

Government at a Glance 2023

Country Notes

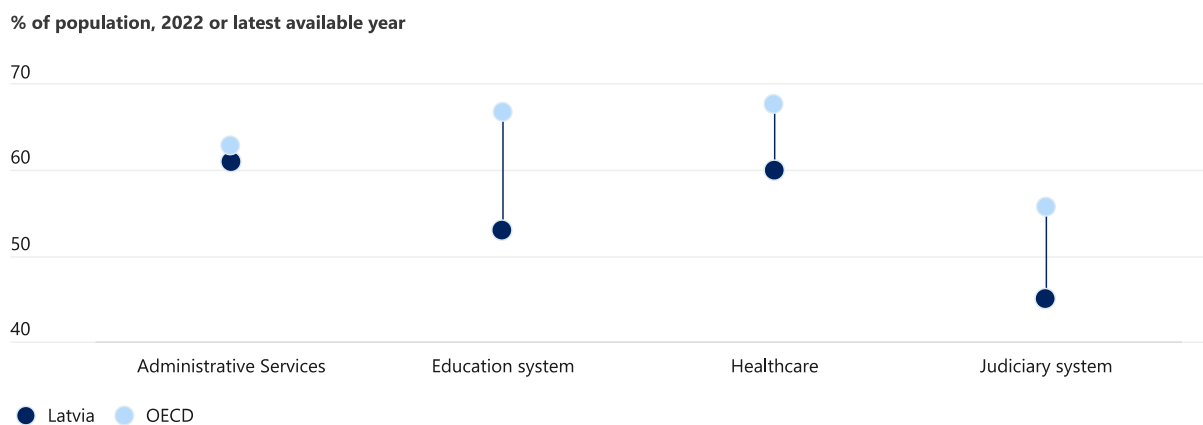
Latvia

Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important yardsticks of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, and expectations on the behaviour of public institutions and their representatives. Although high trust in public institutions is not a necessary outcome of democratic governance, trust and satisfaction with public services facilitate effective governance, as they correlate with high rates of compliance with policies, participation in public life and social cohesion.

A majority of people in Latvia are satisfied with the administrative services (61%), health care system (60%) and education system (53%). Levels of satisfaction for these public services are below the average values across OECD countries. The lowest satisfaction level is for the judiciary system and the courts, where 45% of people report being satisfied, compared with the average across OECD countries of 56%.

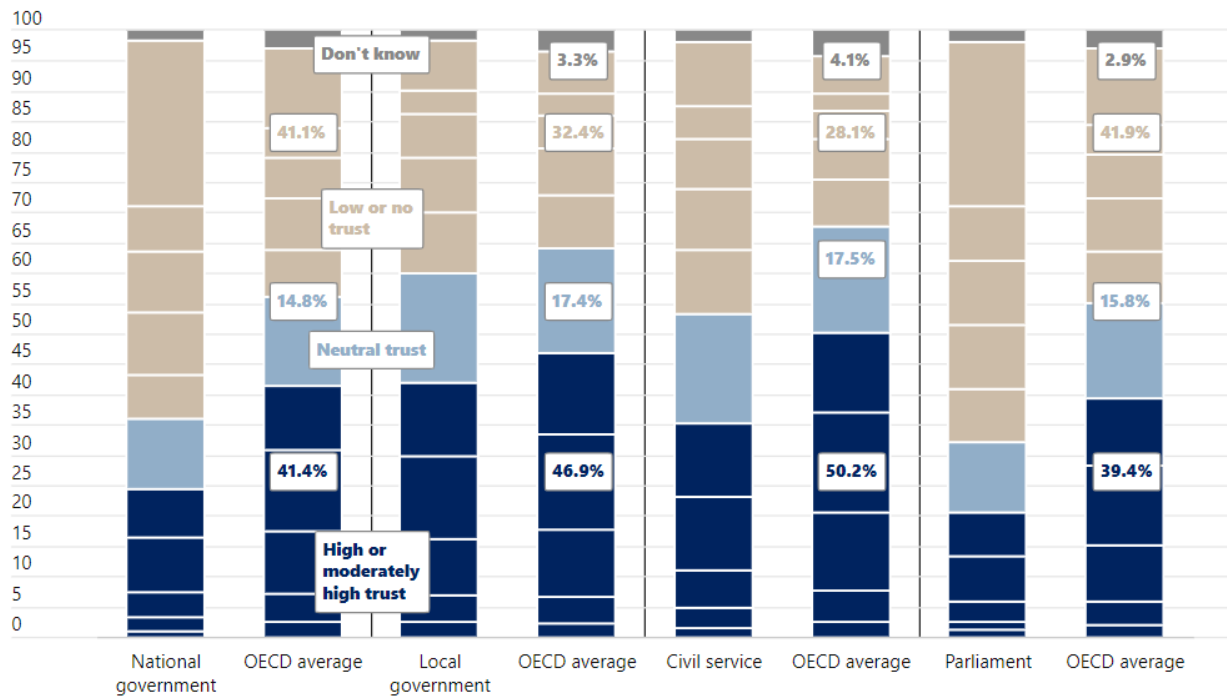
Figure 1. Satisfaction with public services, 2022



Only one quarter of Latvians indicated high or moderately high trust in the national government (25%), below the average across OECD countries (41%). More Latvians indicated high or moderately high trust in the local government (42%) and 35% in the civil service. Only 21% indicate high or moderately high trust in the parliament.

Figure 2. Trust in public institutions, 2021

% of population reporting high or moderately high trust in various public institutions, Latvia, 2021



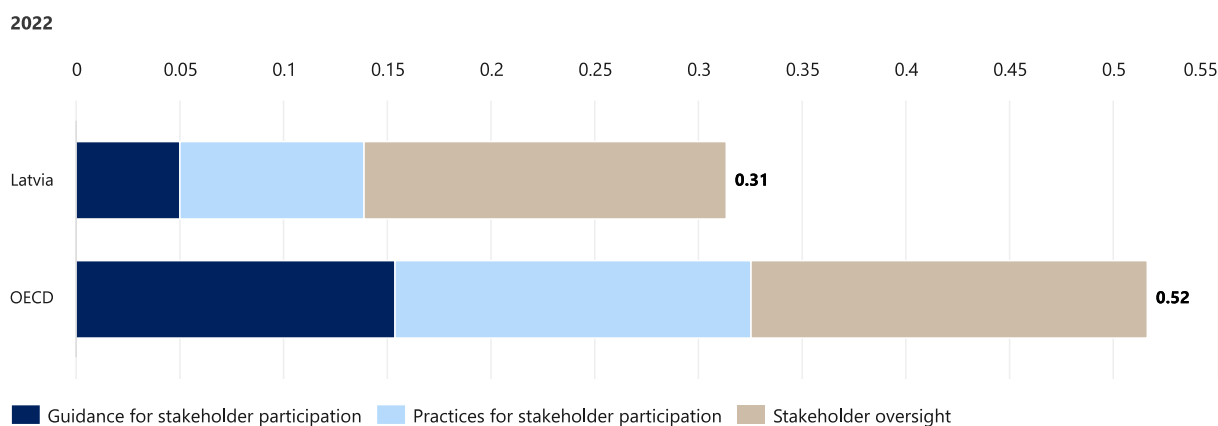
Achieving results with good governance practices

In an age of multiple crises, governments need to adopt more advanced practices to build trust in public institutions and enhance democratic resilience. Actions include building on democratic strengths, such as enhancing citizen and stakeholder engagement in decision making; reinforcing key competences to handle crises, such as budgeting and public financial management processes to address the green and digital transitions; and protecting against threats to democratic values, such as maintaining effective public integrity rules and promoting ethical use of artificial intelligence.

Citizen and stakeholder engagement in decision making helps to improve the design, implementation, and public acceptance of policies, infrastructure and services. The OECD Infrastructure Governance Index (IGI) on stakeholder participation provides an overview of countries' performance in developing national guidance for stakeholder engagement, promoting their effective participation, and ensuring stakeholder oversight over infrastructure projects.

Latvia is below the average across OECD countries (0.52) on the IGI on stakeholder participation with a score of 0.31, on a 0-1 scale. Its strongest performance is on stakeholder oversight (0.18), a value very close to the OECD average. There is room for improvement, instead, both on guidance and practices for stakeholder participation.

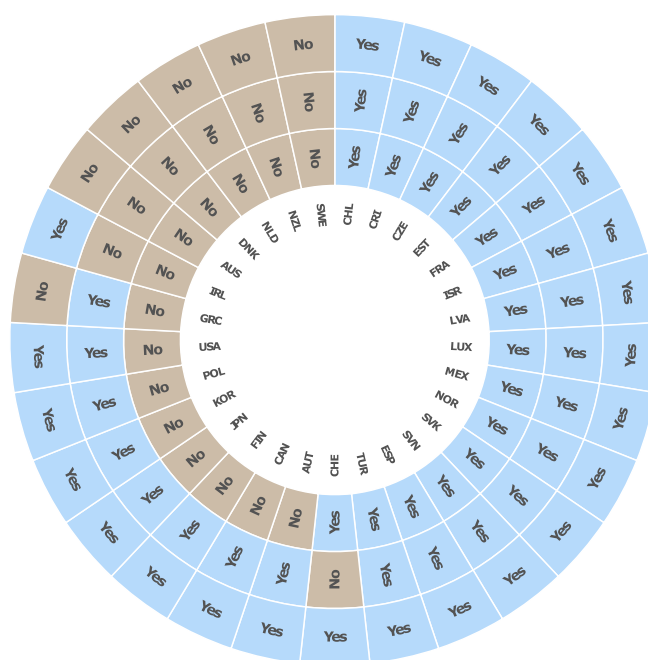
Figure 3. Index on stakeholder participation in infrastructure decision making
From 0 (lowest) to 1 (highest), 2022



Financial contributions allow individuals and entities to support political candidates and parties. However, political finance needs to be adequately regulated to reduce risks of undue influence and policy capture.

In Latvia, publicly owned enterprises and foreign states or enterprises are not allowed to finance political campaigns and parties. Additionally, anonymous donations to political parties or candidates need to be registered or reported.

Figure 4. Regulation to ban financing political parties and election campaigns, 2022



Inner ring: Ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported.

Middle ring: Ban on contributions from publicly owned enterprises.

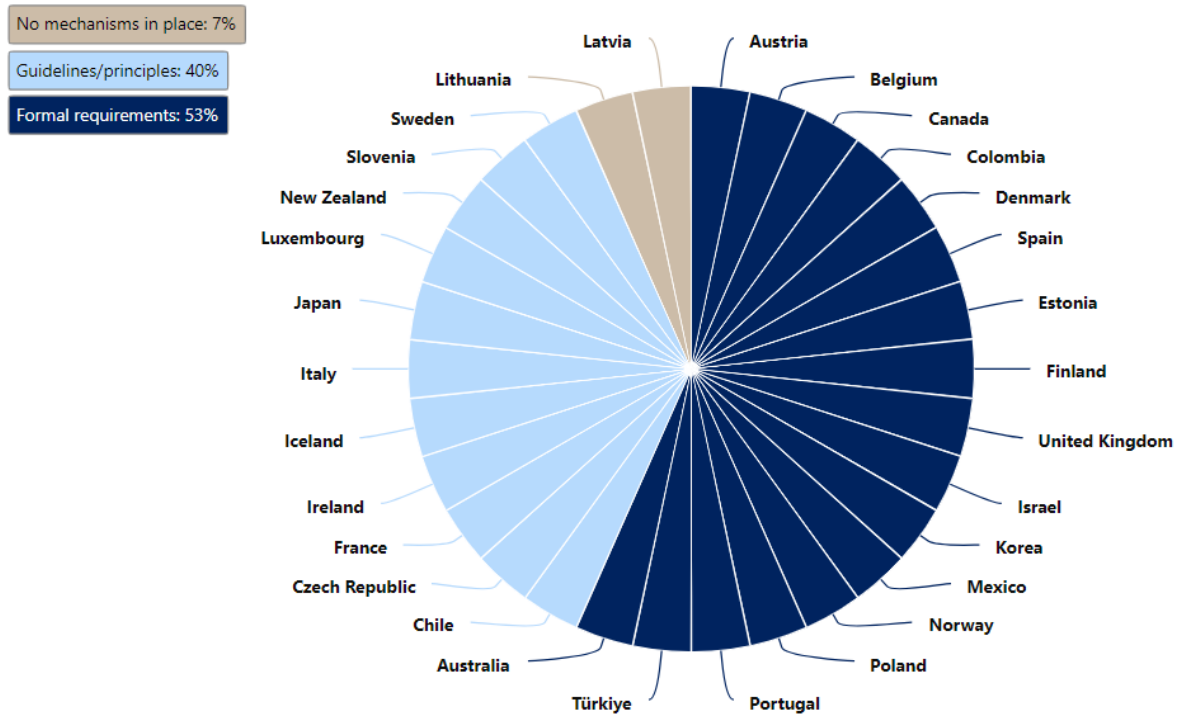
Outer ring: Ban on contributions from foreign states or foreign enterprises.

Strengthening information integrity has become particularly complex in the digital age. While digitalisation and artificial intelligence (AI) provide enormous opportunities, including in expanding and protecting the exercise of some democratic rights and freedoms, their use also brings challenges for governments such

as ensuring that they enhance people’s willingness and ability to engage constructively in democratic life and that they benefit society as a whole.

Latvia, together with Lithuania, are the only countries among the 30 surveyed OECD countries, which do not have any instruments in place to ensure ethical use of AI.

Figure 5. Mechanisms used to ensure the ethical use of artificial intelligence in government, 2022

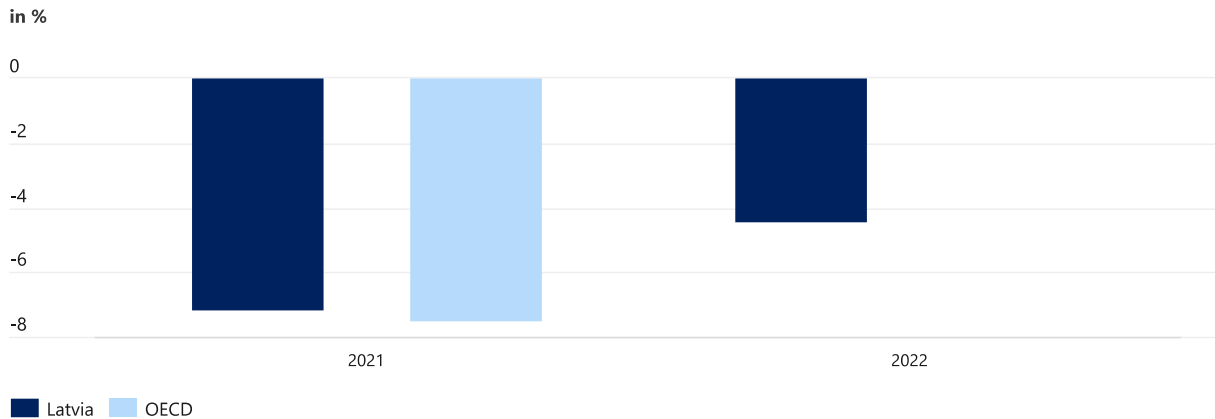


What resources public institutions use and how they are managed

After stark deterioration due to the COVID-19 pandemic, which required emergency measures and direct support mechanisms to business and people, public finances show positive signs, but the recovery remains fragile. The fiscal balance is the difference between a government’s revenues and its expenditures in a year. When the government spends more than it collects, it has a fiscal deficit. When it spends less, it has a fiscal surplus.

Latvia’s fiscal deficit was -4.4% of GDP in 2022, reduced from -7.1% in 2021, and smaller than the average fiscal deficit in OECD countries (-7.5% in 2021). Latvia’s public debt as a share of GDP also decreased in the same period, from 57.2% in 2021 to 49.3% in 2022. The average debt across OECD countries is significantly higher (120.8% in 2021).

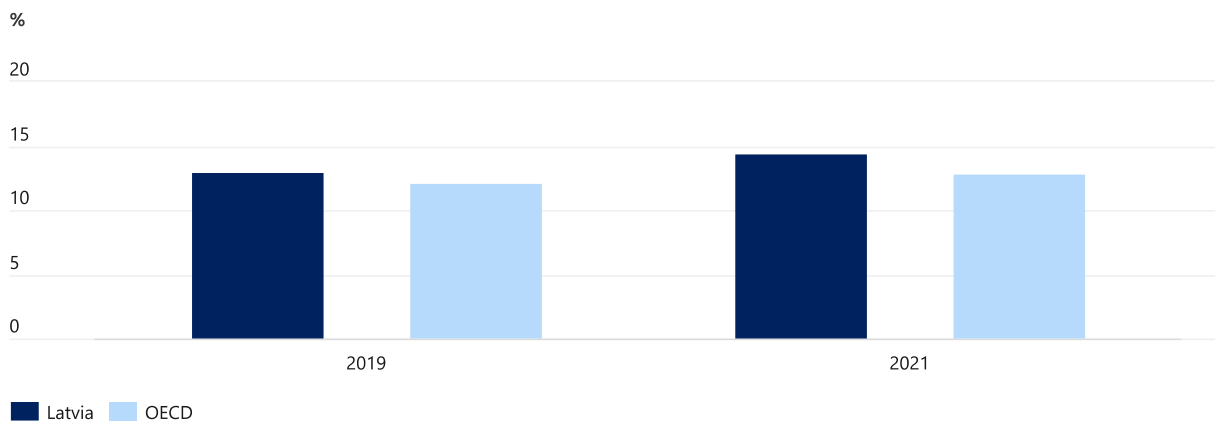
Figure 6. General government fiscal balance as a percentage of GDP



Public investment can enhance productivity and economic growth and help implement long-term policies, such as green energy infrastructure to support action on climate change. In turn, governments procure large amounts of goods, services and works to help them implement policies and deliver public services.

Latvia spent 14.4% of its GDP on procurement in 2021, which is slightly above the OECD average of 12.9%. Since 2019, procurement spendings have risen by 1.4 percentage points in Latvia. Latvia invested the equivalent of 5.0% of GDP in 2021, higher than the average across OECD countries (3.4%). Only minor changes occurred in 2022 (4.8%).

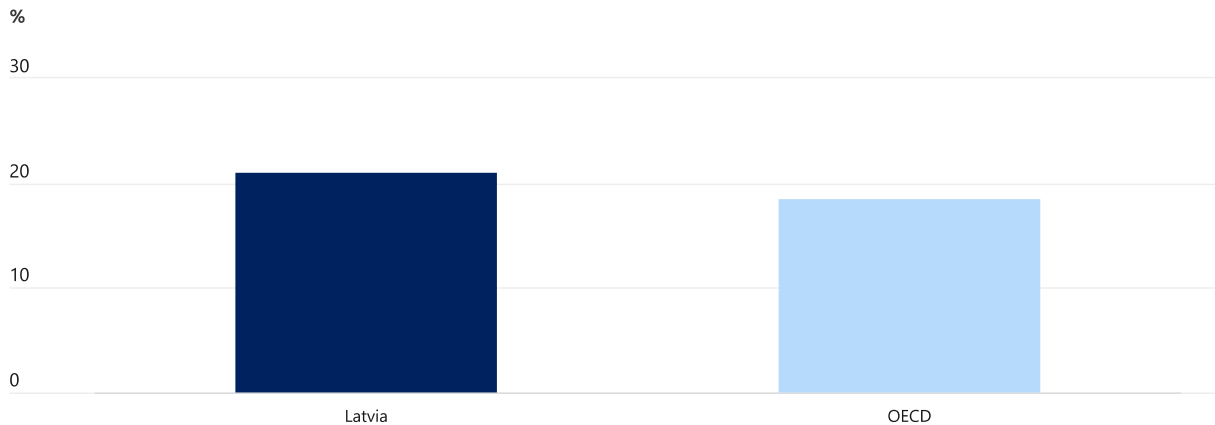
Figure 7. Government procurement spending as a share of GDP



The size of public employment varies significantly among OECD countries, ranging from around 10% to just above 30%.

With 21.1% public employment as share of total employment, Latvia is slightly above the average across OECD countries (18.6%).

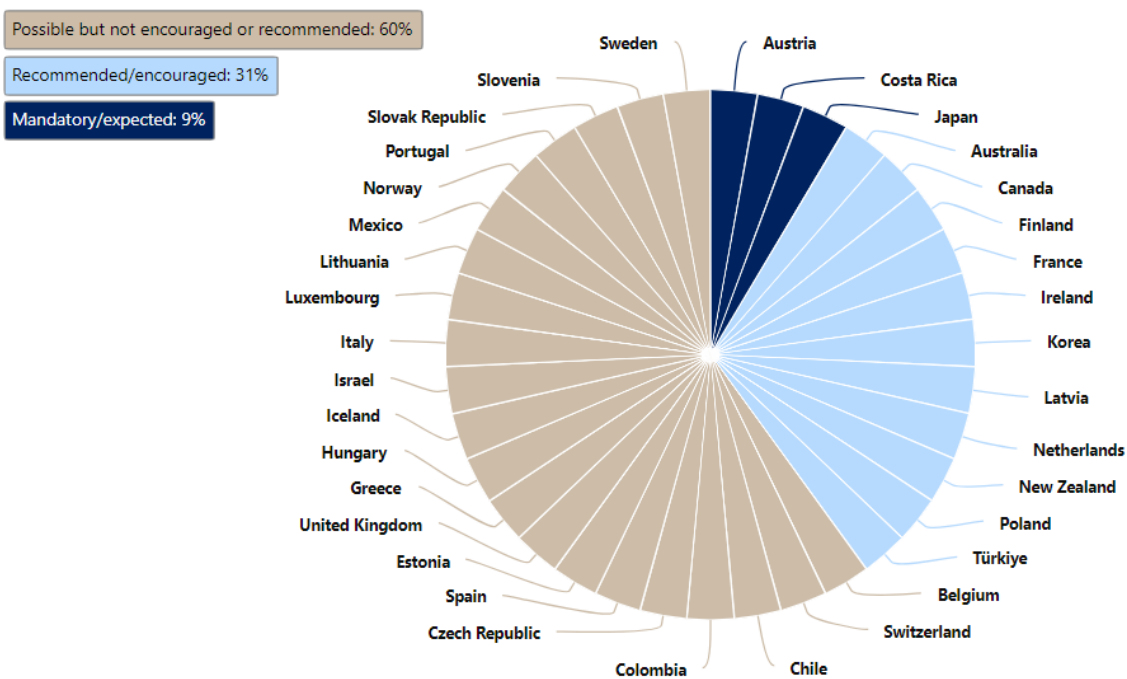
Figure 8. Public employment as a percentage of total employment, 2021



Governments use different mechanisms to harness and develop the capacity of their workforce. For example, internal mobility in public administrations helps to pool human resources across government and attract and retain civil servants.

In Latvia, internal mobility is recommended or encouraged for civil servants. Similarly, internal mobility for senior-level civil servants is also recommended or encouraged. However, Latvia has not implemented the practice of developing individual learning plans for most public employees.

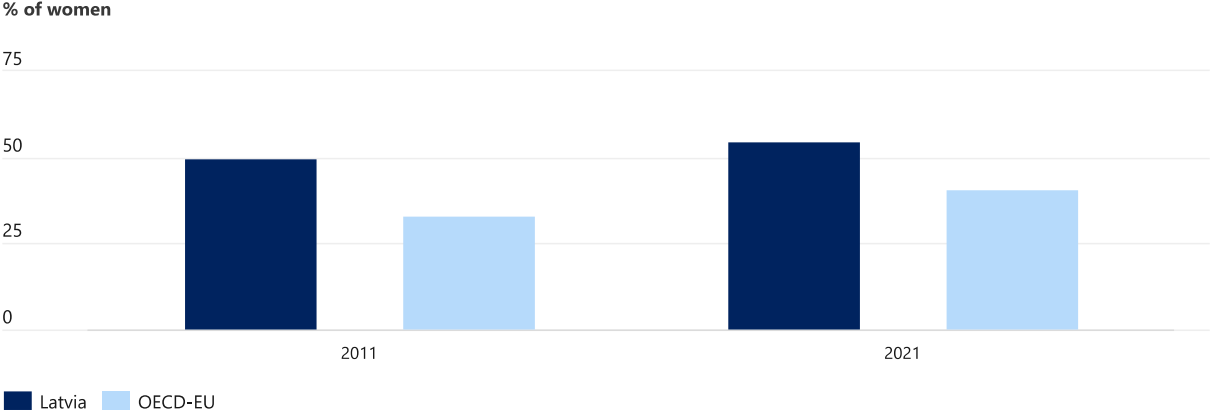
Figure 9. Mobility of civil servants across public administrations in central government, 2022



Equal representation of women and men in the public sector is a key indicator of progress towards gender equality, diversity and better representation. In 2020, a majority of employees in the public sector in OECD countries were women (58.9%), with large differences among countries. However, women are often under-represented in managerial positions.

Latvia has achieved gender equality in senior management positions in the national administration and is among the countries in the OECD-EU with the highest share of women in senior management positions, 55% compared to the OECD-EU average of 40.8%. Latvia is also above the OECD average for women in ministerial positions (43% compared with 36%), albeit below gender parity.

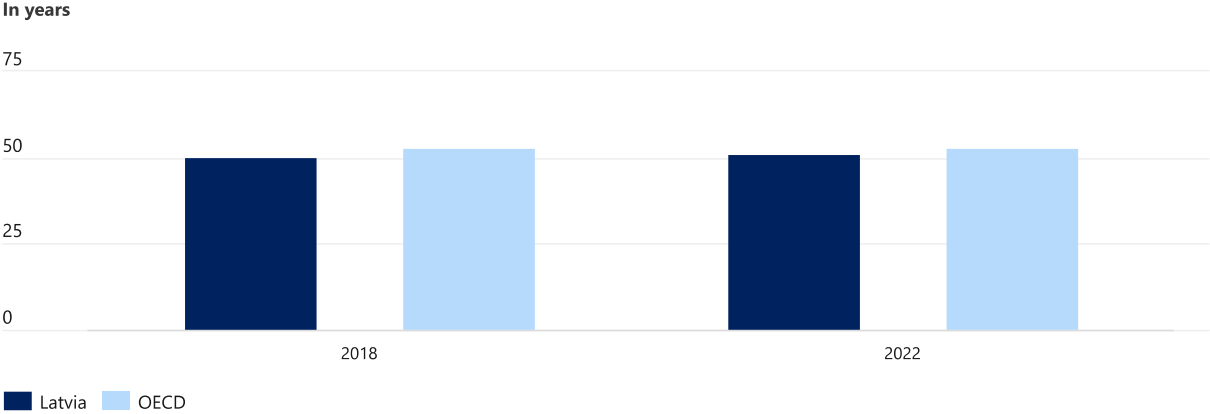
Figure 10. Gender equality in senior management positions in national administration, 2021



Young people are under-represented in public and political life across the OECD, with the risk that their voice and interests are not sufficiently taken in consideration in policymaking.

In Latvia, the average age of cabinet members is 51 years, which is 2 years younger than the average across the OECD (53 years).

Figure 11. Average age of cabinet members, 2018 and 2022



About the report

Government at a Glance presents the most up-to-date internationally comparable data on how public administrations function and perform in OECD countries, accession countries, and other major economies. Country factsheets highlight key indicators against the OECD average. Data included in the factsheets are derived from the new Government at a Glance data portal, which allows for a more user-friendly and interactive way of comparing countries with each other and the OECD average. The factsheets do not provide a comprehensive picture of public governance performance, but rather a snapshot of key indicators in the three sections of the publication: a) trust and satisfaction with public services; b) achieving results with good governance practices and c) what resources public institutions use and how they are managed.

Figure notes

People who express satisfaction with public services: for the judiciary and the courts the data reflect the proportion of citizens who express having confidence in the institution. Data on satisfaction with administrative services come from the OECD 2021 Survey on the Drivers of Trust in Public Institutions. Data on satisfaction with the education and health systems and confidence in the judiciary are from the Gallup World Poll.

Data on public finance and economics are derived from the System of National Accounts (SNA) and were extracted on 5 May 2023.

Fiscal balance as reported in SNA framework, also referred to as net lending (+) or net borrowing (-) of government, is calculated as total government revenues minus total government expenditures.

Government gross debt is reported according to the SNA definition, which differs from the definition applied under the Maastricht Treaty. It is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt.

Public employment refers to employment in the general government as defined in the System of National Accounts (SNA). Data on employment in general government were extracted on 17 April 2023.

Data on employment in general government for Iceland, Japan, Korea, Mexico, Türkiye and the United States are from the International Labour Organization (ILO), ILOSTAT.

Data show women as a share of cabinet members who head ministries as of 1 January 2023 (excluding ministers without portfolios).

The data on age of cabinet members reflects the situation as of 20 December 2022.

OECD average refers to the unweighted average with the exception of public finance indicators.

For more information see

www.oecd.org/governance/government-at-a-glance.htm