Regional policy in Latvia: emigration and remigration issue and role of cities
Population and GDP

GDP at current prices (thous. euro, 2015)

- Rīgas reģions: 54%
- Pierīgas reģions: 15%
- Vidzemes reģions: 7%
- Kurzemes reģions: 9%
- Zemgales reģions: 8%
- Latgales reģions: 7%

Population in statistical regions, 2018

- Rīgas reģions: 33%
- Pierīgas reģions: 19%
- Vidzemes reģions: 10%
- Kurzemes reģions: 13%
- Zemgales reģions: 12%
- Latgales reģions: 14%

Development gap between regions in Latvia – domination of capital city and its region
Income inequality in Latvia has a pronounced territorial nature:

- Pay gap 1.6 times (or 10 to 5-6 years difference)
- Merchants able to attract investment - differences in non-financial investment 5.42 times
Population change

Migration balance and natural increase, 2017

Economical emigration – key factor for population change
• In 2010 – highest emigration over ten years (-35,6 thous. in one year)
• In 2017 – lowest emigration over ten years (-7,8 thous.)
Evaluation scale from 1-5, where ‘1’ means that the indicator is not competitive and ‘5’ means that the indicator is very competitive.
Forecast of population for 2030
Regional activity – development centres
Policentric development model - regional policy framework (Latvia 2030)
Challenges for regions

- **Emigration of population from regions:**
  - Key factor – difference in incomes (40% difference in average salary between poorest region and the capital city)

- **“Market gap”:**
  - Businesses prefer investments in more developed regions (capital city region) – high regional development disparities
  - Limited creditworthiness in regions due to low incomes

- **Need for strong local intervention**
  - **Role of local municipality**
What to do? (main directions)

Regions and municipalities as promoters of development

- Support for entrepreneurship
- Efficiency of services
- Demography
Demography

Where to get human capital?
- Natural increase (higher birth rate; lower death rate)
- Regional mobility – internal reserves
- Remigration

In 10 years emigrated 275 836 equal to second largest region in Latvia
Interest in returning to Latvia

• Objective of project:
  • to create an interest in certain groups of people who have a motive (need) to return to Latvia
  • give a chance to compare the benefits of life in Latvia with life in a foreign country

• Target groups in the project:
  – Families with children
  – Persons who regularly maintain contacts with Latvia (e.g. visit relatives, purchase services, etc.).

Every 3rd remigrant lives in a family with a child
The following are the most common reasons when remigrants return:
• 50,3% "missed family and friends"
• 40% "longings after Latvia"
• 21% «let children live and learn in Latvia»

M.Hazan, "Atgriešanās Latvijā: reemigrantu aptaujas rezultāti"
Regional remigration coordinators

Five coordinators - duties:

- **Needs assessment** - address and clarify the needs of remigrants in direct contact – if they would returned to Latvia
- **Individual offer** - make an individual offer on issues of particular interest to remigrant
- **Regular contact** - regularly show interest in remigrant plans

What information can the coordinator offer?

On:

- services for families with children
- business (including financial support) and employment opportunities
- offers of residences
- other services provided by municipalities

What would help to return:

- 28,5% support programme for entrepreneurship and personal business
- 27,6% local government support for residential search
- 19,4% information on state and local government support for families with children
- 15,5% available childhood pre-primary education institutions

*M.Hazan, "Atgriešanās Latvijā: reemigrantu aptaujas rezultāti"*
Results in Numbers – returning

399 persons remigrated in project
Results in Numbers – taxes

250 adults

<table>
<thead>
<tr>
<th>Expenditures for coordinators and MOEPRD</th>
<th>Taxes (income tax and social contributions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>158 336,40</td>
<td>1 576 590,00</td>
</tr>
</tbody>
</table>

1 euro in project attracts 9,9 euros by results

1 to 9,9 euro
Results in Numbers – returning

Persons returned (incl. children)

79% remigrated to cities or regional development centres
Thank you!

raivis.bremsmits@varam.gov.lv