

# Regional Studies Association Winter Conference 2012

*Smart, Creative, Sustainable, Inclusive: Territorial  
Development Strategies in the Age of Austerity*

## CRISIS AND SOCIAL INFRASTRUCTURE TRANSFORMATION IN LATVIA

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IEGULDĪJUMS TAVĀ NĀKOTNĒ



# Introduction

- **The aim** of this research is to analyse social infrastructure provision changes in times of austerity in Latvia.
- **The hypothesis:** measures of austerity provoke centralization processes in country and social infrastructure provision decrease in peripheral areas.
- **Tasks:** We analyzed education and health care infrastructure provision in Latvia. Limitations in the research are caused of statistical data availability about infrastructure elements in regions.

# What is Social Infrastructure?

Author	
Teriman, Yigitcanlar, Mayere, 2011	Broadly, social infrastructure are structural elements that allow goods and services to move between different people and places.
SACOSS, 2009	Social infrastructure is a mix of these two physical – or ‘hard’ – and ‘soft’ infrastructure.
Jimenez, 1994	Human (also called social infrastructure) - or those services that raise the productivity of labor (health, education, nutrition).
Hirschman, 1958	...Services without which primary, secondary and tertiary production activities cannot function. In its wider sense it includes all public services from law and order through education and public health to transportation, communications, power and water supply, as well as such agricultural overhead capital as irrigation and drainage systems

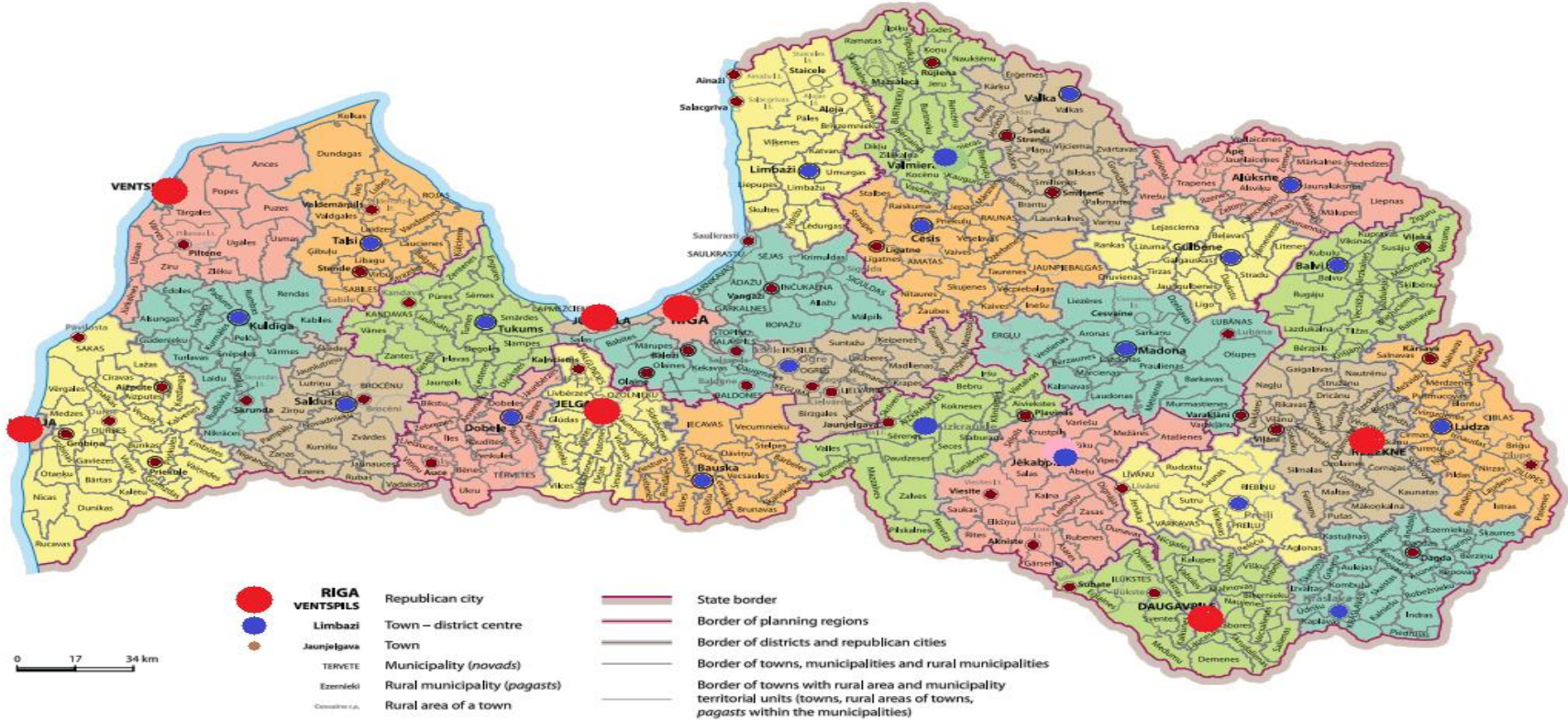
# What is Social Infrastructure?

Author	
Jeremey, 1994	The positive link between measures of infrastructure and development is fairly robust across studies and methodologies. However, it is more difficult to pin down the quantitative evidence regarding this impact, particularly that of aggregate measures of physical infrastructure.
Sahoo, Dash, Nataraj, 2012	Infrastructure development in China has significant positive contribution to growth than both private and public investment. China suggests that it is necessary to design an economic policy that improves the physical infrastructure as well as human capital formation for sustainable economic growth in developing countries.
SACOSS, 2009	'Social' (or 'human') infrastructure and 'human capital' are different in their definitive application but represent two sides of the same coin: investment in people.

# “Hard” and “Soft” Social Infrastructure

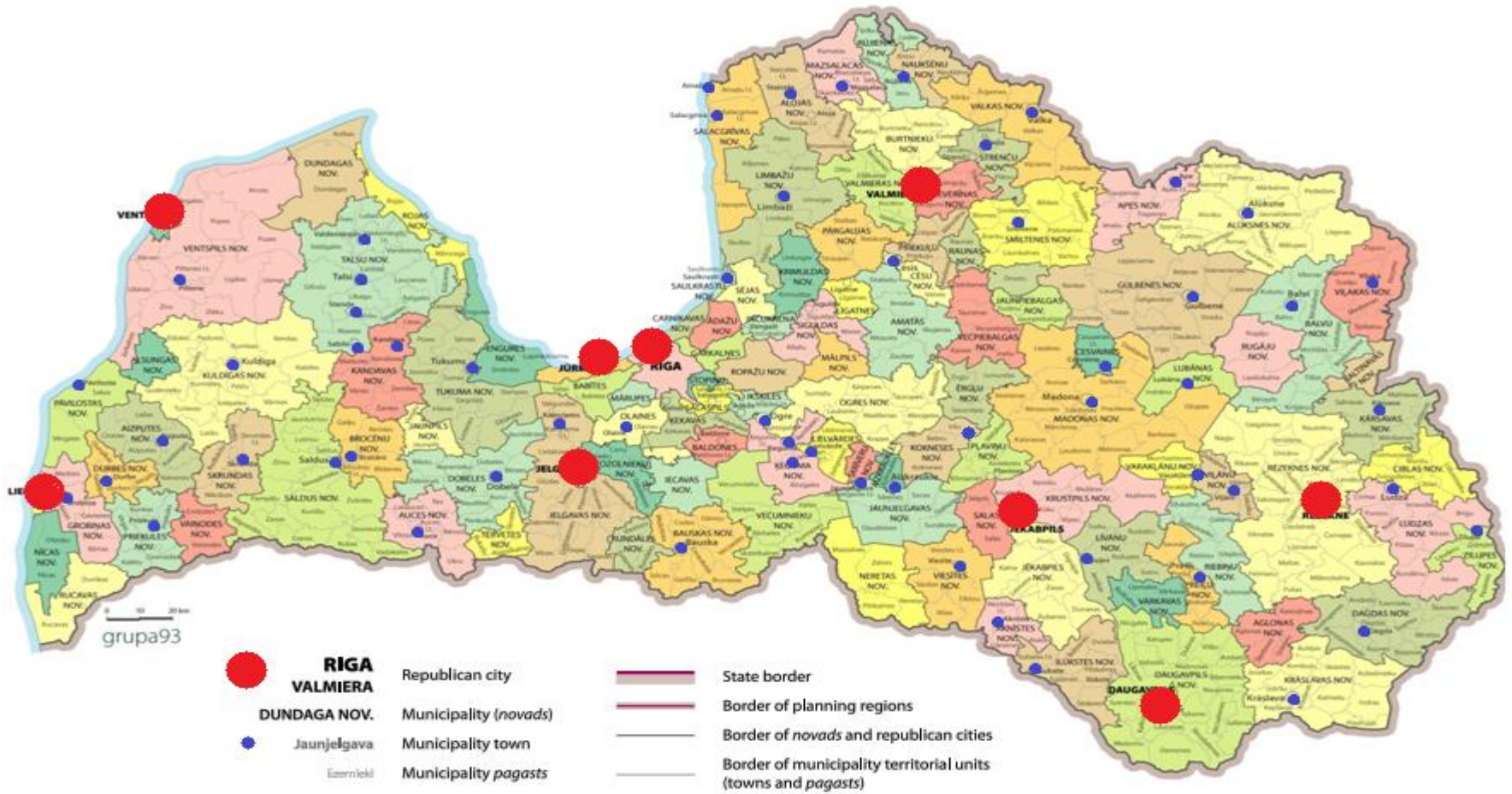
Soft social infrastructure	Hard social infrastructure
Health and social care: Primary care, Health centres, Doctors/GP surgeries, Hospitals and Tertiary care;	Parks, Allotments, Open space, Play areas;
Nursery/pre-school, primary, secondary, further and higher education, adult training; Primary and secondary schools; Adult and Community education;	Theatre and Performing Arts; Youth centres/clubs; Community groups; Other community and cultural infrastructure: libraries, community halls, etc.
Public safety ;	Parks, Allotments, Open space, Play areas;
Employment and training;	Public transport and other transport, Route system;
	Buildings – both individually and collectively;

*Source: Authors construction according with (BPF, 2010; Brent Cross Cricklewood Planning Application, 2008; Office of the Deputy Prime Minister, 2003; Teriman, Yigitcanlar, Mayere, 2011)*



<b>Administrative territories</b>	<b>458</b>
District local governments	26
Local governments	522
Republican cities	7
Towns	50
Municipalities (Novads)	41
Rural municipalities (pagasts)	424

The second tier of administrative territorial division embraced 33 administrative territories – the territories of districts and republican cities. The republican cities were included in both tiers of administrative territorial division at the same time.



Administrative territories

118

Republican cities

9

Municipalities (Novads)

109

Town-district centre  
Town

Municipalities (Novads)

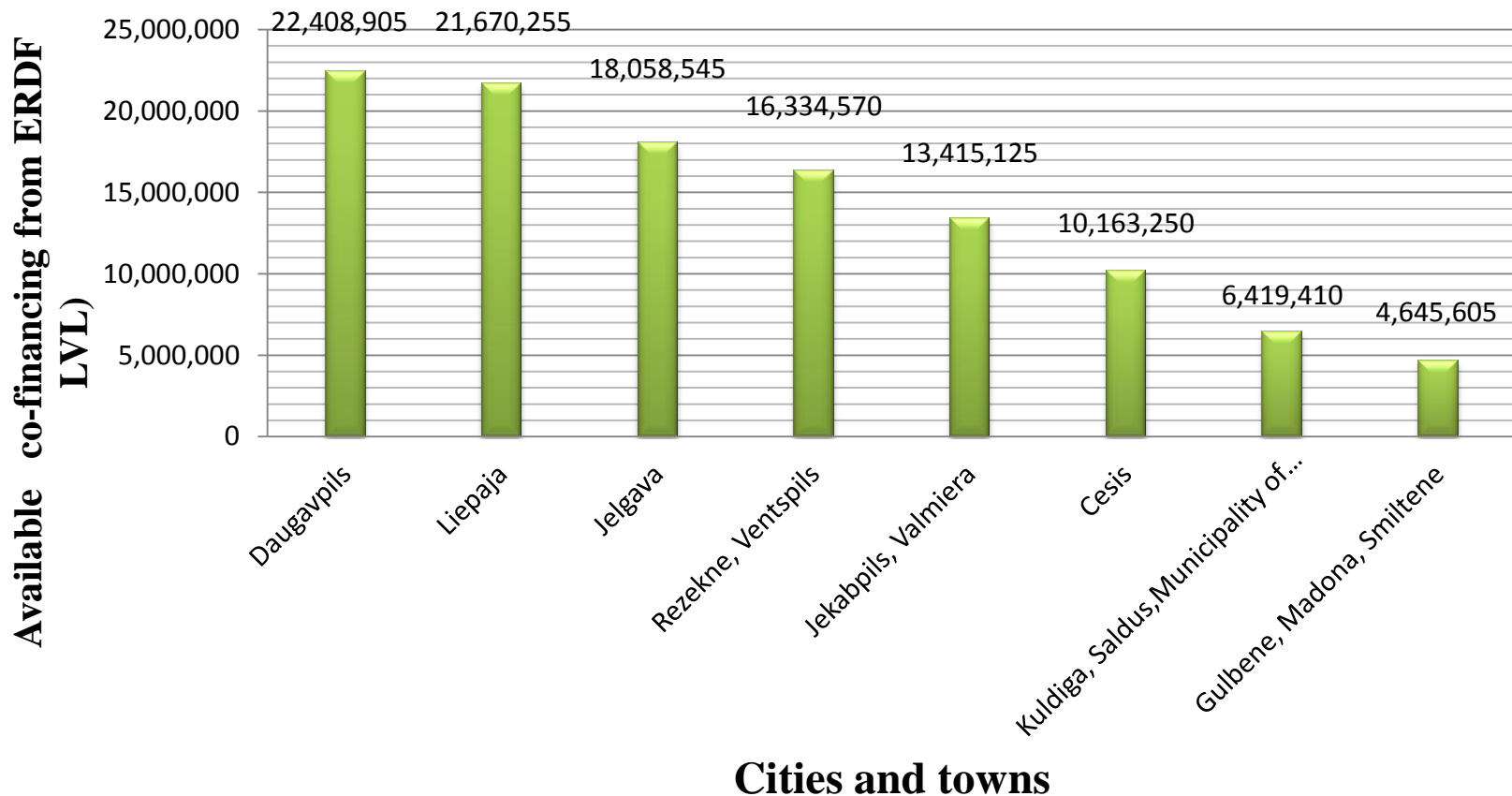
Criteria for Republican city	Criteria for Municipality (Novads)
City has developed commercial activities, transport and community facilities, as well as a <b><u>social infrastructure</u></b> ;	The territory of <i>novads</i> is <i>geographically united</i> and has rural areas and populated areas there;
The city has a significant complex of cultural institutions;	Local government of novads ensures the fulfillment of the social services provision prescribed by the law;
There are at least 25 thousand permanent residents in the city	There are at least 4000 permanent residents in the territory of <i>novads</i>
	There is a village with more than 2000 permanent residents or a town in the territory of <i>novads</i>
	The distance from any populated area in novads to the administrative centre of novads does not exceed 50 kilometres, and the road infrastructure is suitable for accessing the administrative centre of novads;
	Optimum establishment of the territory of novads has to be ensured, taking into account the interests of the neighbouring local governments and historical links.



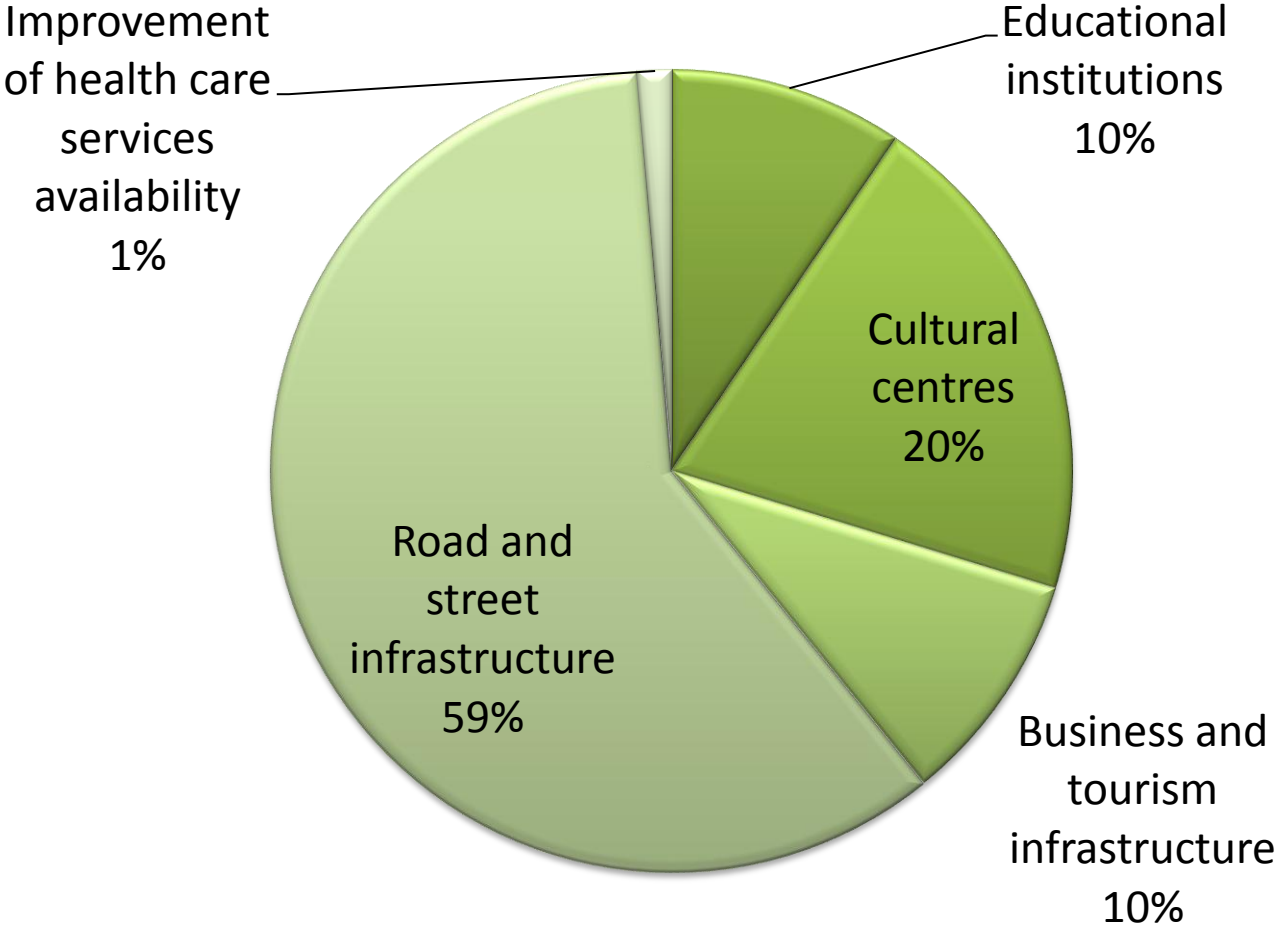


## Next step: Polycentrical regions

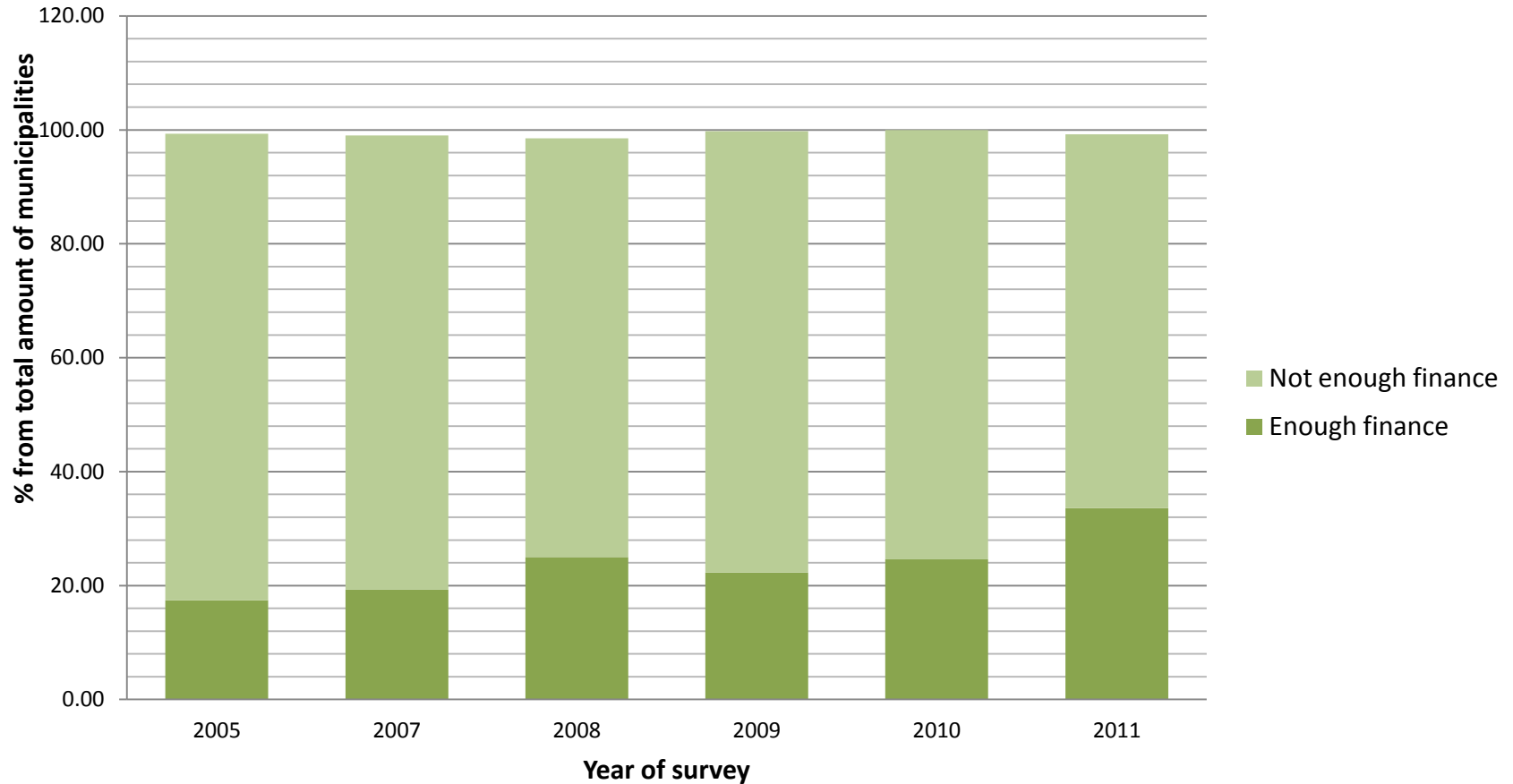
In order to decline economic and social activities excessive concentration in Riga and its surrounding territory, and prevent regional inequality.



# ERDF co-financing to polycentrism development (Scope of accepted projects in 2012 (N=76))



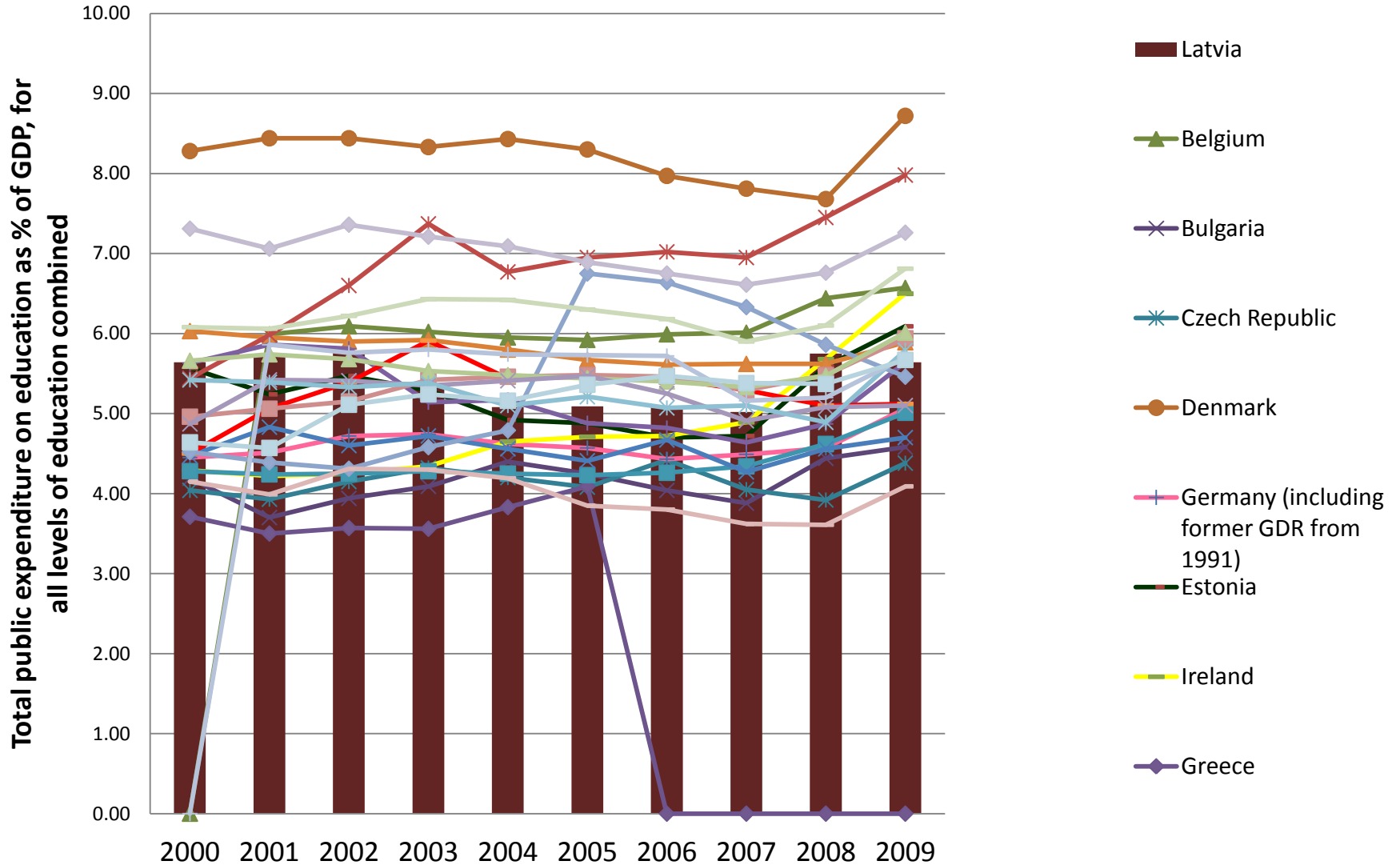
# Whether the municipalities operate enough financial funds to provide its autonomous functions?



Source: Krastins, Vanags, Avotins, 2011.

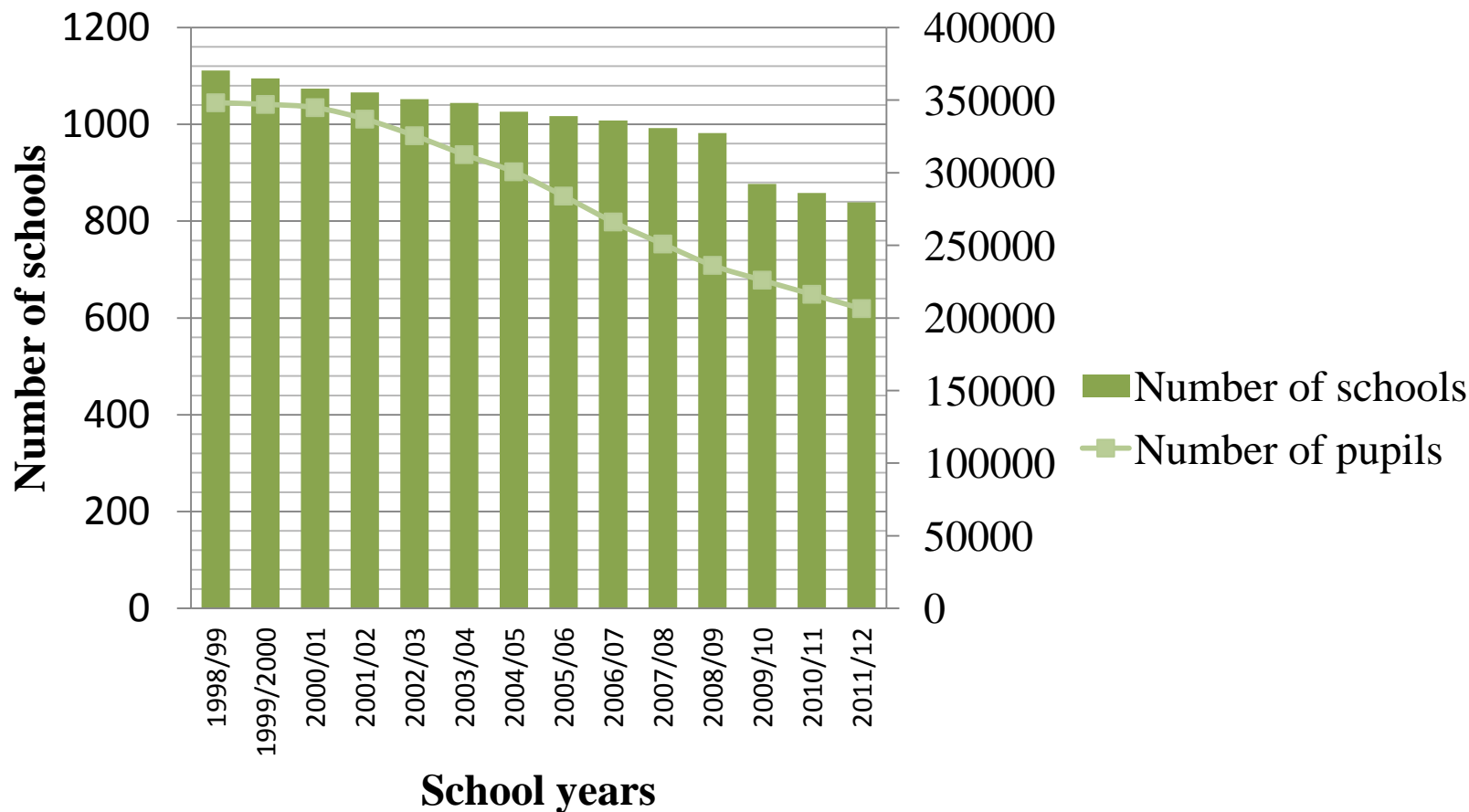
# Transformations of basic education system in regions

# Public sector expenditures for education system.



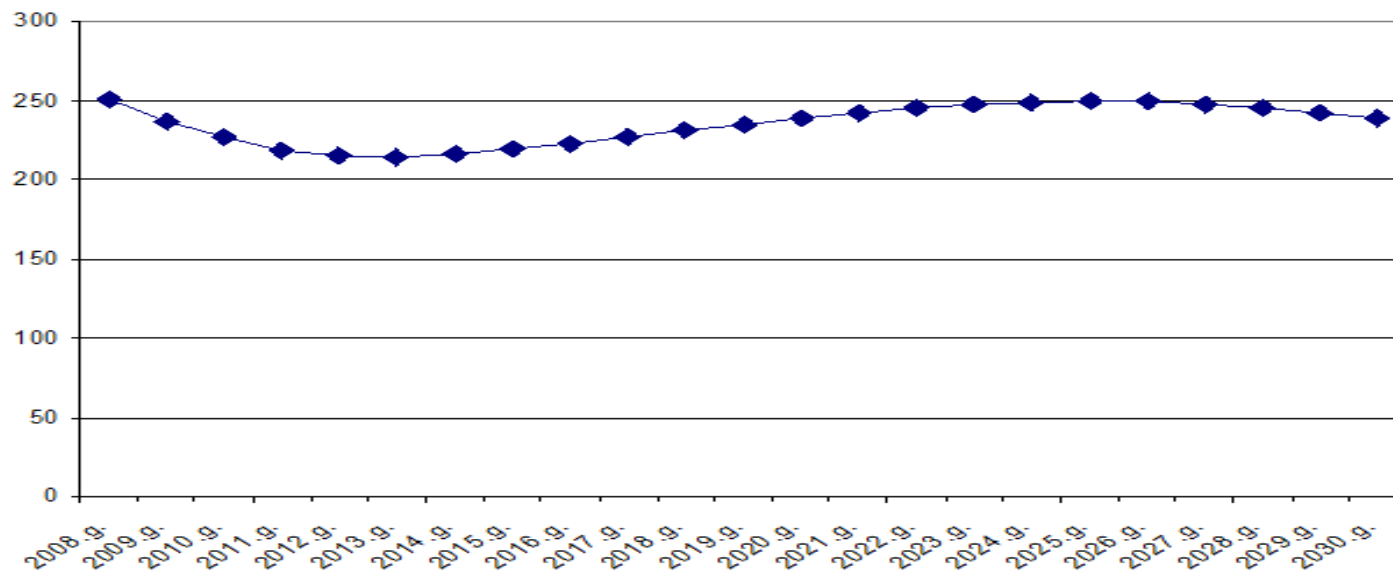
Source: Eurostat

# Compliance of number of schools to number of pupils



Source: Central statistical bureau of Latvia

## Forecast of the number of pupils to 2030

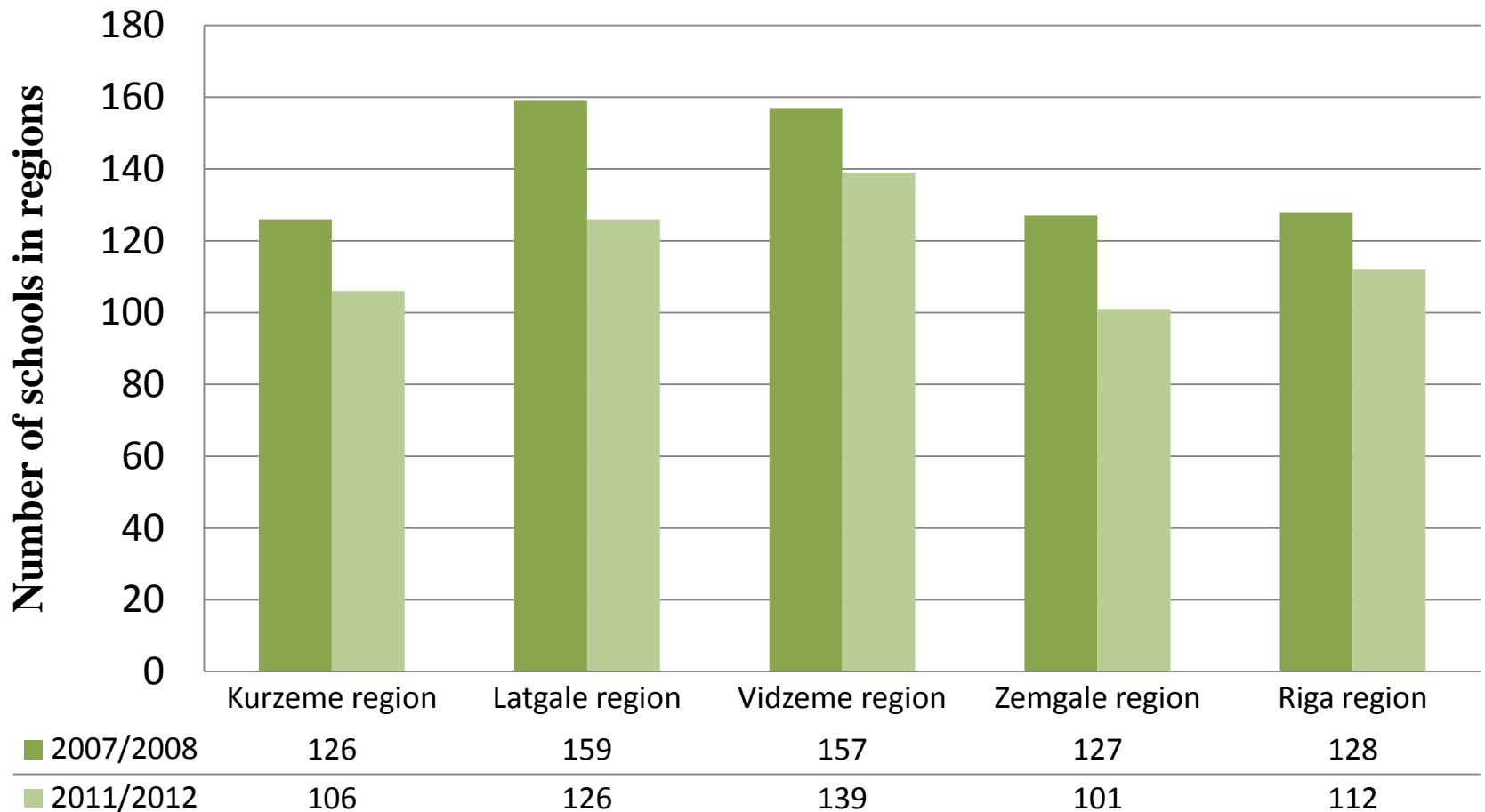


Source: Ministry of education and science, Republic of Latvia

The next 5 years, due to decreasing the number of pupils, many schools activities become unprofitable and smallest schools in regions will be closed. As a result decline of education in regions, and decline of availability of education.



# Reduction of number of general education schools in regions

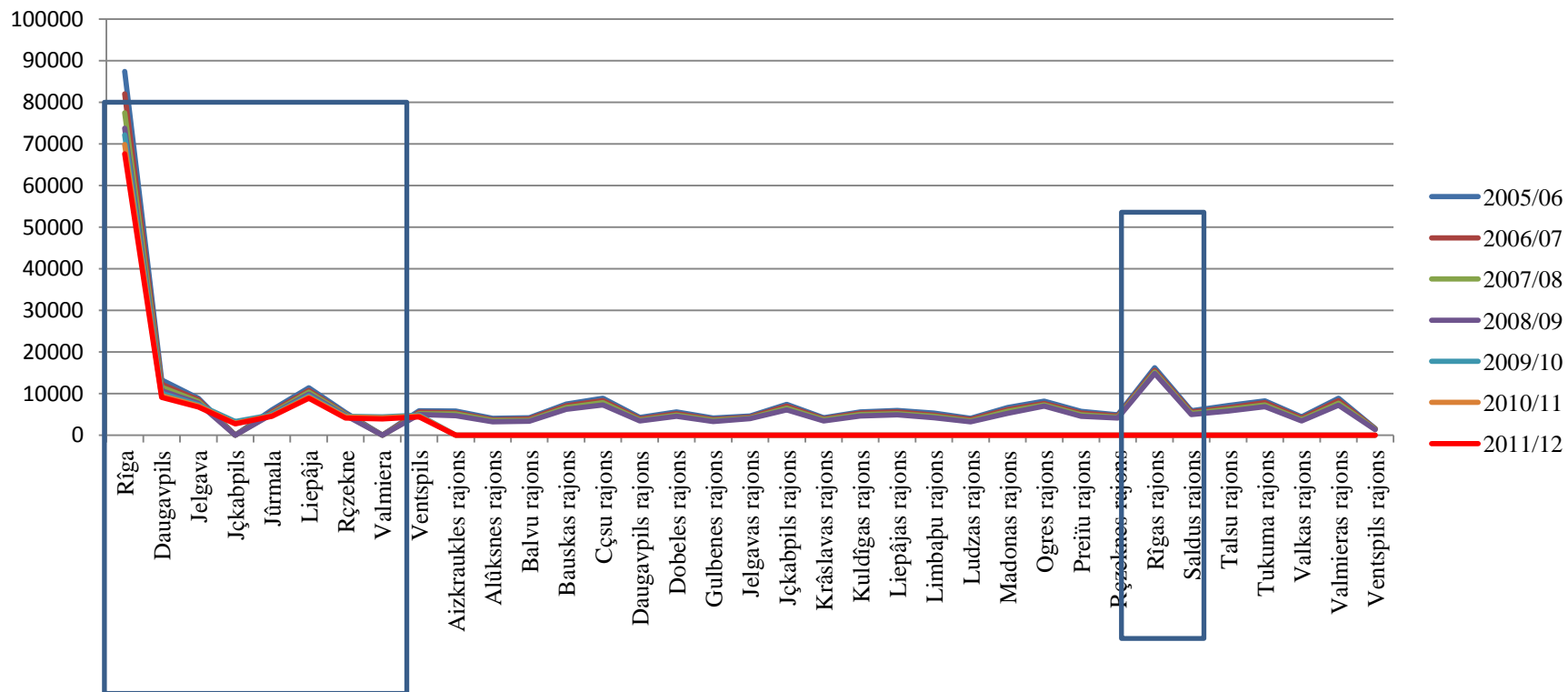


Source: Authors construction according with data from Ministry of education and science, Republic of Latvia

## Principle “money follows to the pupil”

- Implementation of principle “money follows to the pupil” provide pupils concentration in larger central schools.
- Schools provide transportation or boarding-houses.
- In larger schools teachers have a higher salary.

# Number of pupils in central cities and districts

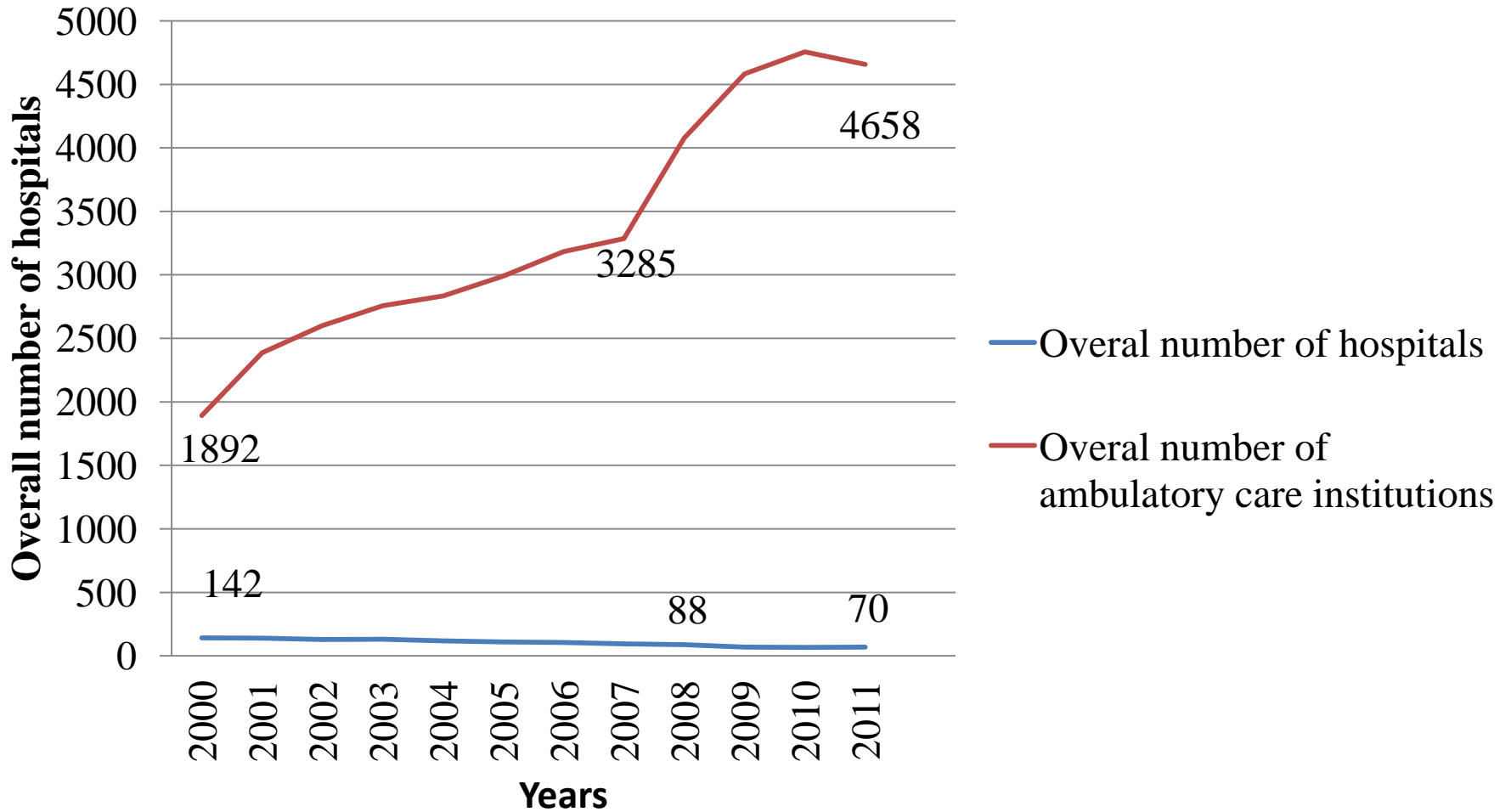


\*Gap in data at the result of territorial administrative reform

Source: Central statistical bureau of Latvia

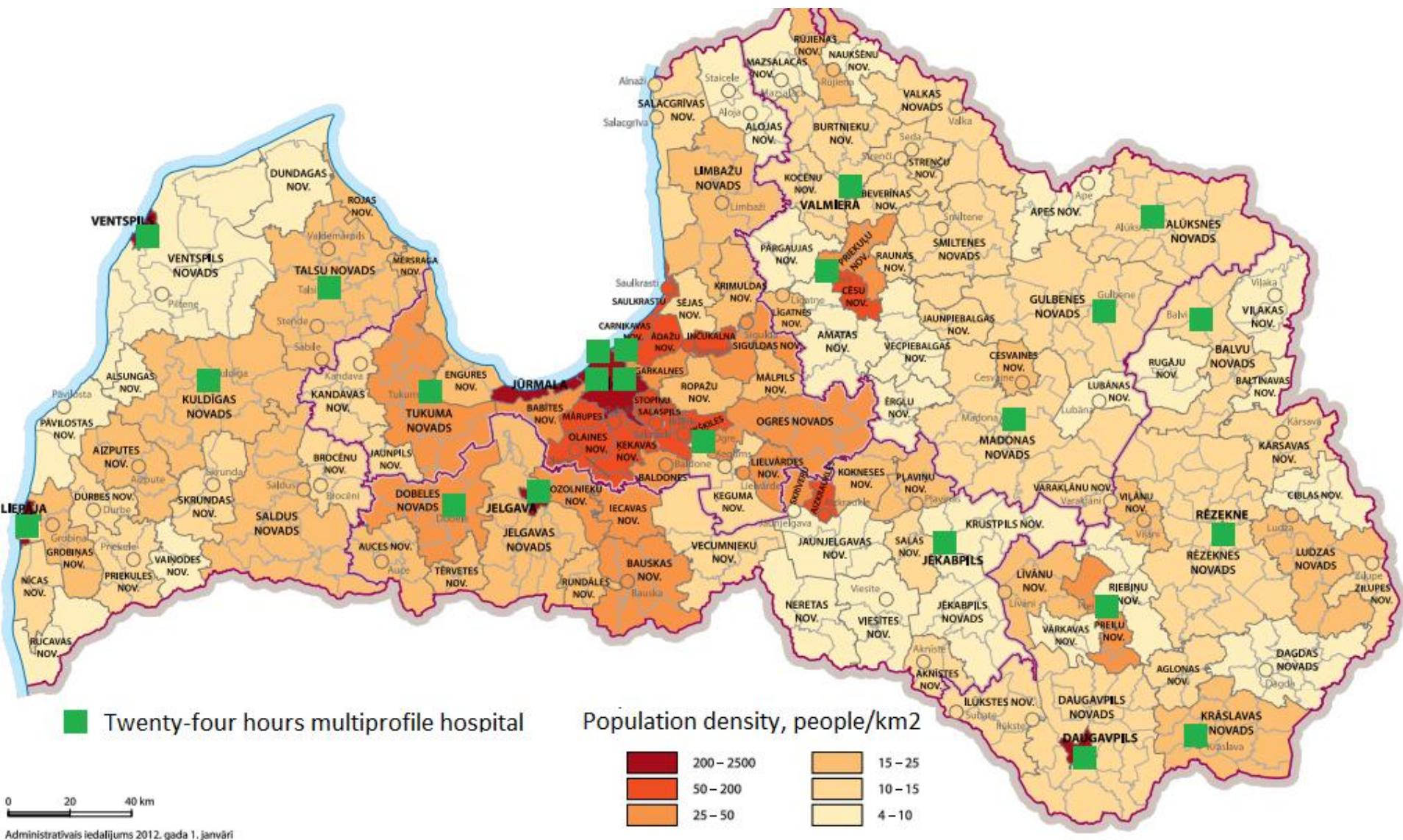
# Transformations of health care system in regions

## Ambulatory care institution vs hospitals

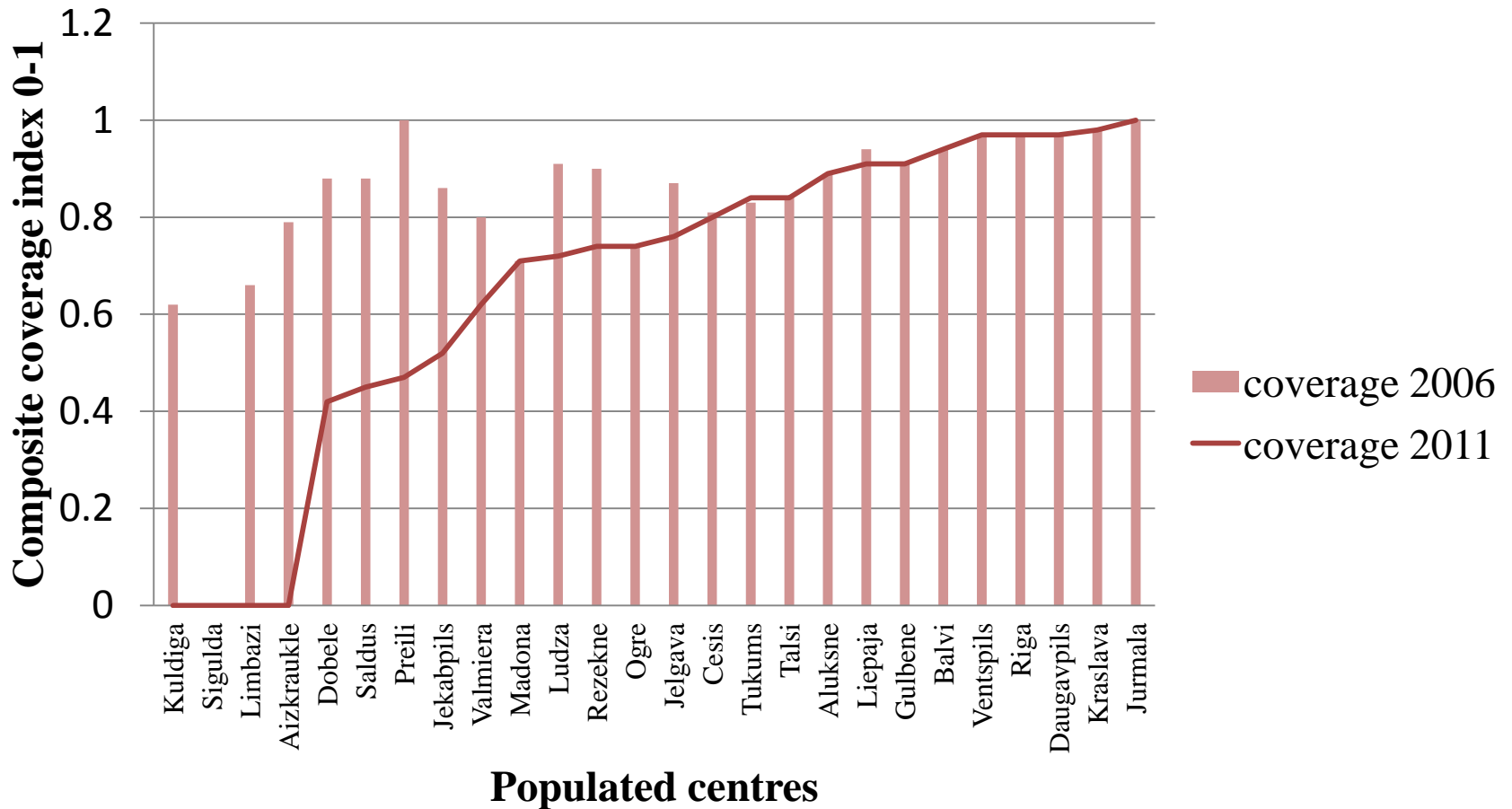


Source: Central statistical bureau of Latvia

# Local multi profile hospital network transformations in period 2006 - 2011



Source: Authors construction according with data from Ministry of Health of the Republic of Latvia



**Hospitals availability 2006 – 83% Hospitals availability 2012 – 66%**

Increased journey distance to hospital appears to be associated with increased risk of mortality. Research data suggest that **a 10-km increase in straight-line distance is associated with around a 1% absolute increase in mortality.**

*(Nicoll, West, Goodacre, Turner, 2007)*

# Conclusions:

- Both sectors of social infrastructure (education and health) demonstrate centralisation trends.
- In education sector this centralization are caused by principle „money follows to pupils”,
- Health sector we observed earlier planned structural reform realization on the background of crisis.



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## THANK YOU!!!



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- Social Infrastructure is a subset of the infrastructure sector and typically includes assets that represent social services.
- examples of Social Infrastructure Assets include: schools etc.

<http://www.nzsif.co.nz/Social-Infrastructure/What-is-Social-Infrastructure/prisons, hospitals,>

**IDG01. DZEMDĪBU UN DZIMUŠO SKAITS**

	Dzimušo skaits
<b>1991</b>	34948
<b>1992</b>	31909
<b>1993</b>	27035
<b>1994</b>	24500
<b>1995</b>	21789
<b>1996</b>	19969
<b>1997</b>	18999
<b>1998</b>	18589
<b>1999</b>	19561
<b>2000</b>	20406
<b>2001</b>	19802
<b>2002</b>	20220
<b>2003</b>	21136
<b>2004</b>	20470
<b>2005</b>	21629
<b>2006</b>	22418
<b>2007</b>	23394
<b>2008</b>	24098
<b>2009</b>	21807
<b>2010</b>	19328
<b>2011</b>	18937

**Gads****2011**

Increased journey distance to hospital appears to be associated with increased risk of mortality. Research data suggest that a **10-km increase in straight-line distance is associated with around a 1% absolute increase in mortality.** (Nicoll, West, Goodacre, Turner, 2007)

