

# THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

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## Recommendation 317 (2011)<sup>1</sup> Local and regional democracy in Latvia

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

*a.* Article 2, paragraph 1*b*, of Statutory Resolution CM/Res(2011)2 of the Committee of Ministers relating to the Congress of Local and Regional Authorities of the Council of Europe, which provides that one of the aims of the Congress shall be “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

*b.* Article 2, paragraph 3, of above-mentioned Statutory Resolution CM/Res(2011)2, stipulating that: “The Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member states and in states which have applied to join the Council of Europe, and shall ensure, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

*c.* its Recommendation 47 (1998) on local and regional democracy in Latvia;

*d.* its 2005 information report (CG/INST(12)3) on local democracy and on the participation of non-citizens in public and political life at local level in Latvia;

*e.* its Recommendation 257 (2008) on local democracy in Latvia: the participation of non-citizens in public and political life at local level;

*f.* its Resolution 299 (2010) on the follow-up by the Congress of the Council of Europe Conference of Ministers responsible for Local and Regional Government (Utrecht, Netherlands, 16-17 November 2009), which provides that the Congress will use the Council of Europe Reference Framework for Regional Democracy (MCL-16(2009)11) in its monitoring activities, as well as the reply of the Committee of Ministers to Recommendation 282 (2010) of the Congress (CM/Cong(2011)Rec282 final), encouraging the governments of member states to take account of the above-mentioned reference framework in connection with their policies and reforms;

*g.* the explanatory memorandum of this recommendation on local and regional democracy in Latvia.

2. The Congress notes that:

*a.* Latvia joined the Council of Europe on 10 February 1995. It signed and ratified the European Charter of Local Self-Government (ETS No. 122, hereafter “the Charter”) on 5 December 1996. The Charter came into force in Latvia on 1 April 1997;

*b.* in accordance with Article 12, paragraph 1, of the Charter, Latvia declared that it was not bound by Article 9, paragraph 8, of the Charter;

*c.* the Congress delegation<sup>2</sup> visited Latvia from 3 to 5 November 2010. The delegation held talks with the central and municipal authorities, representatives of the Association of Local and Regional Governments of Latvia, representatives of the Constitutional Court, the Ombudsperson and other discussion partners in Riga and the municipality of Sigulda;

*d.* the co-rapporteurs wish to thank the Permanent Representation of Latvia to the Council of Europe and all those whom it met on the visit for their readiness to assist the delegation and for the information they so willingly supplied.

3. The Congress notes with satisfaction that:

*a.* Latvia has modelled its system of local administration on modern European standards for local self-government. The local government legislation of 19 May 1994, which has been amended on a number of occasions and supplemented by other provisions, is a good basis for the development of local self-government;

*b.* the Constitutional Court, in its decisions, refers to the European Charter of Local Self-Government as an instrument of international law from which the constitutional principles relating to local self-government can be interpreted. The Constitutional Court considers the Charter’s principles to be fundamental principles of democracy that are binding on the country. The position of local authorities has been strengthened by constitutional case law and changes to legislation;

*c.* the 2008 local government reform, under which local authorities were merged to produce stronger entities, was carried out in compliance with the principles of the European Charter of Local Self-Government and produced satisfactory results;

*d.* the Association of Local and Regional Governments of Latvia is recognised at national level as being representative. It therefore plays a key role in promoting local democracy.

4. The Congress notes with concern that:

*a.* local authorities do not have enough of their own resources which they can influence directly, in particular in terms of local taxes for which they can determine the base and the rate;

*b.* overall, the economic crisis has led to a reduction in transfers from central to local government. Local authorities’ room for financial manoeuvre has accordingly declined and central government’s oversight of their finances has been strengthened;

*c.* Latvian local authorities do not have free access to the capital market to borrow funds. In a significant number of cases involving various conditions, finance ministry approval is needed for loans of more than one year;

*d.* regional development in Latvia is imbalanced. The five planning regions do not have the characteristics of genuine

autonomous regional authorities and their representative bodies are not directly elected by universal suffrage;

*e.* the high population of Riga and the level of its activities would justify the Latvian capital being granted a special status;

*f.* in spite of the efforts made by the Latvian authorities to promote social cohesion, there are still restrictions on the participation in public affairs of non-citizens who identify with a national minority, including the failure to allow them to vote in local elections.

5. The Congress recommends that the Committee of Ministers invite the Latvian authorities to:

*a.* increase local authorities' financial autonomy by diversifying their own sources of revenue and increasing the proportion of their financial resources for which they can influence the assessment base and the rate;

*b.* establish a programme to "restore" local authorities' capacity for action in the context of recovery from the economic crisis, while reducing central government's financial oversight;

*c.* review the conditions for borrowing by local authorities and make them more flexible and borrowing more accessible, and consequently lift the reservation related to Article 9, paragraph 8, of the European Charter of Local Self-Government;

*d.* clarify the legal position of the five planning regions and give them a proper autonomous status. The process of developing a genuine regional tier of government could take inspiration from the principles of the Reference Framework for Regional Democracy, which provides for bodies elected by direct universal suffrage, with more powers and responsibilities that are clearly defined in law, their own resources and the introduction of a financial equalisation system;

*e.* to begin a legislative process with a view to drafting legislation granting a special legal status to Riga, in accordance with Congress Recommendation 219 (2007) on the status of capital cities;

*f.* to grant non-citizens the right to vote in local elections with a view to speeding up the process of integrating them into Latvian society that has already started;

*g.* to give consideration, in the near future, to signing and then ratifying the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207), as well as Protocol No. 3 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euroregional Co-operation Groupings (ECGs) (CETS No. 206).

6. The Congress recommends that the Parliamentary Assembly take account of the aforementioned observations and recommendations in the context of its procedure of periodic reporting on member states not currently under a monitoring or post-monitoring procedure.

7. The Congress recommends that the Latvian authorities responsible for local self-government appoint a high-level ministerial representative to attend one of the Congress sessions to make a presentation on the state of progress of the local government reforms in Latvia.

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1. Debated and adopted by the Congress on 20 October 2011, 3rd Sitting (see Document CG(21)16, explanatory memorandum), rapporteurs: J.-C. Frecon, France (L, SOC) and P. Leuba, Switzerland (R, NR).

2. Jean-Claude Frécon (France, L, SOC), President of the Chamber of Local Authorities of the Congress, and Philippe Leuba (Switzerland, R, NR) were appointed co-rapporteurs to submit to the Congress a report and a recommendation on local and regional democracy in Latvia. They were assisted by Jean-Marie Woehrling, consultant and member of the Group of Independent Experts on the European Charter of Local Self-Government.