

Analysis of Factors Influencing Local Governments Performance in Kurzeme Region

Dace Štefenberga

Kārlis Krēsliņš

Ventspils University College



Kurzeme region within the map of Latvia



Ventspils University and Ventspils city



Challenges for territorially balanced development

- On macroeconomic level – decrease of inequality between EU average and Latvia indicators (GDP, labour force, entrepreneurship)
- On Latvia level- to minimize development differences between Riga region and regions in Latvia or to define accordingly preferences for competitiveness for each region
- On regional level – to ensure equal development within the whole region

Main tasks

- To minimize regional differences in the territorial development
- Defining regional competitiveness preferences
- Level: governance, public sector, companies in the local market, export orientated companies, inhabitants

Activities for solving tasks

- Research of situation within the region – indicators of development, rate of development
- Selection of model to accurately evaluate the situation
- Determination of impacting factors and development of possible solutions and alternatives
- Creation of the appropriate model for each region

ES regulations and planning documents

- Information basis:
 - EU legal acts and regulations – European territorial cooperation and territorially specific models
 - Legal regulations of Latvia
 - EU and Latvia policy planning documents;
- Main aspects:
 - Competitiveness and knowledge based economy
 - Regional and country development
 - Balanced and sustainable development model

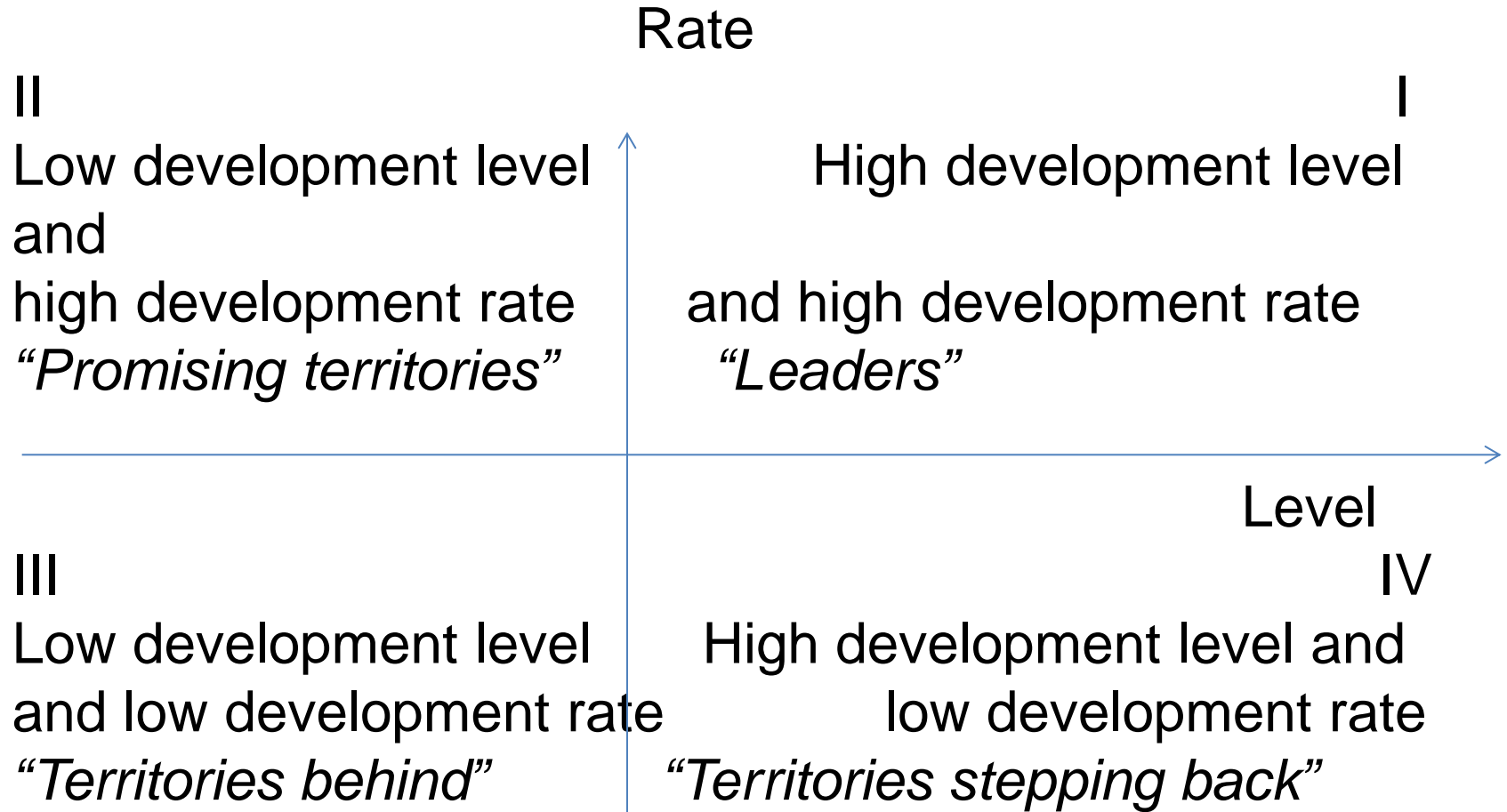
Development of region and country

- Development of country is determined by equal development of all its territories and regions.
- OECD – regional development
- Policy planning documents:
 - European level –
 - Smart specialization strategy;
 - Europe 2020,
 - Latvian level:
 - NDP 2014.-2020.; Latvia 2030, EU Structural funds policy
 - Guidelines for development of science, technology and innovations;
 - Guidelines for industrial policy
 - Guidelines for regional development – transition from subsidies to activation and strengthening of local resources
- Regional level – strategies and action plans for regional development

ESPON CUBE model with three indicators

I Geographical location <ul style="list-style-type: none">- agglomeration centre-- agglomeration suburb-- rural close to urban-- rural far from urban		
	II Area characteristics <ul style="list-style-type: none">- Predominantly rural - PR (more than 50%)- Intermediate IM (15 – 50%)- Predominantly urban PU (up to 15%)	
		III Development rate <ul style="list-style-type: none">- High- Above average- Below average- Low

Matrix of development level - rate



Data table

Local municipality	2009	2010	2011	2012	2013	Development rate, %	Average chain development rate, %	2009	2010	2011	2012	2013	Growth rate, %	Average chain growth rate, %	Average development rate	Rate cluster	Development level, ranking	Development evaluation
Aizputes novads	65	72	73	75	79	122	105	13	14	16	18	22	171	115	147	2	70	z
Alsungas novads	67	82	89	95	111	165	114	13	15	18	25	33	263	128	214	4	38	a
Brocēnu novads	50	51	53	57	64	127	106	14	15	17	19	23	162	113	144	2	53	z
Dundagas novads	44	50	52	56	60	136	108	16	15	17	17	20	124	106	130	1	52	z
Durbes novads	95	108	116	109	111	116	104	12	12	16	21	23	189	118	153	2	43	z
Grobiņas novads	55	60	60	62	69	127	106	18	18	19	21	25	139	109	133	1	37	a
Kuldīgas novads	61	67	65	66	73	119	105	20	20	22	24	29	148	110	133	1	64	z
Mērsraga novads	37	27	37	39	48	129	110	23	24	26	27	36	155	112	142	1	14	a
Nīcas novads	87	95	91	91	89	102	101	18	20	21	24	26	143	109	122	1	31	a
Pāvilostas novads	76	83	81	87	94	124	106	17	15	21	24	31	180	118	152	2	67	z
Priekules novads	77	88	89	91	95	124	106	8	9	12	12	15	191	118	157	2	83	z
Rojas novads	44	47	41	41	49	111	103	24	28	26	27	31	130	107	121	1	27	a
Rucavas novads	92	111	113	113	125	135	108	9	14	16	18	24	266	128	200	4	74	z
Saldus novads	67	68	71	73	85	127	106	24	24	25	28	33	139	109	133	1	32	a
Skrundas novads	52	57	59	57	66	126	106	15	15	17	18	22	148	111	137	1	92	z
Talsu novads	63	68	70	69	76	121	105	22	23	25	26	30	136	108	129	1	42	z
Vaiņodes novads	46	53	53	54	56	121	105	6	10	11	14	18	289	131	205	4	97	z
Ventspils novads	53	57	57	57	62	118	104	18	18	20	20	25	144	110	131	1	49	z
Number of economically active market sector statistical units per 1000 inhabitants								Number of individual commersants and companies per 1000 inhabitants										

Summary of results of speed cluster and development level – Kurzeme region

- $L = 214 - 121 = 93$
- Increment = $93/4 = 23,25$
- Cluster #1 = 121 – 144
- Cluster #2 = 145 – 167
- Cluster #3 = 168 – 191
- Cluster #4 = 192 – 214

Local government	Cluster of rate	Level of development	Evaluation of development
Grobiņas novads	1	37	a
Mērsraga novads	1	14	a
Nīcas novads	1	31	a
Rojas novads	1	27	a
Saldus novads	1	32	a
Dundagas novads	1	52	z
Kuldīgas novads	1	64	z
Skrundas novads	1	92	z
Talsu novads	1	42	z
Ventspils novads	1	49	z
Brocēnu novads	2	53	z
Pāvilostas novads	2	67	z
Priekules novads	2	83	z
Durbes novads	2	43	z
Aizputes novads	2	70	z
Alsungas novads	4	38	a
Rucavas novads	4	74	z
Vaiņodes novads	4	97	z

Kurzeme region

(development rate – development level clusters)

I Low rate

High level

Grobiņas novads	37
Mērsraga novads	14
Nīcas novads	31
Rojas novads	27
Saldus novads	32

Low level

Dundagas novads	52
Kuldīgas novads	64
Skrundas novads	92
Talsu novads	42
Ventspils novads	49

II Rate below average

High level

Low level

Aizputes novads	70
Brocēnu novads	53
Pāvilostas novads	67
Priekules novads	83
Durbes novads	43

III Rate above average

High level

Low level

IV High rate

High level

Low level

Alsungas novads	38
Rucavas novads	74
Vaiņodes novads	97

Summary of results of number of inhabitants and growth rate

- $L = 32773 - 1592 = 31181$
- Increment = $31181/4=7795$
- Cluster #1 = $1592 - 9387$
- Cluster #2 = $9388 - 17183$
- Cluster #3 = $17184 - 24978$
- Cluster #4 = $24979 - 32773$

Local municipality	Number of inhabitants at the beginning of 2014 (Source: PMLP data)	Cluster of number of inhabitants	Cluster of growth rate
Dundagas novads	4556	1	1
Mērsraga novads	1774	1	1
Nīcas novads	3697	1	1
Rojas novads	4236	1	1
Skrundas novads	5609	1	1
Brocēnu novads	6552	1	2
Durbes novads	3187	1	2
Pāvilostas novads	3017	1	2
Priekules novads	6211	1	2
Rucavas novads	1893	1	4
Alsungas novads	1592	1	4
Vaiņodes novads	2775	1	4
Grobiņas novads	9874	2	1
Ventspils novads	12890	2	1
Aizputes novads	9839	2	2
Kuldīgas novads	26017	4	1
Saldus novads	27239	4	1
Talsu novads	32773	4	1

Kurzeme region

(Number of inhabitants – growth rate clusters)

(from 1592 to 32773=increment 7795)

1 – low growth rate; 4 – high growth rate

I Low number of inhabitants 1592 - 9387

Alsungas novads 4
Brocēnu novads 2
Dundagas novads 1
Durbes novads 2
Mērsraga novads 1
Nīcas novads 1
Pāvilostas novads 2
Priekules novads 2
Rojas novads 1
Rucavas novads 4
Skrundas novads 1
Vaiņodes novads 4

II One increment higher number of inhabitants 9388-17183

Aizputes novads 2
Grobiņas novads 1
Ventspils novads 1

III One increment higher number of inhabitants 17184-24978)

IV One increment higher number of inhabitants 24979-32773

Kuldīgas novads 1
Saldus novads 1
Talsu novads 1

Selection of territory

- Recommendation to select for research **Alsunga territory** (high rate, high level, located in between large cities Ventspils, Kuldīga un Liepāja) and **Rucava territory** (high rate, low level, located at the borderline and close to Liepāja city and port).

Qualitative research

- Survey of executive directors of the municipalities

Main questions:

- Evaluation of the overall economic situation in the country
- Successful utilization of EU structural funds (investment plans of local governments, competences of employees at local governments in development planning, project management and financial management)
- Survey on who can carry out sustainable development of the countryside (government as institutions, local governments (managers-employees), people living in the territory of local government)

SMART TERRITORY

I Smart Economy

- Industrial production
- Agricultural production
- Services

II Smart People

- Human capital
- Social capital

III Smart Governance

IV Smart environment

- Social environment
- Environment of nature
- Infrastructure

MODEL FOR BALANCED SUSTAINABLE DEVELOPMENT OF TERRITORY WITHIN THE CONTEXT OF KNOWLEDGE ECONOMY

High ratio of innovative entrepreneurship

Exploitation of EU funds for fostering innovative entrepreneurship

Innovative methods of governance

Development of economic activities of SMEs

Enlargement of favourable e-environment

Next steps

- Determination of factors which foster and restricts entrepreneurial activities, economical situation, growth rate and level of development
- Determination of smart development models
- Best practice examples of smart region and companies in the region
- Select indicators which characterize smart, sustainable development of Latvia regions in order to carry out detailed analysis of Kurzeme region
- Develop scenario-model for sustainable development for the Kurzeme region

**THANK YOU FOR YOUR
ATTENTION!**
