficit (8-10% of GDP). Inflow of foreign capital supporting stability of the national currency mostly finances import of consumer goods. The central bank has pegged the national currency against a western currency basket since 1994. Appreciation of the national currency in real terms has led to negative trade balance (foreign trade deficit around 18% of GDP). Trade flows of agricultural goods changed since the beginning of 1990s. Now Latvia is an importer of agricultural goods, as domestic consumption exceeds the real output.

The rate of investments is relatively low, reaching 20-22% of the GDP. It means economic growth is not expected at a high rate. The government budget has also a deficit, and at best the government will be able to balance the budget and afford to cover only the current expenses like it was in the previous years. Neither the private sector nor government can offer substantial financial support for the whole economy, and rural development particularly.

Public resources in rural areas also cause concern about the future. A lot of young people prefer to leave the countryside to find a job in towns and have some income. The demographic situation worsens, and the average age of the economically active rural population increases. According to statistical data, a relatively higher number of population with higher and secondary education live in major cities. Because of the higher standard of living in cities, the better educated rural population also prefers to move to cities, and rural areas lose the well educated people having initiative to undertake business activities. It leads also to depopulation of rural areas and will create more serious problems in the future.

Historically Latvians are very cautious. This is strengthened by the memories of the big collective and state farms during the Soviet times, discriminating against individuality and freedom in making any decisions. That is why the process of uniting farmers into co-operatives faces large constraints and unwillingness. On the other hand, many government authorities believe it to be the way for keeping functional most of the small size farms. Co-operation can make farming not only more efficient, and reduce the costs of production, but also influence food-processing enterprises behaving like monopolies.

Unfortunately, the food processing industry is not controlled by farmers themselves. Not always the big food processing enterprises want to deal with very many agricultural producers. They prefer to buy inputs in large quantities and at a lower price. Since many food-processing enterprises are controlled by foreign (European) companies, a lot of subsidised agricultural inputs are imported and local producers are left outside the market.

Political instability is a serious obstacle in Latvia too. The central government changes much more often than the Parliament. On average the period of time the government spends in its office has not exceeded one year. The decision-making process used to be interrupted, and the succession of government policies is not always retained. In the last elections the only political party representing farmers in the main legislative body did not clear the 5% hurdle to enter the Parliament. The Ministry of Agriculture, agricultural and rural policies, are not directed by a representative of the Latvian Farmers Union having most concern about the problems in the countryside. Although before a representative of farmers could guide the development of the most significant industry in rural areas, it did mean this resulted in efficient support to majority of rural inhabitants. Most of the ruling political parties are not interested in supporting agriculture, they prefer other industries. Latvia provides a lot of transport services for Russia and other countries, since its geographical location has an absolute advantage. This industry brings also a lot of income into governmental budgets. Many politicians in Latvia declare not to support agriculture, due to its inefficiency and huge financial resources to be invested in it. Often they refer to the EU example, where agriculture is one of the biggest problems for the EU budget. They believe it is cheaper to import agricultural goods instead of producing them at home.

Other politicians are interested in the food processing industry. This industry was very attractive during privatisation. The former prime minister managed to gain many food processing enterprises in his property. It turned out that the leader of recently the most influential political party controlled almost the whole industry. Now this property is sold to foreign companies. It is obvious, a very small number of people being politicians and businessmen simultaneously can reach very high level of prosperity at the public expense. The interests of the ruling political parties are not related to agriculture. Since most economic and political power is concentrated in the capital city, it is the basis for the conflicts between the Riga agglomeration interests and rural interests. Other cities in the country do not play so influential role as the city of Riga, and the conflicts of interests between other cities and rural areas are not significant.

Social and economic hardships cause another, unlikely to be less important, problem for sustainable rural development. People in rural areas lose their belief in the future and start look for a temporary "remedy" like alcohol. Life's despair leads to mental degradation and mental illnesses like depression. These illnesses are almost incurable, and this life situation turns a part of rural population, especially in the Latgale region, into worthless public resources needing special care and putting an extra pressure on government spending. Besides, it affects the future generation's health and the level of culture.

Alcoholism and poverty increases the number of crimes. The number of suicides rapidly increased during the economic transformation period too.

Administrative capacity especially in rural areas is very limited. Local governments redistribute only 16% of total government spending, the rest is redistributed by the central government. Since rural areas are poorer as related to urban areas, relatively less funds are available to be redistributed by local rural governments. Partly these differences are compensated by the Local Government Financial Reconciliation Fund; local governments whose incomes are relatively higher than a certain level assign finances to the Fund. The fund's resources are distributed among the poorest local government budgets. Besides, administrative capacity is affected by a lower wage level at governmental institutions. Most intellectual specialists find better positions in private sector.

In Latvia, mostly liberal market ideologies are dominant among the ruling political parties opposing any policy of planning. Lack of abilities and will on the one hand, and acute social and economic problems on the other hand, often creates political instability. During the Soviet times a lot of operation of public services was provided by the collective and state enterprises, for instance public utilities like water supply, sewage utilisation, heating, rural road maintenance and other territorial services. Besides the agricultural sector was relatively well developed, and state enterprises could afford to produce these services at a low price. Many of these services were subsidised, and every rural inhabitant could purchase them. Agriculture was the main industry in the countryside. In the Soviet times its share in GDP exceeded 20% and this sector could provide jobs for most of rural population. Since then this sector has decreased by more than 50% during the last decade, and there is no good perspective for it in the future. Rural development needs to be diversified. Still there is a lot of small farms, individual household plots and subsidiary farms creating underemployment because most of these farms are subsistent or semi-subsistent, supplying almost nothing for the market. The average age of those employed on subsistent small farms is increasing year by year. Rural inhabitants mostly in their 50s and 60s keep these small farms. The younger generation is not interested in this kind of rural life, and move to towns and cities seeking better opportunities.

In the future, a fall in employment in the agricultural sector is predicted. Scientists estimate the drop from the present 16-17% to up to 5-6% in the future. All the unviable small farms will be forced to merge or join bigger and more efficient structures. The population left outside the agricultural sector will have to find another occupation in rural areas. The movement of rural inhabitants to towns and cities is not advisable because it leads to depopulation of rural areas. These people must be retrained and occupied in agriculture-related and non-agricultural sectors.

Rural areas shall perform functions of environment and recreation, but demands connected with these functions can significantly influence reorganisation of agriculture, suggesting at the same time new development possibilities of receiving income for farmers and members of their families.

Rural areas will require a lot of work to be done, by people living in the countryside, and governmental institutions of any level. From our perspective there are two cornerstones that can improve this situation. The first one is education and training of rural inhabitants, in order to provide them with the necessary knowledge and experience. This requires involvement of all parties, including governmental institutions, NGOs and political parties. Secondly is financial resources to make efficient industries, first of all agriculture, and other industries in rural areas. To improve infrastructure: rural roads and communications, social institutions like schools, health care and other institutions, and to improve the environmental situation.

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Annex 1 – Institutions involved in rural development in Latvia

Ministry of Agriculture

<http://www.zm.gov.lv>

Ministry of Environmental Protection and Regional Development

<http://www.varam.gov.lv>

Ministry of Economy

<http://www.lem.gov.lv>

Latvian Agricultural Advisory and Training Centre

<http://www.llkc.gov.lv>

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Latvian Farmers Federation

Republic Square 2

Riga LV 1981

Latvia

Phone/fax: (+371) 7027321

Farmers Parliament

Republic Square 2

Riga LV 1981

Latvia

Phone: (+371) 7027044

Collaboration Council of Public Agricultural Organizations

Republic Square 2

Riga LV 1981

Latvia

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WWF Latvia

<http://www.wwf.lv>

Union of Local Self-Governments

<http://www.lps.lv>

Latvian Rural Support Association

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Latvian Farmers Union

Republic Square 2

Riga LV 1981

Latvia

Phone: (+371) 7323628

Association of Statutory Companies

Republic Square 2

Riga LV 1981

Latvia

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Yelgava District Council &

Vilce Local Government

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