

A Self-evaluation Survey of Local Governments in Latvia

Dr.habil.oec., Professor
Edvins Vanags

Director of the Latvian Statistical Institute

E-mail: [lsi\[at\]latnet.lv](mailto:lsi@latnet.lv)

Dr.habil.oec.

Ilmars Vanags

Adviser to the President

of the Central Statistical Bureau of Latvia

E-mail: [ilmars.vanags\[at\]csb.gov.lv](mailto:ilmars.vanags@csb.gov.lv)

Poster presentation prepared for the 8th International Conference
of Finland Futures Research Centre and Finland Futures Academy

“Changing Foresight Practice in Regional Development –

Global Pressures and Regional Possibilities”

7-9 June 2006, Turku, Finland

Introduction

In the summer of 2005 the Latvian Statistical Institute conducted its first self-evaluation survey of local governments.

Latvia is the second country (after Sweden) in Europe, which has implemented a self-evaluation (conjuncture) survey of local governments.

The Latvian programme of the survey is more comprehensive than the Swedish programme.

The periodicity of the Latvian survey is once a year. It covers all local governments in the country.

The response rate in the first survey was 100% - all the 530 local governments of Latvia submitted the questionnaires.

The source of data on self-evaluation is the answers given by the heads of local governments to qualitative questions on the economic situation, its changes, the present and future tendencies and the limiting factors.

The results of self-evaluation of local governments are successfully used for short-term forecasts, analysis and planning of local government activities.

The Principles of the Latvian Self-evaluation Survey of Local Governments

- Use of the Latvian Statistical Institute's experience in the organisation of conjuncture research (business tendency surveys) in the sectors of the national economy (industry, construction, retail trade, agriculture, the services sector and investments), as well as the use of Swedish experience in local government conjuncture research, taking into consideration the specific characteristic features of Latvia.
- Inclusion of the following issues in the questionnaire apart from the traditional conjuncture questions:
 - sociological questions, for example, the attitude of the heads of local governments to the amalgamation of local governments, their co-operation and creation of regional self-governments;
 - open-ended questions about the hardships and problems encountered by local governments.
- Complex analysis of the results of the conjuncture survey of local governments and information obtained from other surveys and sources (mainly official statistics).
- Evaluation of retrospective forecasts and comparisons with real data.
- Principle of accumulation of data and their comparison across the time series.

The Balance of Answers and the Confidence Indicator

The balance (saldo) of answers is used as an indicator, which provides a possibility to aggregate the answers to each question only by one number. The latter is important for the accumulation of data of previous years (organising the time series).

The balance of answers with three options is calculated as the difference between the percentages of positive answers (increase, above normal, etc.) and negative answers (decrease, below normal, etc.).

For the questions, which expect answers in five options, the balance of answers (S) is determined by the formula

$$S = ("++") + 0,5("+") - 0,5("-") - ("--"),$$

where

("++") - percentage of very positive answers (e.g., very good);

("+") - percentage of rather positive answers (e.g., good);

("-") - percentage of rather negative answers (e.g., bad);

("--") - percentage of very negative answers (e.g., very bad).

The experience of conjuncture surveys shows the usefulness of calculating the composite indicator (the confidence indicator) for the whole survey. It is calculated as the arithmetical mean of the balances of answers of the most important questions.

Parts of the Latvian Questionnaire

1. Employment.
2. Economy and finance.
3. Quality of local government performance.
4. Activities of the population.
5. Local government reforms.

The questionnaire contains 35 questions. Nine of them are divided into nine sub-questions: schools, preschool establishments, health care institutions, social care, cultural establishments, public utilities, administration, other areas, local government in total.

Types of the Questions

- present tendency questions – 9
- future tendency questions – 6
- present level questions – 5
- future level question – 1
- characterising the limiting factors – 1
- type “yes” and “no” answers– 13
- additional open ended question

Taking into consideration the sub-questions, 112 evaluation indicators can be obtained on local government performance in Latvia as a whole, its six statistical regions and the five planning regions.

Most of the present tendency questions have a note of future in them, as the answers to these questions, although referring to the whole year, must be given in the middle of the year.

All tendency and two level questions are three point scale questions but four level questions – five point questions.

Fragment of the Questionnaire

III Quality of Local Government Performance

12. Was the local government budget for 2005 approved in due time?

Yes 1 No 2

13. Was a territorial master plan worked out?

Yes 1 No 2

14. If the local government has the territorial master plan, how do you estimate its quality:

very good 1 good 2 satisfactory 3 bad 4 very bad 5

15. The quality of performance of the local government offices and commercial companies is estimated as:

	very good	good	satisfactory	bad	very bad
	1	2	3	4	5
1. In schools		X			
2. In preschool establishments		X			
3. In health care institutions			X		
4. In the area of social care and aid			X		
5. In cultural institutions	X				
6. In municipal economy				X	
7. In administration		X			
8. In other areas			X		
9. Total for the local government		X			

Results of the Self-evaluation Survey

The analysis of results of the conjuncture survey of local governments refers to Latvia as a whole, its five planning regions and the six statistical regions as the NUTS 3 level units. The results of the survey are presented in the form of text, tables and graphs (diagrams). The book "The First Self-Evaluation of Local Governments" has been published. The results have also been published in the country's leading newspapers.

Some Results of the Survey for Latvia as a Whole in the Table Corresponding to the Form of the Questionnaire

(% of number of respondents)

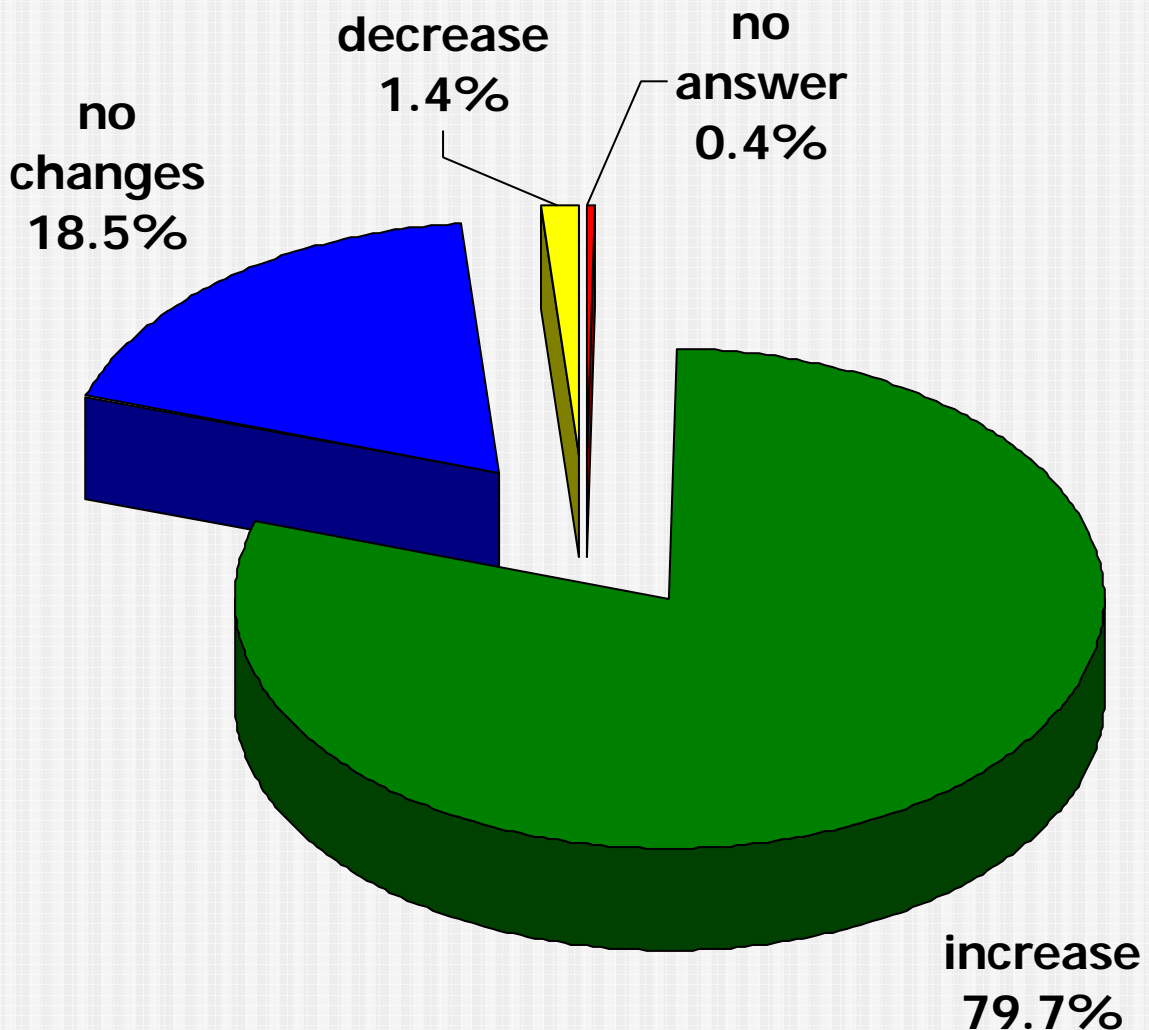
Investment in the local government offices and commercial companies:

	a) in 2005 in comparison with previous year could be			b) in 2006 in comparison with 2005 will		
	higher	about the same	lower	increase	remain about the same	decrease
	1	2	3	4	5	6
1. In schools	37,9	37,7	10,0	44,7	35,5	4,9
2. In preschool establishments	20,8	40,4	5,7	22,3	40,9	3,4
3. In health care institutions	11,5	51,3	7,2	12,3	53,2	3,6
4. In social care and aid	20,2	55,7	5,1	31,3	47,2	2,3
5. In cultural institutions	24,0	51,9	8,1	30,2	49,4	3,6
6. In municipal economy	38,7	42,1	7,9	49,1	35,8	3,4
7. In administration	17,0	62,5	6,6	16,6	64,2	4,2
8. In other areas	7,4	37,0	2,1	10,0	35,7	1,3
9. Total in local governments	31,7	50,9	4,9	36,6	47,2	2,8

A Few Examples of Aggregated Information Obtained in the Result of Self-evaluation of Local Governments in Latvia

The number of population in local government who are leaving for foreign countries to work has a tendency to increase

(the balance of answers: 78.4 %)



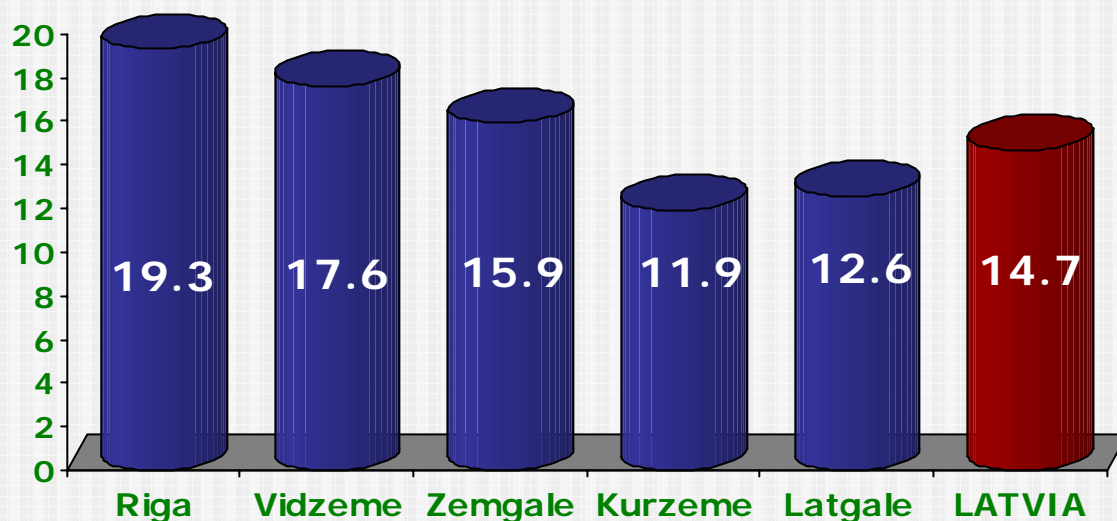
Evaluation of the Quality of Schools' Performance in 2005

(in per cent)

Region	Very good	Good	Satisfactory	Bad	Very bad	Balance of answers
A	1	2	3	4	5	6
Latvia in total	7,0	58,1	27,4	0,4	0,0	35,8
Riga planning region	5,4	71,4	23,2	0,0	0,0	41,1
Riga city	0,0	100,0	0,0	0,0	0,0	50,0
Pieriga statistical region	5,5	70,9	23,6	0,0	0,0	40,9
Vidzeme region	8,8	60,3	26,5	0,0	0,0	39,0
Zemgale region	8,3	49,6	31,6	0,8	0,0	32,7
Kurzeme region	9,2	58,6	26,4	1,1	0,0	37,9
Latgale region	4,8	59,1	26,3	0,0	0,0	34,4

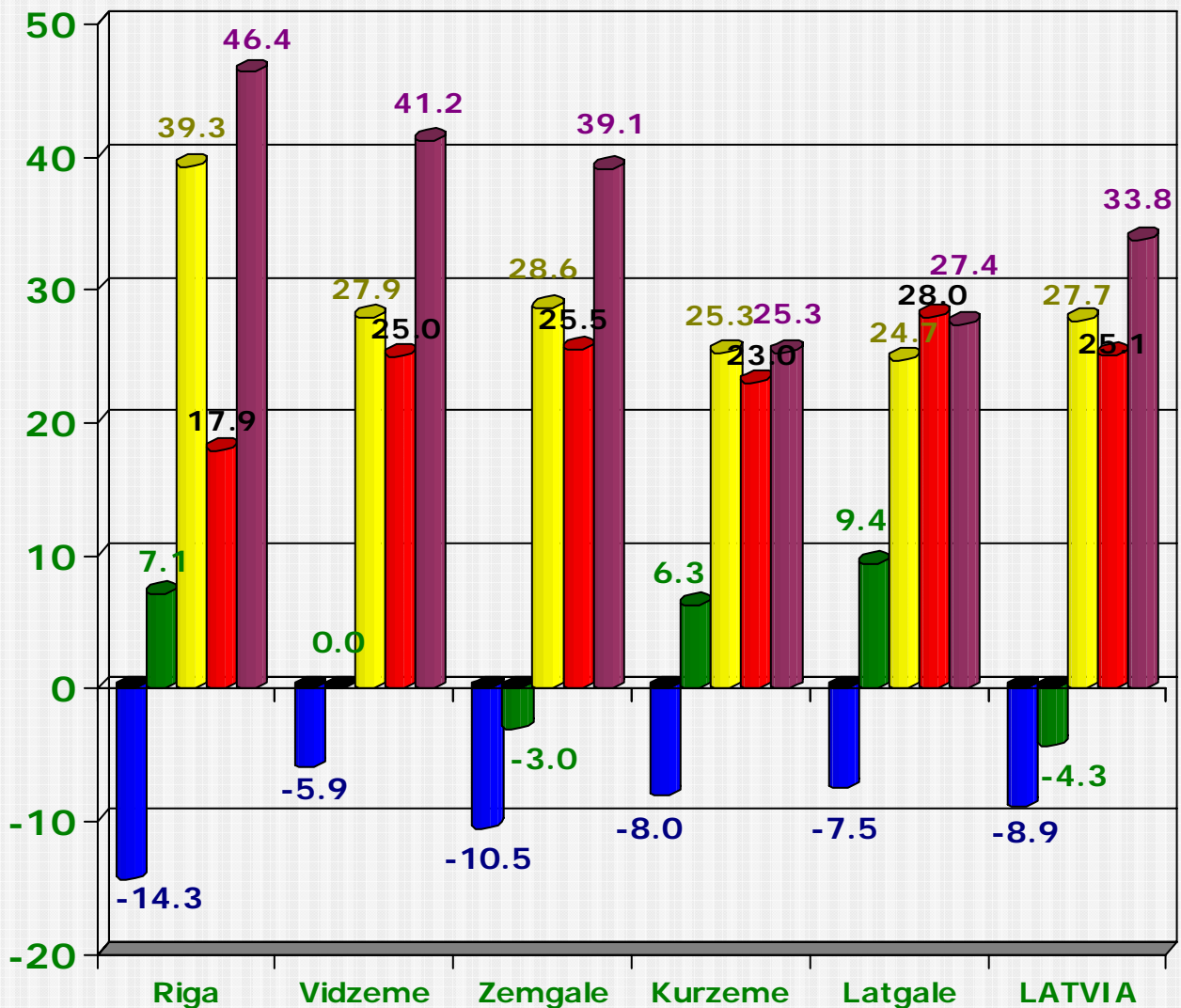
Local Governments' Confidence Indicator in Latvia's Planning Regions

(in per cent)



Components of Local Governments' Confidence Indicator in Latvia's Planning Regions

(balance, %)



- Adequacy of number of employees in mid-2005
- Financial situation of local government in mid-2005
- Quality of local government offices and commercial companies in mid-2005
- Participation of population in activities of local government in 2005 in comparison with previous year
- Expected changes of investment in 2006

Main Problems and Hardships of Local Governments

<i>Difficulties due to objective reasons</i>	<i>Problems the solution of which depends mainly on central institutions</i>	<i>Problems and difficulties that can be either partly or fully solved by local governments</i>
A	B	C
Long distance to Riga, regional and district centres	Insufficient funding	Low level qualification of local government deputies and employees
Passiveness and lack of initiative of population	Restricted local government access to capital market	Insufficient administrative capacity of local governments
Demographic crisis	Insufficient local government and financial autonomy	Insufficiency of seminars and training in the locality
High unemployment level	Complicated project documentation of EU Structural Funds	High share of payments in local government budget for pupils attending schools of other local governments
Low personal income and inflation	Fragmentation of reforms	Low quality management of local government housing stock
Controversies between political parties or electors' associations	Excessive bureaucratisation, too many surveys	Undeveloped entrepreneurship
Interpreting democracy as all-permissiveness by selected population groups	Bad roads and communications	Orientation of local governments toward survival and not development
Unfavourable regional differences inherited from the socialist era concerning social and economic development	Protracted administrative territorial reform	
Frequent changes of government	Controversies and frequent changes in laws and government regulations	
Inertia and propensity to retain the existing system of public administration including that of local governments	Distribution of budgetary funding according to the principle of party membership	
	Absence of State Development Programme for regions	