

Review of Latvia's Main Human Development Indicators

Human development as a whole is determined by the development of each individual in society. The effectiveness of investments into human development depends upon several factors, including the level of a country's economic development and the state and availability of its social infrastructure. The principal human development indicators concerning Latvia are treated briefly in this Review.

The statistical tables in this **Report** have been prepared in accordance with United Nations Development Programme (UNDP) specifications. The tables reflect the most significant human development indicators in Latvia, including health, education, the environment, and employment. Information from the Central Statistical Bureau of Latvia (CSB), as well as from various ministries, institutions and international organizations was used in the preparation of this Appendix.

The statistical information that appears in these tables has been obtained, for the most part, in accordance with internationally applied methodologies. Data obtained from sample surveys conducted by the CSB and other institutions has also been used.

In some cases, the information in these tables may differ from that which was published in the Latvia Human Development Report 2000/2001. This is due to the use of new sources of information and to the revision of certain data.

For example, with the transfer to 2000 average prices, the information on Latvia's Gross Domestic Product was revised regarding the period starting from 1995. Consequently, other indicators that are calculated on the basis of the GDP have also changed.

The calculation of some indicators is based on the population census of 2000. The number of inhabitants in Latvia was revised after the results of the census were finalized, and led to changes in another figures.

When possible, data is presented for 2002. If not otherwise noted, data is provided in comparison to the previous year.

The information obtained in the Household Budget Survey for the period from 1996 to 1999 was recalculated in accordance with the standards of the EU Statistics Office. This resulted in changes in some income level indicators.

The data of the Labour Force Survey is used as the primary source of information on employment. All the indicators from 1996 onward have been changed accordingly.

Gross Domestic Product (GDP)

Latvia's economy has been growing rapidly since 1999, when Latvia recovered from the negative effects of the Russian economic crisis one year earlier. The country's overall economic situation is gradually improving. Notwithstanding the ongoing and sometimes painful processes of economic restructuring, Latvia's unemployment level is decreasing. Latvia has been experiencing one of the fastest growth rates in Europe during the last few years. The country's economic development has been fuelled by growing domestic and external demand for its goods and services.

Latvia's Gross Domestic Product (GDP) increased by 6.1% in 2002 in comparison to the previous year. The GDP volume in actual prices was 5194.7 million lats, or the equivalent of 2130 lats per capita. Latvia's GDP growth in 2002 was furthered by a 12.7% increase in the country's volume of trade (which made up 19.9% of the total GDP), as well as continued growth in the construction sector (+10.8%, or 6.1% of the GDP), processing industries (+7.2%, or 14.8% of the GDP) and commercial services (+5.7%, or 11.1% of the GDP).

The volume of retail trade (in comparative prices) increased by 18% in 2002. Trade in automobiles, motorcycles and automotive parts grew by 39%. Growth was also recorded in the retail trade of household items, furniture, lighting fixtures and tableware (22%), construction materials (17%), and alcoholic beverages (12%). The volume of wholesale trade (in actual prices) rose by 12% in 2002.

In the processing industries the volume of electrical machinery and equipment produced grew by 24%. Other increases were reported in the production of chemical products (16%), rubber and plastic products (15%), and food and beverages (6%).

In the commercial services sector volumes of trade (in actual prices) grew most strongly in computer services (27%), architecture and architectural drafting services (27%), advertising services (18%), and legal, accountancy and consulting services (14%).

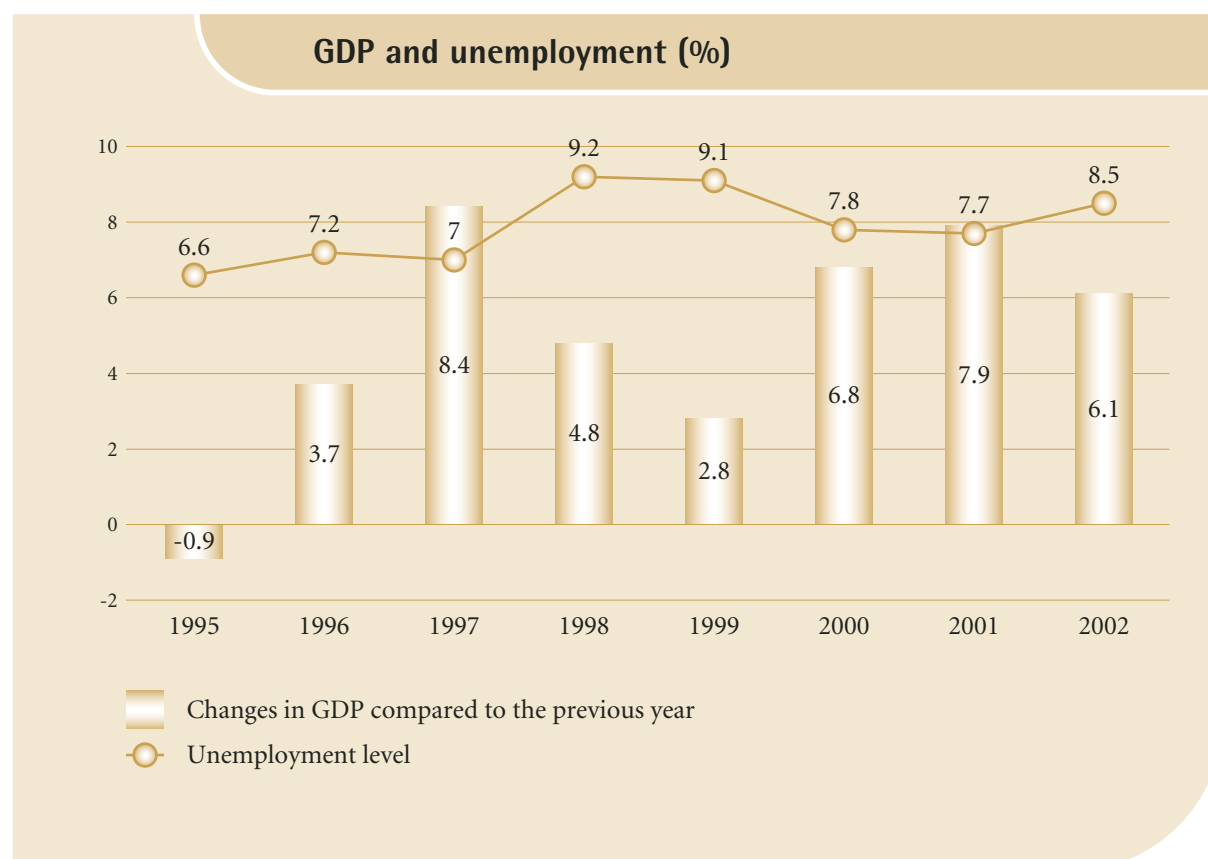
In the construction industry the ratio of construction of new facilities increased by 7%, while reconstruction activities decreased by 1% in comparison to the previous year.

Between 1996 and 2001, Latvia's GDP per capita rose by 40.5%, but is marked by significant regional differences. In Riga and its vicinity the GDP per capita is more than three times higher than in the eastern region of Latgale.

Distribution of income

The economic growth of the country has been accompanied by an increase of individual income. The average household disposable income increased by 6.9% in 2000 compared to 1999 and reached 69.19 lats per household member per month.

The increase in household disposable income increased more in the cities (by 8.1%) than in the rural areas (by 2.4%). There are also differences among socio-economic groups. Income is significantly higher than average in the households of entrepreneurs and self-employed persons (92.86 lats per household member per month) and lower than average in the households of farmers (46.28 lats) and pensioners (61.29 lats). The level of income is determined not only by the socio-economic group to which household belongs, but also by other factors, such as the demographic nature of the household. Married couples with no children have the highest average monthly income (91.79 lats on average per consumer unit¹), while single parent families with children under 16 have the lowest (71.73 lats).



¹ In recalculating the data per adult consumer, the OECD equivalence scale was used: the first adult household member equals 1.0 consumer unit, each subsequent member equals 0.7, and children younger than 14 equal 0.5 consumer units.

In recent years the remuneration for work to the employed has increased. Net monthly salaries for the employed increased by 58% between 1996 (79 lats) and 2002 (124 lats). The remuneration in the health and social care sectors, as well as in agriculture, construction, trade and other sectors remains much lower than the average in the country. The average remuneration is higher in the public sector (143 lats) than in the private sector (112 lats), and the salaries of those working in the public sector are increasing faster than in the private sector. Statistics about this, however, only partly reflect unregistered payments (envelope pay).

The increase of individual income is very uneven, and the polarization of material prosperity is increasing. The Gini coefficient¹ in Latvia has been rising steadily. Stratification has accelerated in rural areas.

The Household Budget Survey (data of 2002) shows that the poorest 20% of households had 10% of the total volume of household income at their disposal, while the wealthiest 20% of households had 40% of the total volume of household income.

As indicated earlier, the GDP per capita in Latvia is comparatively low – only 2223 lats (in actual prices) in 2002. However, the GDP per capita remains a general

Gross Domestic Product per capita in parity standards of purchasing power (PPP) in 2001

	PPP	EU-15=100
Turkey	5230	23
Romania	5620	24
Bulgaria	5720	25
Latvia	7840	34
Lithuania	8880	38
Estonia	9260	40
Poland	9410	41
Slovakia	10,970	47
Hungary	12,270	53
Czech Republic	13,810	59
Slovenia	16,830	72
Cyprus	17,090	74

Statistics in Focus. Theme 2-20/2003.

¹ The Gini coefficient shows how equally a country's total wealth is distributed on a scale from 0 to 1. A coefficient of 0 indicates an absolutely equal distribution, while a coefficient of 1 indicates absolute inequality.

Distribution of GDP by regions in 2000

GDP per capita (actual prices, in LVL)	
Average	1832
Riga region	2812
Kurzeme region	1829
Zemgale region	1032
Vidzeme region	1026
Latgale region	844

indicator that does not reflect the distribution of income in the country.

From the viewpoint of human development, it is important to examine the proportion of GDP expenditures allocated to health, education and science. Total State expenditures on health in 2002 represented 3.6% of the GDP, which is insufficient for the improvement and development of Latvia's medical services. Expenditures on education made up 7.1% of the GDP, compared to 7.5% in Finland and 8.3% in Sweden. Although expenditures on education and health are increasing annually, their actual volume is insufficient and fails to solve funding-related problems. The total GDP expenditures on science have remained almost constant for several years, at 0.2% of the GDP.

Price changes and purchasing power

In recent years the increase in consumer prices in Latvia has been close to the inflation level of more developed countries and one of the lowest among the EU candidate countries. In 2002 prices increased by 1.9% (compared to 2.5% in 2001). Price changes differed in various groups of goods and services. The highest increase in prices was seen in educational services (6.3%), medicines and health care (4.6%), and foodstuffs (3.4%). Price levels decreased in communications (by 5.4%).

Gini coefficient

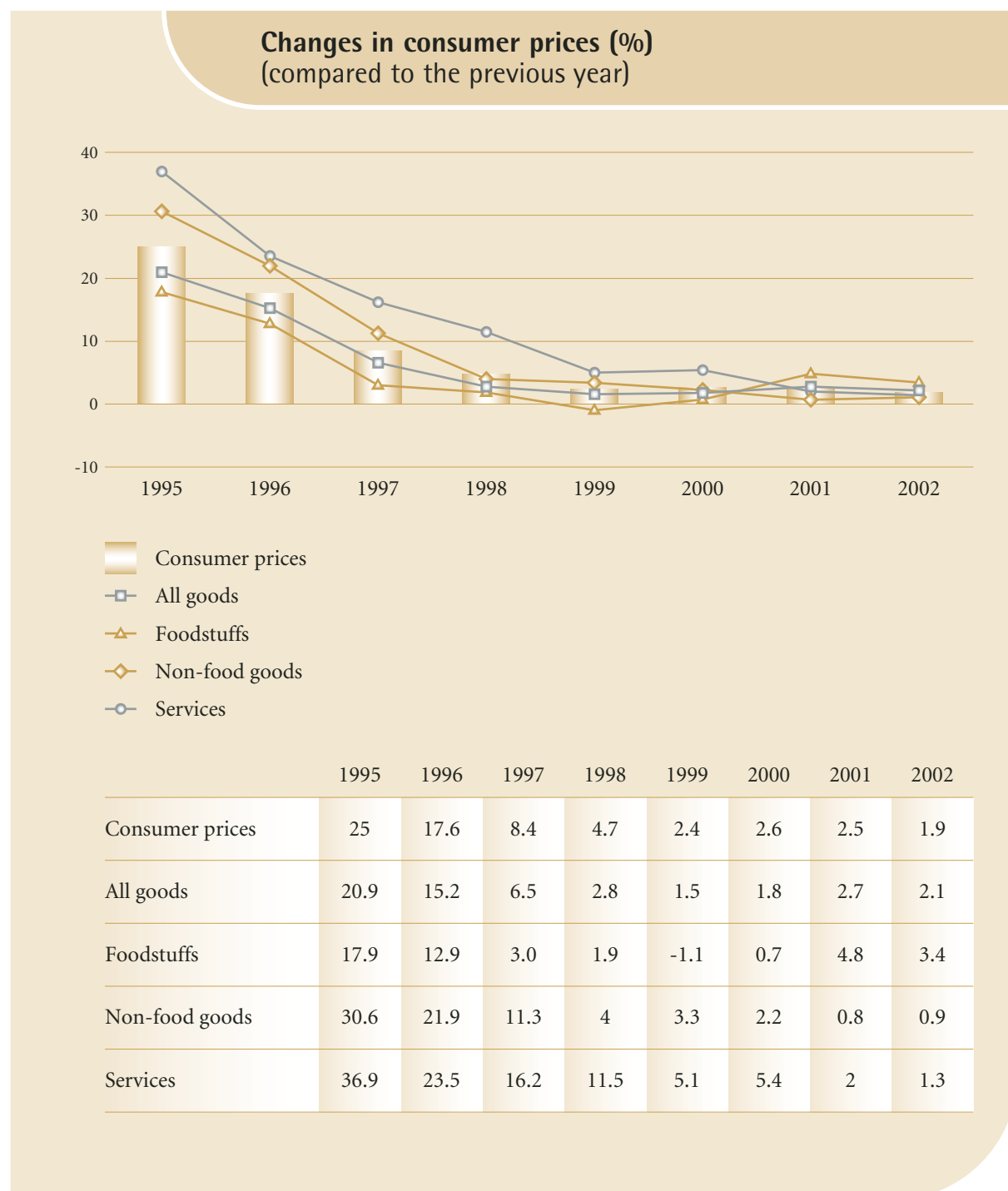
1996	1997	1998	1999	2000	2001 ¹	2002
0.30	0.31	0.32	0.31	0.34	0.34	0.34

¹ Data on 2001 refer to the period between May 2001 and April 2002. The Gini coefficient is higher in Estonia (0.37), but lower in Lithuania (0.33).

Prices have a significant impact on the family budget. As prices rise, the purchasing power of households usually diminishes. According to the Household Budget Survey, disposable household income increased by 6.9% in 2000 compared to 1999. The increase of the consumer price index within this period was lower (2.6%), thus the average purchasing power of the population increased by 4.2%. However, the increase in income has been insignificant among the rural population and has not matched the increase in consumer prices. Thus, the

purchasing power of the rural population has decreased, while inequality between the cities and rural areas has grown.

Household consumer expenditures increased both in the cities and in the rural areas (by 4.5%). For all household groups in 2002 the main consumption priorities were food (35%), housing and public utilities (13%) and transport (9.7%). These expenditures, along with the purchase of clothing and footwear, made up 65% of total consumer expenses.



Employment and unemployment

	1996	1997	1998	1999	2000	2001	2002
Economically active inhabitants (thousands) ¹	1196	1167	1149	1130	1100	1107	1123
Number of employed (thousands)	949	990	986	968	941	962	989
Employment rate (%) ²	57.0	59.6	59.8	58.7	57.3	58.8	60.5
Out-of-work job seekers (%) ³	20.6	15.1	14.1	14.3	14.4	13.1	12.0
Registered unemployment level (%) ⁴	7.2	7.0	9.2	9.1	7.8	7.7	8.5

¹ Persons aged 15 and older (Labour Force Survey, 1996-2001) or aged 15-74 (from 2002 onward).

² Inhabitants between the ages of 15-74.

³ Seekers of employment as a percentage of economically active inhabitants.

⁴ Persons aged 15 and older (Labour Force Survey, 1996-2001) or aged 15-74 (from 2002 onward).

Employment rate in the regions of Latvia (%)

	2001	2002
	Age 15-64	Age 15-64
Total	58.8	60.5
Including in the regions:		
Riga	62.0	64.0
Vidzeme	59.8	62.1
Zemgale	59.9	61.0
Kurzeme	56.5	57.7
Latgale	50.4	52.0

Labour Force Survey, 2003.

Employment and unemployment

The recent improvements in Latvia's economy have had a favourable effect on labour market trends. Employment and unemployment indicators have improved in recent years.

The average number of people employed in the national economy in 2002 was 989,000. According to the Labour Force Survey, 54.4% of the population aged 15-74 was employed in 2002 (59.6% of men and 49.9% of women).

In 2002 the absolute majority of those employed in the national economy were working in the service sector (59.0%), followed by industry and construction (25.6%), agriculture and fishing (15.4%).

Lately an increase in the proportion of women has been observed in the global labour market. Between 1996 and 2001 the proportion of women in Latvia's labour force rose from 47.9% to 49.4%, then dropped to 49.0% in 2002. This is slightly higher than the average level in the EU. There are significant gender differences as to the type of employment undertaken. Women are employed more often in the service sector, while men predominate in industry and construction, as well as in agriculture and fishing.

The employment level differs among Latvia's regions. In 2002 the highest level was in the Riga region (64.0%) and in Vidzeme (62.1%), but lowest in Latgale (52.0%).

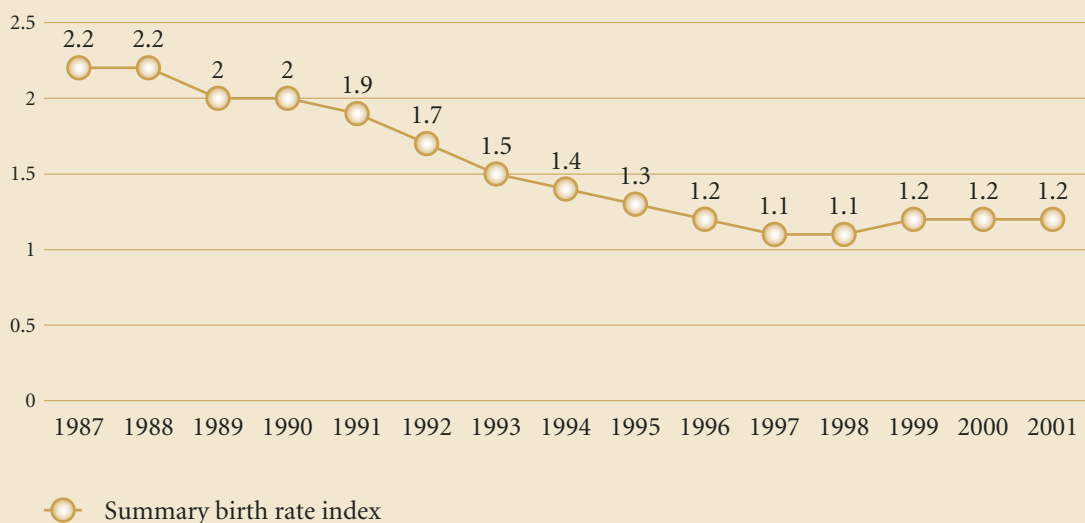
The number of self-employed has decreased in recent years, but rose slightly in 2002. The proportion of employers among the total number of employed – which had been on the increase – fell slightly in 2002.

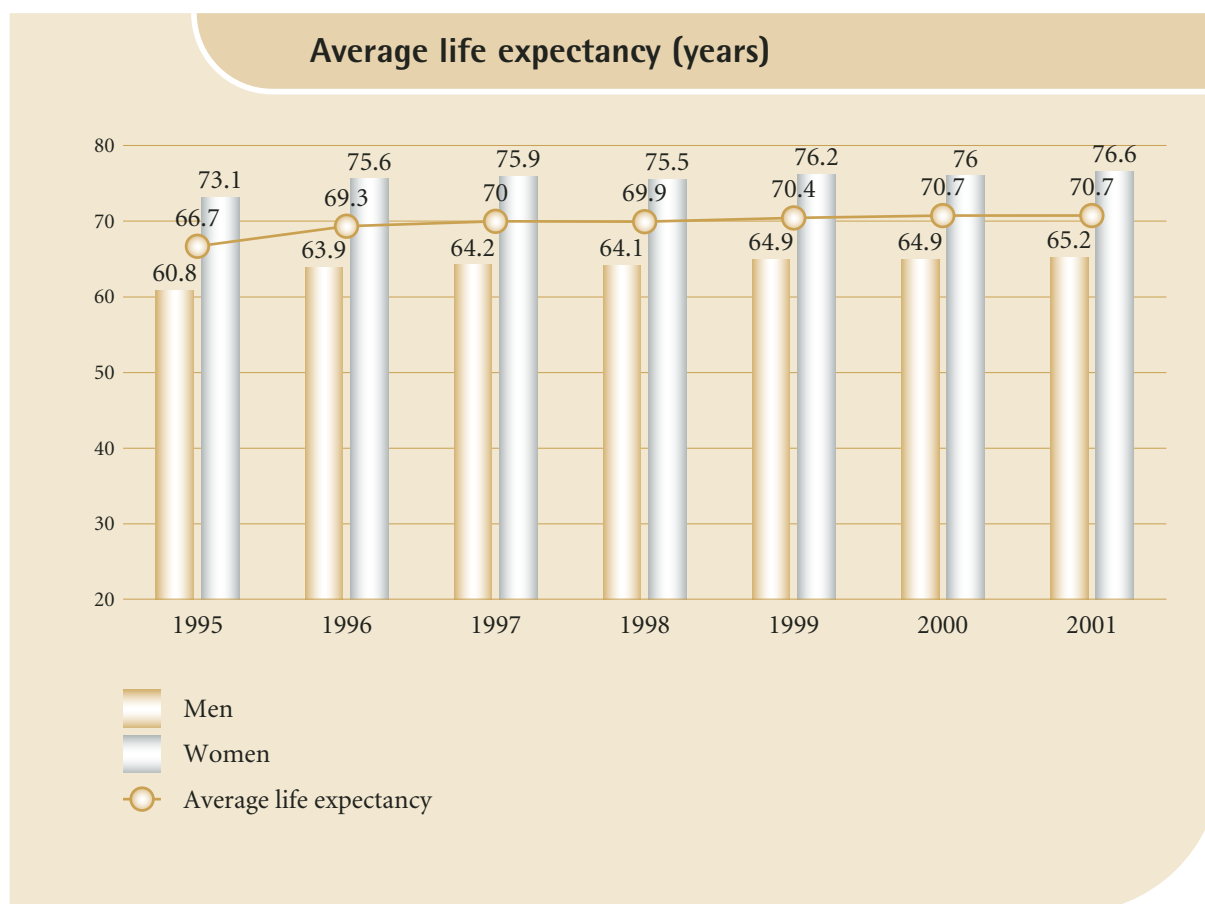
One indicator of a country's economic stability is a low rate of unemployment. In Latvia unemployment has been officially registered since 1992. According to the National Employment Service, the highest unemployment rate of 9.2% was registered in 1998, with 111,400 people out of work at year's end. The registered unemployment rate began to decrease in 1999 and fell to 8.5% (89,700 people) at the end of 2002. More than half of the unemployed (58%) are women. The degree of long-term unemployment (i.e. the inability to find work for more than 12 months in succession) is still high. In 2002 the registered long-term unemployed represented 23,700 people or 26.4% of the total number of unemployed. Most of those who are chronically unemployed either have an education that does not meet the labour market's new demands, or lack relevant work experience.

According to Labour Force Survey data, the actual rate of unemployment in the country is significantly higher (12.0% in 2002) than the officially registered one.

Total fertility rate from 1987 – 2001

Average number of children per woman of child-bearing age





Regional differences in Latvia's unemployment rate indicate uneven economic development. The highest unemployment rate in December, 2002 was in the Latgale region of Latvia, reaching 26.5% in Rēzekne, 25.0% in Balvi, 24.1% in Ludza and 20.7% in Preiļi (and their surroundings). Latgale also has the lowest GDP per capita in the country.

The demographic profile

Since the beginning of the 1990s, Latvia has experienced a significant population decrease. As the result of migration and natural movement, the number of inhabitants fell by 321,000 between 1990 and 2001. At the beginning of 2002 Latvia had a population of 2,346 million, or 12% less than during the previous population census in 1989. The number of urban inhabitants decreased more rapidly (by 14%) than the number of rural inhabitants (by 8%). This was largely due to emigration from Latvia, which affected the cities much more than the countryside.

Latvia's population decrease has slowed down in recent years. In 2002 the number of inhabitants decreased by 0.6%, compared to 1.2% in 1995.

The number of births decreased each year from the end of the 1980s until 1998, when 18,400 children were born. This was 2.3 times less than in 1987. Since 1999 Latvia's birth rate has been fairly stable. In 2002 20,000 children were born, which is 380 children more than in the previous year. The total fertility rate (TFR) in Latvia is one of the lowest in Europe. Currently it is approximately half of that, which is necessary for generation replacement (2.1 to 2.2 children per woman of child-bearing age).

The decline in Latvia's birth rate can be partly attributed to a decrease in the number of women of child-bearing age (15-49 years) by 11,000 or 1.8% between 1995 and 2001. Within the 20 to 29-year age group, which has the highest rate of birth, the number of women has decreased by 7800 or 4.6%. The proportion of children born to unmarried mothers in 2001 was 42.1%, compared to 16.9% in 1990.

The number of marriages has also been on the decline. In 2001, 9258 marriages were registered, which is 2.5 times less than at the beginning of the 1990s. The crude marriage rate (number of marriages per 1000 persons) has decreased from 8.9 marriages in 1990 to 3.9 marriages in 2001.

Latvia continues to have one of the highest divorce rates in Europe, with over 60% of all marriages ending in divorce. Nearly two-thirds (66%) of failed marriages are in families with children under 18 years of age.

Latvia's low birth rate, high mortality rate, and negative balance in migration have also led to the overall aging of the population. The number of children and teenagers (aged 0-14 years) decreased by 127,000 between 1995 and 2001. Their proportion of the population decreased from 20.9% at the beginning of 1995 to 16.6% at the beginning of 2001. The number of people aged 60 and over increased in the same period by 36,000, or from 19.0% to 21.9% of the population.

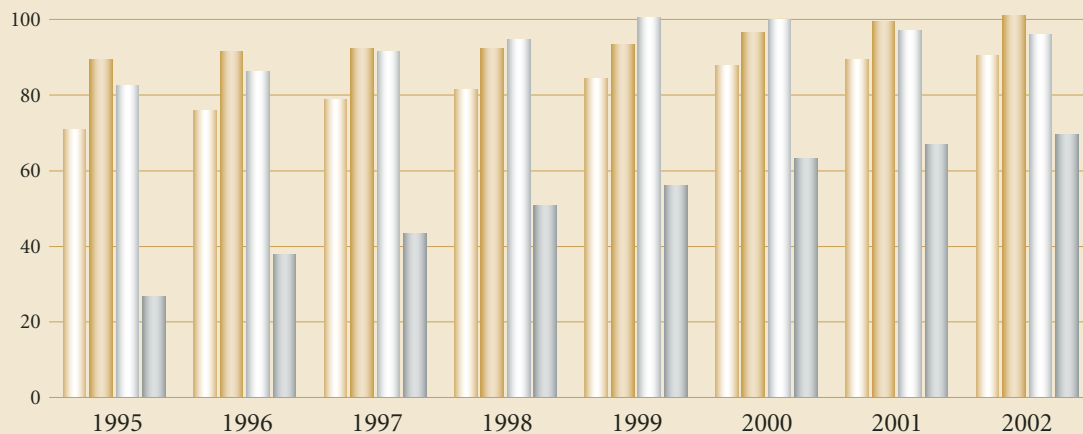
Health

Average life expectancy at birth is a significant indicator of the overall health of a population. Latvia's average life expectancy increased significantly in 1996 compared to previous years, and this tendency has continued.

The average life expectancy at birth in 2001 was 65.2 years for men and 76.6 years for women, which is significantly lower than in the EU member States.

Latvia's death rate began to decrease in 1995 from 15.7 deaths per 1000 inhabitants to 14.0 deaths in 2001. The shorter life expectancy for men is predominantly caused by greater mortality in the

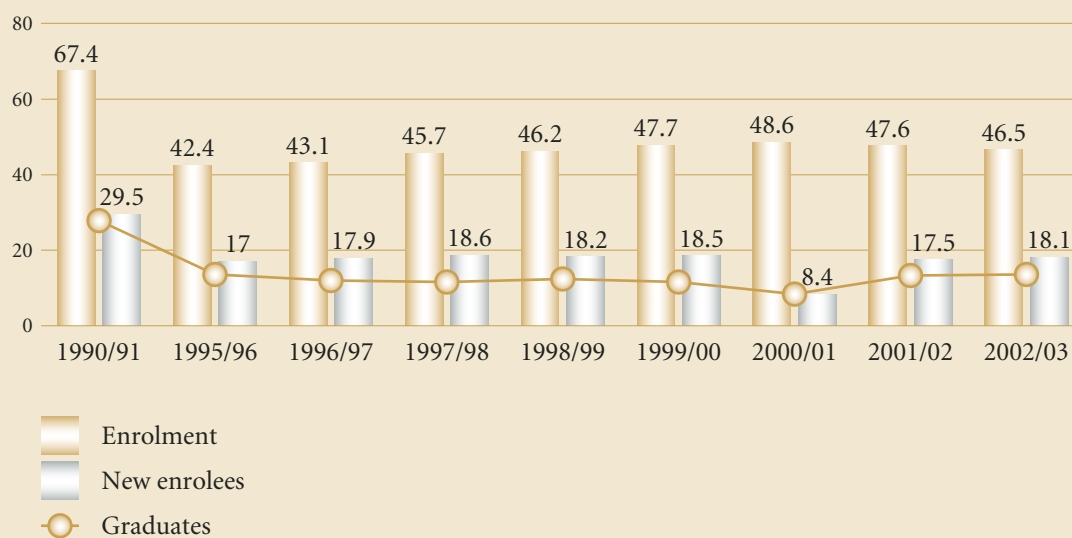
Student enrolment at educational institutions (%)



- Enrolment at educational institutions, all levels
- Enrolment at primary and lower secondary schools
- Enrolment at secondary schools
- Enrolment at tertiary education institutions

	1995	1996	1997	1998	1999	2000	2001	2002
Enrolment at educational institutions, all levels	70.8	75.9	78.8	81.5	84.4	87.8	89.5	90.5
Enrolment at primary and lower secondary schools	89.3	91.4	92.2	92.4	93.3	96.5	99.4	101
Enrolment at secondary schools	82.6	86.3	91.5	94.6	100.4	100	97	96.1
Enrolment at tertiary education institutions	26.6	37.8	43.3	50.7	56.2	63.2	67	69.7

Vocational schools: enrolment, new enrolees and graduates (thsds)



	1990/91	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Enrolment	67.4	42.4	43.1	45.7	46.2	47.7	48.6	47.6	46.5
New enrolees	29.5	17	17.9	18.6	18.2	18.5	8.4	17.5	18.1
Graduates	27.8	13.6	12	11.7	12.4	11.7	12.8	13.3	13.4

younger and middle-age groups due to accidents, traumas and other external causes.

Circulatory diseases in Latvia are the most frequent cause of death. In 2002 they accounted for 56% of all deaths in the country. The second most frequent cause of death – malignant tumours – increased by 11% between 1995 and 2001. Mortality due to external causes (accidents, poisoning, traumas, etc.) was in third place, accounting for 17.4% of all deaths.

In recent years the mortality rate of children and teenagers has decreased.

Both specialists and the public are worried by the spread of HIV and AIDS, which poses a serious threat to society. The number of HIV-infected persons began to grow very rapidly in 1998, and had increased five-fold by the end of 2001. This was

largely due to a growing number of intravenous drug users. In 2002 the incidence of newly registered HIV cases decreased to 542.

Health indicators reflect the state of a country's health care system, as well as the degree of people's health consciousness. The fact that people in Latvia could display greater health consciousness is reflected in the country's statistics on diphtheria. Diphtheria is a contagious disease that can be controlled and prevented through vaccination, yet Latvia's morbidity rate from diphtheria is among the highest in Europe. Although diphtheria vaccinations are free of charge, only 56.4% of the adult population had been vaccinated in 2001.

The funding of the health care system is one of the most serious problems, both from the perspective of the State budget and that of the individual. The Declaration of Cabinet of Ministers of November 5, 2002

envisages a health care system based on principles of solidarity, quality and general accessibility. Several measures have been planned for reaching this objective. These include defining the minimum health care services basket guaranteed by the State, and the implementation of a mandatory insurance system for public health services. Plans to increase State budget allocations to the health care system to 7% of the GDP are also envisaged.

Education

From 1995 to 2001 special attention was paid to the alignment of Latvia's educational system with European standards. The social and economic changes that Latvia has experienced are imposing new demands on its system of education. The State needs to provide a firm foundation for the consolidation of an educated society in which the inhabitants of the country can compete in the global labour market. Latvia's educated population and qualified labour force are crucial for maintaining the country's competitiveness.

Latvia's government is seeking to improve the quality of education at all levels, to guarantee its accessibility in the context of life-long learning, and to increase the effectiveness of expenditures on education.

The number of students enrolled at educational institutions has been gradually growing since 1993/1994, mainly at the tertiary level. The number of tertiary students reached 119,000 in the academic year 2002/2003, which is 3.1 times more than in 1993, and one of the highest proportions among the EU applicant countries.

The established network of institutions of general education is supposed to guarantee students the possibility to acquire an education close to their place of residence, as well as the opportunity for students and their parents to choose their educational institution.

In the academic year 2002/2003 there were 1052 institutions of general education in Latvia. Among these were 69 primary schools (grades 1-4), 500 lower secondary schools (grades 1-9), 384 secondary schools, 35 evening schools and 64 special schools.

In the academic year 2002/2003 there were 124 vocational schools, as well as 20 State and 17 private higher education institutions and colleges.

At the beginning of the 1990s the number of students at vocational schools was rapidly decreasing, but starting in 1995 the situation became more stable. Understandably, changes in the sectoral structure of Latvia's economy have influenced the choice of professions made by young people. With the increase of employment in services, the proportion of young people choosing to acquire a specialty in this sector has also risen.

The IT sector has experienced rapid growth and popularity. Between 1998 and 2001 the number of students in professional computer science programmes increased 5.4 times.

The relative decline of Latvia's agricultural sector and the low income of people employed in it have reduced the demand for professional education in this sector. The number of students attending agricultural programmes decreased 1.7 times between academic years 2000/2001 and 2002/2003. During the same period, the number of students enrolled at engineering, technical and industrial vocational training schools increased by 6.2%, following a decline that had lasted several years.

The comparatively large number of dropouts in Latvia is disconcerting. During the 2001/2002 academic year, 14% of students dropped out of vocational schools. Nearly half (48%) were first-year students, which repeats a similar pattern seen in previous years. The main causes have been non-attendance and unsatisfactory grades resulting from an insufficient knowledge level at the time of enrolment.

The graduates of vocational schools encounter difficulties in the labour market more frequently than others. At the end of 2001, 41.8% of the unemployed had a secondary professional education. According to the Labour Force Survey, only 30% of vocational school graduates worked in their profession between 1990 and 2001. This means that greater attention should be paid to ensuring contemporary professional education curricula that meet the demands of the market, as well as to the general education of students, so that they learn not only one specific trade, but are also able to change their profession if necessary.

One of the cornerstones of a quality of education lies in adequate funding. Although State allocations for education have been increasing annually during the last decade (from 4.5% of the GDP in 1990 to 6.9% of the GDP in 2001), they are still not sufficient for the proper remuneration of teachers or for the

maintenance of Latvia's school infrastructure. The OECD report entitled *National Education System – Latvia (2000)* indicates that the country's system of education managed to survive at the beginning of the 1990s only thanks to the commitment of its educators, and that serious problems remain. Teaching staff are not adequately prepared for change, are not properly remunerated and are not effectively used.

The opportunities for acquiring a quality education in the cities are greater than in Latvia's rural areas, and the choice in educational programmes also varies among the country's regions.

A serious problem lies in the age structure of the teaching staff at institutions of tertiary education. The number of professors aged over 60 is rapidly increasing. Nearly one-third (33%) of professors are older than 60, and the average age of newly appointed professors is 55. In addition, professional teaching staff are assuming posts in other sectors of the economy, resulting in a "brain drain" from the education sector.

Summary

The reforms implemented in Latvia since the country regained its independence have created a favourable environment for change in the coming years.

The difference between Latvia's GDP and the average EU GDP per capita according to the parity standards of purchasing power is gradually decreasing, from 28% of the EU average level in 1998 to 33% in 2001. State budget allocations are gradually increasing in almost all positions. The increase of consumer prices in Latvia during the last few years has been close to the inflation rate in other developed countries and is among the lowest in the Central and Eastern European countries.

According to the **Human Development Report 2003**, Latvia's human development index places it in 50th position among 175 countries.

Human development index: Latvia

	1999	2000	2001	2002
Life expectancy at birth, years	70.4	70.7	70.7	71.1
Adult literacy rate, %	99.8	99.8	-	-
Proportion of people attending educational institutions of all levels	84.4	87.8	89.5	90.5
Real GDP per capita, PPP\$ ¹	6616	7269	-	-
Life expectancy index	0.76	0.76	-	-
Education index	0.95	0.96	-	-
Gross Domestic Product (GDP) index	0.70	0.72	-	-
Human Development Index	0.803	0.813	-	-

¹ Calculated on the basis of OECD information.

Human development

	1995	1996	1997	1998	1999	2000	2001	2002	
Life expectancy at birth, years	66.7	69.3	70.0	69.9	70.4	70.7	70.7	71.1	
Maternal mortality per 100,000 live births (number of cases)	37	40(8)	42(8)	43(8)	41(8)	25(5)	25(5)	5(1)	
Number of inhabitants per physician	294	283	288	301	296	291	303	294	
Enrolment at all level educational institutions, % of inhabitants, aged 7-23	70.8	75.9	78.8	81.5	84.4	87.8	89.5	90.5	
Enrolment at tertiary educational institutions, % of inhabitants aged 19-23	Total	26.6	37.8	43.3	50.7	56.2	63.2	67.0	69.7
	Women	-	45.5	51.7	63.5	72.7	79.6	84.0	87.8
Real GDP per capita, in European currency units, according to standards of purchasing power parity ¹	4300 ¹	4700 ²	5200 ²	5720 ³	6070 ³	6970 ³	7840 ³	8460 ³	
GDP per capita in USD	1775	2073	2313	2526	2781	3024	3254	3594	

¹ *Statistics in Focus, Economy and Finance Theme 2-XX/1999, National Accounts.*

Gross Domestic Product First Results for 1998, Eurostat.

² *Statistics in Focus, Economy and Finance Theme 41/2002, National Accounts, Eurostat.*

³ *Statistics in Focus, Economy and Finance Theme 2-20/2003, Eurostat.*

Human distress

	1995	1996	1997	1998	1999	2000	2001	2002	
Unemployment rate (% of economically active inhabitants)	6.6	7.2	7.0	9.2	9.1	7.8	7.7	8.5	
Adults aged 15 and older with incomplete secondary education, %	39.6 ¹	39.6 ¹	39.6 ¹	39.6 ¹	39.6 ¹	34.9 ²	34.9 ²	-	
Income ratio between the richest 20% and the poorest 20% of inhabitants	-	5.0	4.8	5.4	5.1	5.5	-	5.5	
Annual inflation rate compared to the previous year, %	125.0	117.6	108.4	104.7	102.4	102.6	102.5	101.9	
Number of deaths in traffic accidents per 100,000 inhabitants	25	22	22	26	25	25	22	22	
Divorces, % of consummated marriages	70.6	62.8	63.0	64.4	63.9	66.6	62.0	61.1	
Children born to unmarried mothers, %	29.9	33.1	34.8	37.1	39.1	40.3	42.1	43.1	
Number of suicides per 100,000 inhabitants	Men	72.0	65.3	62.8	61.0	53.9	56.5	52.2	48.5
	Women	14.9	13.4	13.9	12.5	13.3	11.9	11.2	11.9
Sulphur and nitrogen emissions from stationary sources, kg of NO ₂ and SO ₂ per capita	18.5	21.8	17.8	17.0	13.2	8.6	7.5	-	

¹ Latvian population census of 1989.

² Latvian population census of 2000.

Gender differences: Ratio of women to men (%)

	1995	1996	1997	1998	1999	2000	2001	2002
Life expectancy at birth	120.3	118.3	118.2	117.9	117.4	117.0	117.6	117.4
Number of inhabitants (at year's end)	116.9	117.0	117.0	117.0	117.1	117.1	117.2	117.3
Secondary education enrolment	108.0	103.5	101.8	101.0	99.7	98.1	98.0	97.1
Secondary education graduates	120.1	-	132.1	124.1	122.3	100.3	113.8	111.7
Tertiary education enrolment (students aged 19-23)	155.2	149.7	145.1	146.4	157.4	152.5	142.1	138.8
Employed ¹	-	92.0	94.8	92.7	92.6	96.2	97.8	96.0
Unemployed	109.7	120.8	146.2	141.1	134.6	136.1	134.6	142.2
Overall salaries in the country	78.3	78.5	79.7	79.3	80.0	78.6	80.2	81.5

¹ Labour Force Survey. Persons aged 15 and older 1996-2001, or aged 15-74 from 2002 onward.

Status of women

	1995	1996	1997	1998	1999	2000	2001	2002
Life expectancy at birth, years	73.1	75.6	75.9	75.5	76.2	76.0	76.6	76.8
Average age at first marriage	22.8	23.2	23.6	24.0	24.2	24.4	24.4	24.9
Maternal mortality rate per 100,000 live births (number of cases)	37	40(8)	42(8)	43(8)	41(8)	25(5)	25(5)	5(1)
Secondary education enrolment, % of females aged 11-18	-	84.3	85.9	85.8	86.9	88.2	89.0	88.9
Secondary education graduates, % of females aged 18	-	-	85.4	86.4	91.4	87.6	96.1	98.5
Tertiary education enrolment, % of females aged 19-23	-	45.5	51.7	63.5	72.7	79.6	84.0	87.8
Proportion of women among the employed, % ¹	-	47.9	48.7	48.1	48.1	49.0	49.4	49.0
Proportion of women among managers and specialists, % ¹	-	60.5	60.5	59.1	58.4	57.7	59.1	57.6
Proportion of women among deputies of the Saeima, %	8 ²	8 ²	8 ²	17 ³	17 ³	17 ³	17 ³	18 ⁴

¹ Labour Force Survey. Persons aged 15 and older 1996-2001, or aged 15-74 from 2002 onward.

² Results of the Saeima elections of September 30, 1995.

³ Results of the Saeima elections of October 3, 1998.

⁴ Results of the Saeima elections of October 5, 2002.

Demographic profile

	1995	1996	1997	1998	1999	2000	2001	2002	
Number of inhabitants, in millions (at year's end)	2.5	2.4	2.4	2.4	2.4	2.4	2.3	2.3	
Annual population growth rate	-1.2	-1.0	-1.0	-0.9	-0.7	-0.7	-0.8	-0.5	
Total fertility rate	1.3	1.2	1.1	1.1	1.2	1.2	1.2	1.2	
Proportion of dependants, %	43.1	42.3	42.2	41.0	40.6	41.1	39.7	-	
Proportion of inhabitants aged 60 and over, % (at year's end)	19.3	19.7	20.1	20.5	21.0	21.5	21.9	22.1	
Life expectancy at age 60 (additional years)	Men	14.2	14.8	14.2	14.3	14.1	14.8	15.4	15.1
	Women	19.3	21.2	21.3	20.9	21.5	21.3	21.5	21.8

Health

	1995	1996	1997	1998	1999	2000	2001	2002
Death from circulatory system diseases, % of all deaths	55.8	55.5	55.5	55.5	55.2	55.5	55.9	56.0
Death from malignant tumours % of all deaths	14.1	16.0	16.3	16.4	17.1	17.3	17.4	17.4
Registered alcohol consumption, litres per adult ¹	9.1	8.4	8.4	8.9	8.8	8.4	7.8	8.5
Adults who smoke, % ²	Men	-	-	-	54	-	-	-
	Women	-	-	-	19	-	-	-
Number of inhabitants per physician	294	283	288	301	296	291	303	294
State expenditures on health, % of total State expenditures	9.7	9.9	9.9	9.4	9.1	8.9	9.1	-
State expenditures on health, % of GDP	4.0	3.9	3.8	4.1	4.1	3.6	3.4	3.6

¹ Estimate.

² Study of Living Conditions in 1999.

Education

	1995	1996	1997	1998	1999	2000	2001	2002
Enrolment at all level educational institutions, %, of inhabitants aged 7-23	70.8	75.9	78.8	81.5	84.4	87.8	89.5	90.5
Enrolment at primary schools, % of inhabitants aged 7-15	89.3	91.4	92.2	92.4	93.3	96.5	99.4	101.0
Enrolment at secondary schools, % of inhabitants aged 16-18	82.6	86.3	91.5	94.6	100.4	100.0	97.0	96.1
Enrolment at tertiary educational institutions, % of all inhabitants aged 19-23	26.6	37.8	43.3	50.7	56.2	63.2	67.0	69.7
Expenditures on tertiary education, % of all education expenditures	12.0	12.3	16.1	14.3	16.7	16.3	21.6	-
State expenditures per tertiary student (LVL)	-	-	-	475	449	403	600	-
State expenditures on education, % of total State expenditures	17.0	14.6	14.6	15.7	15.1	16.9	18.3	18.5
Total State expenditures on education, % of GDP	6.9	5.8	5.7	6.9	6.8	6.8	6.9	7.1

Human capital formation

	1995	1996	1997	1998	1999	2000	2001	2002
Scientists and technicians per 1000 inhabitants	2.1	1.9	1.8	1.8	1.8	2.3	2.3	2.3
Total expenditures on research and development, % of GDP	0.52	0.46	0.43	0.45	0.40	0.48	0.44	0.46
Secondary education graduates, % of inhabitants aged 18	74.9	71.6	73.6	76.4	81.2	85.6	88.7	92.2
Tertiary education graduates, % of inhabitants aged 23	21.7	28.2	30.9	32.2	33.2	47.9	64.2	58.9
Science graduates, % of all graduates	-	-	0.3	0.5	0.5	0.3	0.2	0.3

Employment

	1995	1996	1997	1998	1999	2000	2001	2002
Employed, % of inhabitants ¹	-	48.3	50.6	50.5	49.6	48.2	49.2	54.4
Percentage of employed working in ¹	Agriculture	-	17	22	19	17	14	15
	Industry	-	27	26	27	26	26	26
	Services	-	56	53	54	57	59	58
Income growth among employed inhabitants, %	25	10	22	11	6	6	7	9
Proportion of unionized labour among the employed ²	-	-	-	-	19.0	18.9	17.8	-
Length of work week, hours ¹	-	40.1	41.2	41.0	41.2	41.4	41.3	40.1
Expenditures on labour force market programs, in thousands of lats	11,856.6	14,860.2	17,434.2	18,801.6	38,154.8	41,899.0	40,726.2	-

¹ Labour Force Survey. Persons aged 15 and older 1996-2001, or aged 15-74 from 2002 onward.

² Association of Free Trade Unions.

Unemployment (end of year)

	1995	1996	1997	1998	1999	2000	2001	2002	
Number of unemployed, in thousands	83.2	90.8	84.9	111.4	109.5	93.3	91.6	89.7	
Unemployment rate, %	Total	6.6	7.2	7.0	9.2	9.1	7.8	7.7	8.5
	Women	7.0	8.1	8.5	11.0	10.7	9.2	9.0	10.5
Unemployed youth aged 15-24, % of total unemployed persons	20.2	20.0	18.1	16.4	14.8	14.8	14.6	13.9	
Payment of unemployment benefits, % of total State expenditures	1.7	1.1	1.1	1.6	1.6	-	-	-	
Percentage of long-term unemployed (more than 12 months)	25.5	31.2	38.1	26.3	31.1	29.0	26.6	26.4	

Defence expenditures

	1995	1996	1997	1998	1999	2000	2001	2002
Expenditures on defence, % of GDP	1.0	0.8	0.7	1.0	1.0	0.9	1.0	1.3
Expenditures on defence, % of total expenditures on education and health	9.1	7.7	7.4	9.4	8.9	9.1	9.6	12.1

Natural resources

	1995	1996	1997	1998	1999	2000	2001	2002
Area, thousands of sq. km	64.6	64.6	64.6	64.6	64.6	64.6	64.6	64.6
Population density, inhabitants per sq. km. (end of year)	38.2	37.9	37.5	37.1	36.9	36.6	36.3	36.1
Arable land, % of total area	39.3	39.0	39.0	38.7	38.5	38.5	38.5	38.4
Forests, % of total area	44.6	44.3	44.9	44.2	44.2	44.2	44.4	44.5
Reclaimed land, % of arable land	-	62.0	62.0	62.8	62.9	62.9	62.9	-
Internal renewable water resources per capita, in thousands of cubic metres per year	8.0	5.3	8.1	10.9	9.6	7.7	8.6	-
Annual water consumption per capita, in cubic metres	183.3	174.4	166.1	161.9	143.2	126.2	126.3	127.6

National income indicators

	1995	1996	1997	1998	1999	2000	2001	2002
Gross Domestic Product (GDP), in millions of lats	2329.4	2807.3	3269.5	3592.2	3889.7	4348.3	4812.6	5194.7
Agricultural production, % of GDP	10	8	6	4	4	5	5	5
Industrial production, % of GDP	34	32	32	30	27	25	25	25
Services, % of GDP	56	60	62	65	69	70	70	71
Private consumption, % of GDP	63.1	67.8	66.7	64.5	62.9	61.9	62.1	62.7
Domestic investments, % of GDP	15.1	18.3	18.8	27.3	25.2	26.5	27.0	26.4
Tax revenues, % of GDP	33.2	31.2	33.1	36.3	34.3	31.6	30.2	30.8
State expenditures, % of GDP	22.4	21.8	18.7	21.4	20.5	19.7	19.3	19.4
Exports, % of GDP	47.3	51.3	51.1	51.3	43.9	45.6	44.4	45.5
Imports, % of GDP	49.7	59.4	59.6	64.8	54.2	54.3	55.6	56.1

Economic development trends

	1995	1996	1997	1998	1999	2000	2001	2002
Annual GDP growth rate ¹	-0.9	3.7	8.4	4.8	2.8	6.8	7.9	6.1
Annual GDP growth rate per capita ¹	0.5	4.9	9.5	5.8	3.7	7.6	8.8	6.8
Annual inflation rate, % compared to previous year	125.0	117.6	108.4	104.7	102.4	102.6	102.5	101.9
Annual export growth rate, % of GDP (in actual prices)	6.5	12.1	7.0	4.8	-3.4	6.3	3.2	4.3
Budget surplus or deficit, % of GDP (in actual prices)	-3.1	-1.4	1.2	0.1	-4.0	-2.8	-2.1	-2.5

¹ In comparative prices of 2000

Violence and crime

	1995	1996	1997	1998	1999	2000	2001	2002
Prison inmates per 100,000 inhabitants	255.2	253.7	256.4	242.7	216.4	209.4	201.7	198.7
Juveniles, % of convicted criminals	10.8	11.9	13.1	13.0	14.0	14.2	13.8	14.2
Reported number of rapes per 100,000 inhabitants	6.4	5.3	4.9	3.4	4.2	5.6	5.1	4.5
Drug-related crimes per 100,000 inhabitants	10.9	14.7	17.6	16.1	21.4	27.6	35.2	26.1
Premeditated homicides* by men per 100,000 males	18.2	18.4	15.6	16.7	14.5	12.0	15.6	13.4
Reported number of rapes per 100,000 females	11.8	9.8	9.1	6.4	7.8	10.5	9.5	8.7

* Including attempted homicides

Prosperity, poverty and social expenditures

	1995	1996	1997	1998	1999	2000	2001	2002
Real GDP per capita, in European currency units, according to standards of purchasing power parity ¹	4300 ¹	4700 ²	5200 ²	5720 ³	6070 ³	6970 ³	7840 ³	8460 ³
Industrial production, % of GDP	34	32	32	30	27	25	25	25
Income ratio between the richest 20% and the poorest 20% of inhabitants	-	5.0	4.8	5.4	5.1	5.5	-	5.5
State expenditures on social security, % of GDP	15.1	14.8	14.0	15.0	16.1	14.2	12.8	12.4
State expenditures on education, % of GDP	6.9	5.8	5.7	6.9	6.8	6.8	6.8	7.1
State expenditures on health, % of GDP	4.0	3.9	3.8	4.1	4.1	3.6	3.4	3.6

¹ *Statistics in Focus, Economy and Finance Theme 2-XX/1999, National Accounts.*

Gross Domestic Product First Results for 1998, Eurostat.

² *Statistics in Focus, Economy and Finance Theme 41/2002, National Accounts, Eurostat.*

³ *Statistics in Focus, Economy and Finance Theme 2-20/2003, Eurostat.*

Communications

	1995	1996	1997	1998	1999	2000	2001	2002
Annual cinema attendances per capita	0.4	0.4	0.5	0.6	0.6	0.6	0.5	0.5
Annual museum attendances per capita	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7
Daily newspaper copies per 100 inhabitants	12.4	9.2	13.2	12.6	12.4	8.3	9.0	7.8
Book titles published per 100,000 inhabitants	79.2	80.0	95.4	107.7	110.9	107.3	107.4	99.5
Number of letters posted, per capita	6	9	11	11	11	19	19	21
Telephones per 100 inhabitants	29.1	29.9	30.6	30.9	30.7	31.1	30.8	30.1
Mobile telecommunications network connections per 100 inhabitants	0.6	1.2	3.1	7.0	11.7	17.0	26.7	-
Automobiles per 100 inhabitants	13.4	15.5	17.8	20.1	22.1	23.5	25.0	26.6

Urbanization

	1995	1996	1997	1998	1999	2000	2001	2002
Urban inhabitants, % of total population (at year's end)	68.6	68.6	68.6	68.5	68.1	68.0	67.9	67.8
Annual urban population growth rate	-1.4	-1.0	-1.0	-1.0	-1.3	-0.9	-0.9	-0.7
Population in largest city (Riga), % of urban inhabitants (at year's end)	72.7	72.5	72.4	72.2	72.4	72.4	72.3	72.2
Population in cities with more than 40,000 inhabitants, % of urban inhabitants (at year's end)	72.7	72.5	72.4	72.2	72.4	72.4	72.3	72.2

Calculated on the basis of OECD information