

The State and Human Security

This Chapter analyses the role of the State in the provision of human security. According to the **UNDP Latvia Survey on Human Security 2002**, many of Latvia's inhabitants feel that the government and its institutions do little to promote their security. The purpose of this Chapter is to examine how the State can improve its performance in maximizing human security in Latvia.

Within its mandate, the State should defend the human security needs of its people in the wider regional and global arena, and promote human security domestically. The widespread opinion that the State is not performing sufficiently well in this regard can be attributed in part to the changing role of the State in Latvia. The transition from totalitarian to democratic rule, and from a planned to a market economy has caused individuals to become more self-reliant and resulted in increased social stratification. The State, with the limited economic means at its disposal, has had to balance such immediate needs as increasing pensions and public sector salaries with the longer-term macroeconomic stability requirements that ultimately create the conditions for economic development and human security.

This **Report** establishes that the more people feel confident about their own ability to effect change, the more they trust in the government's ability to do so. For this reason, the development of participatory instruments in government decision-making would likely improve the perception of the State as a *security factor*. The **Report** identifies several areas where the government must take responsibility for ensuring human security because the market will not create sufficiently equitable conditions on its own. For example, the government must create optimal conditions for people to find gainful employment and earn sufficient income, obtain access to quality and affordable health care and education, be safe in the streets, etc.

This Chapter examines different aspects of the State's role in providing human security. It focuses on:

- the changing role of the State *vis-à-vis* human security from the historical, international and public policy contexts;

- the interplay of policy and politics in addressing human security;
- perceptions of the State as a security provider for individuals;
- perceived security risks and role of the State in reducing them;
- risk management through international organizations;
- perceived areas of insecurity concerning the EU;
- the relevance of human security to national public policy.

The changing role of the State

While it is generally agreed that the State has a vital role to play in maintaining people's security, establishing a consensus on its precise role has been difficult in light of changing political ideologies, economic processes, historical circumstances and technological advancements.

Historical context

During the Soviet period, the role of the State in Latvia was markedly different from that in the previous period of independence and from that of countries of the West. In the USSR, political security – as expressed by the respect for basic human rights and freedoms, as well as free participation in politics – was not regarded as important by the State. Consequently, people's personal security risked being seriously compromised if they challenged the political regime. At the same time, socio-economic security, as expressed by a stable income and guaranteed employment, was declared to be a top priority. In practice, social security in areas such as housing, health care, employment, education, etc. reached a level that satisfied the basic requirements of human security.

Although the quality of social provisions was not always as high as could be desired, the certainty of their availability was valued and taken for granted. When the Soviet economy and political system collapsed, most of the former social security provisions were reduced in real terms. Gaining security under

new systems, such as the pension schemes, proved particularly difficult for the elderly and those who were approaching retirement age. Their whole working life experience suddenly had little significance in ensuring them a comfortable retirement, and this fostered a growing sense of injustice.

The changing role of the State in Latvia was due not only to a concerted policy of liberalization, but also to forced circumstances of a macro-economic nature. The economic transition from a planned to a liberal economy had a dramatic impact on human security in Latvia in the beginning of the 1990s. As noted in the *Latvia Human Development Report 1995*, the inflation rate greatly surpassed the increase of per-

sonal income for most people. Latvia's GDP per capita shrank more than by half from 1990 to 1994.

The transition was particularly hard for elderly people, families with many children, the disabled and the ill as well as for publicly paid professionals working in health care, defence, education and culture. In contrast to the OECD countries, where the role of the State regarding social transfers has increased significantly since World War II, the role of the State in Latvia saw a radical decrease in the early 1990s. Human security was at risk, as indicated by a peak in the suicide rate (see Chapter 3). The lack of resources did not allow the State to alleviate hardships for many people.

Inna Šteinbuka

former Advisor to the Executive Director of the Nordic-Baltic Office of the IMF in Washington, DC

Box 6.1

The government's role in providing economic security

Current-day economic theory supports an active government role in the economy. An efficient government must achieve several goals. *First*, by implementing an adequate fiscal and monetary policy, the government has to maintain overall macroeconomic stability – namely, a stable and credible national currency and low inflation, so as to permit sustainable economic development. *Second*, the government should provide society with public goods, that is goods and services that cannot be sold effectively in the marketplace and are characterized by shared consumption and non-exclusion. Pure public goods, such as national defence, law and order and a clean environment are entrusted by the people to be managed by the government, since the private sector cannot guarantee these things on its own. In other realms, such as health care and education, the government also has an important role to play.

Third, the government has to step in where an uneven flow of information prevents smooth market operations and fair competition. Public activities in this domain range from the monitoring of food safety to the supervision of financial institutions. The government's role is also to implement an effective social safety net and to limit the risks of unemployment. *Fourth*, insufficient competition in some markets also requires government intervention, which may take the form of competition boards for *ad hoc* action or regulatory bodies for the continuous scrutiny of monopolies.

Aside from these broad cases, most other activities can be left to the private sector. One should note that in each country the specific activities under government control and influence may differ. Market economies differ in the degree of education and health services the government is responsible for reallocating; in the degree to which higher taxes on the rich are used to redistribute income; and in the scope and design of their social welfare systems.

The effectiveness of any government is high if its citizens feel secure. Economic security means first of all stable currency, predictable and stable prices, reasonable pensions, benefits and other social guarantees. The safety of household savings is also of utmost importance. For example, Latvia's banking crisis of 1995 reduced the savings of many people, particularly those with low income levels, including pensioners. This reduced confidence in the domestic banking system. The Latvian government and central bank adequately responded by strengthening the banking supervision system.





A credible banking system is essential because domestic savings together with foreign investments provide the capital for the development of new enterprises, job creation, and the reduction of unemployment risks. In addition, efficient institutions ensure the sustainability of economic processes, and public support for health and education provides a certain standard for the quality of life.

It might be useful to recall how government involvement in Latvia's economy has changed. Latvia's transition to a market economy was a challenging process in many ways. When the process started, the Latvian government had to foster greater personal responsibility for income and welfare, instead of providing generous guarantees to secure rather low but equal living standards for all. The reinvention of the government took place simultaneously with the fight against inflation, the reintroduction of Latvia's national currency, the establishment of credibility in international markets, the opening of Latvia's markets to competition, and the provision of social protection for those vulnerable groups who needed it most.

In the early 1990s Latvia's new leaders lacked the skills and experience necessary to design and implement market-oriented reforms. Many Soviet-era institutions were no longer operating, nor was the market capable of functioning normally. Now that the stability of the lat is internationally recognized, it is worth recalling that the Latvian national currency was reintroduced at a time when the country was experiencing hyperinflation. Production output and incomes had dropped dramatically. Tax reforms had to generate sufficient budget revenue and stimulate the development of a still fragile private sector.

Redefining government functions is a task that always offers new opportunities. Currently Latvia has to revise and adapt its government functions to the requirements of the European Union (EU) and its comprehensive policies. The most important issue facing the Latvian authorities is how to close the income gap between Latvia and the EU's current member States. The gradual convergence of incomes to EU levels will continue to serve as a key precondition for the economic security of Latvia in general and for each individual in particular.

UNDP Latvia, 2003

The international context

Latvia's dynamic development has led to increasing interaction with social, economic and political networks on an international and global scale. This has been especially true in the European Union and NATO accession processes. As a result, the people of Latvia are becoming increasingly aware of global risks and opportunities, and of their effects at the local level.

As Latvia's economic and social systems are transformed, an increased sense of vulnerability is hindering many people's ability to differentiate between sources of security and security threats. Transition countries sometimes lack experience in using global and regional instruments to enhance their security, and in informing their citizens about the potential benefits of doing so. Latvia has cooperated successfully with the United Nations, the World Trade Organisation, the International Monetary Fund, the World Bank, the EU, NATO

and other international organizations. However, due to a lack of communication between the government and society, some of these potential sources of security are not seen to be helping the country. The creative power of regional and international organizations in enhancing human security has not been effectively implemented or conveyed to the public.

The economic security of individuals and their businesses in Latvia is largely dependent on economic events outside Latvian borders. Like other countries with small, open economies, Latvia depends heavily on foreign trade and capital flows. The Russian financial crisis of 1998 was an example of how an economic slowdown and currency devaluation in a neighbouring country can adversely affect the economic security of Latvia's inhabitants. As a result of this crisis, Latvia's rate of GDP growth slowed down during the following year and the level of registered unemployment grew significantly.

However, the role of the external environment should not be overestimated, since sound economic policies can provide safeguards against the adverse impact of crises abroad. The current global economic slowdown, for example, has had only a limited effect on Latvia's economic development, as evidenced by the fact that Latvia is experiencing one of the highest growth rates among the EU applicant and member countries.

The public policy context

Latvia and other European countries are committed to a stable macroeconomic environment that envisages prudent monetary and fiscal policies. During the last several years, Latvia has experienced relatively stable and steady economic growth. However, this period has also been characterized by rising pressure for the government to increase its expenditures, especially in the area of public sector salaries (e.g. teachers, doctors, police, civil servants) and pensions. With additional pressure on the budget coming from EU and NATO accession requirements and from previous policy commitments that have yet to receive funding (the latter totalled 266 million lats in 2001, according to the State Chancellery), the demand for higher spending most likely will increase in 2004 and beyond. This pressure could be slightly mitigated by the availability of EU structural funds, which could reach 554 million lats during the period of 2004 to 2006.

Higher budget spending will only be possible if Latvia's GDP continues to grow. In order to promote economic growth, the government plans to further diminish the tax burden on enterprises. The assumption is that such an approach will encourage economic activity and create jobs – a key *securitability factor* according to this **Report**. In the longer term, this should generate tax revenues for funding new government policy initiatives. In the short term, however, such tax cuts, combined with tight fiscal deficit targets, could make it difficult for the government to abide by commitments it has made to the most needy segments of the population. The government is attempting to compensate for the drop in revenue brought on by these tax cuts by seeking to implement more efficient spending practices and by improving revenue collection.

The government needs to improve its performance in providing human security within the public policy context. For instance, it must be capable of ensuring that national legislation is enforced – a capacity that

still requires significant strengthening. It must also be in a position to provide public goods to the people. In the process of public policy making, the government should facilitate the role of the non-governmental sector, which opens up new areas of opportunity for individuals to influence decisions that affect them.

The interplay of politics and policy in the provision of human security

It is the State's responsibility to monitor various aspects of human security and intervene to reverse such negative trends as increased poverty, as well as to provide assistance in the case of natural disasters or other calamitous events. This is done in many cases through the development and implementation of public policy (action plans to prevent poverty, campaigns against drunk driving, etc.).

Placing human security within a political context can be challenging, as the boundary between an objective security situation and subjective perceptions of threats is not always clear. The State can have a strong influence on people's objective state of security and on their subjective sense of security. The political process can be misused to artificially enhance people's sense of insecurity in order to win votes or to blacken the reputation of a political opponent.

The declared purpose of the political process is to ensure the participation of the citizenry in political decision-making, but often short-term interests cause politicians to elevate risk perceptions. One example is the public attention given to the shortcomings in Latvia's healthcare services, which were highlighted (and manipulated with) during the campaign preceding the 8th *Saeima* (parliamentary) elections in October 2002.

In the context of human security, public policy is often caught between short-term pressures and long-term objectives. This situation was particularly visible during 1998 and 1999, when changes to the pension system were discussed. Since 1995 the government has been implementing pension reform with the goal of creating a financially stable three-tiered pension system. The successful initiation of this policy allowed for a surplus of 26 million lats in the social insurance budget in 1998. These resources were to be used in order to introduce the second level of pensions. However, political pressure arose in the period preceding

parliamentary elections that same year to divert this surplus to the social insurance budget and increase general pensions. This pressure to satisfy short-term demands hampered the government's ability to implement a financially stable pension reform system. A comprehensive reform was thus delayed for several years afterward.

Hence, the State's actions are not always based on rational economic considerations. They can be driven by political concerns that reflect not only the interests of certain groups, but also the desire of politicians to be elected. The State's ability to act is also constrained by the availability of resources and by traditional patterns of resource allocation, which, irrespective of the political or administrative system, are usually very difficult to change.

Perceptions of the State as a security provider

The **Survey** shows that people indirectly associate some of the most significant human security risks with the State, which is seen to either magnify such risks or as unable to prevent or mitigate their effect. In other words, people with a high sense of insecurity do not generally believe that the State can help them to any significant degree. Of twelve factors that most directly threaten individuals' overall sense of security, most are in the areas that fall within the mandate of the State to control, e.g. crime, the spread of HIV/AIDS, food quality, environmental pollution, health and employment.

The **Survey** listed a number of important State institutions such as the police, the armed forces, the health care system, the social protection system, local governments, the employment system, the judiciary, and national government, which respondents were asked to evaluate as security providers. The results indicated a marked consistency within certain age and income groups, within specific geographic regions, and within groups according to sex, nationality and citizenship. According to the results, almost none of the State institutions mentioned in the **Survey** were seen to significantly strengthen the respondents' sense of security, with the exception of the police and the armed forces. The latter received especially favourable marks. Respondents rate specific institutions higher than the national government as a whole.

As discussed in Chapter 5, a factor analysis done on the **Survey** reveals that a certain segment of the population has a passive attitude toward the government and non-governmental organizations, while simultaneously holding high expectations of them. Active persons with a higher degree of *securitability*, on the other hand, have a propensity to rely on themselves and their informal contacts to increase their sense of security.

The aforementioned observations have the following implications for the State's role as a *securitability factor*.

Differing views on the role of the State. The State is not perceived as a source of human security by those who would like to see a more equitable social security

Box 6.2

Māris Sprindžuks

Member of Parliament, 7th Saeima (1995-1998)

Politicians' Choices and Human Security

The greatest challenge for a politician is to choose between popular decisions that increase his or her short-term rating and help the re-election effort, and the tougher decisions which may cause short-term pain for society, but guarantee results in the long term.

I believe that an individual cannot feel secure if publicly elected officials – members of parliament, ministers, and local government officials – are not open and honest. It is better to be fully aware of prevailing opportunities and risks than to live in a world of second-guessing and suspicion. Ignorance always breeds insecurity, but truth, as bitter as it may be, motivates people to action – the kind of action that yields awareness and security.

UNDP Latvia, 2003

system in which the State guarantees stable employment and predictable income that is sufficient for satisfying basic human security needs.

The insufficient capacity of the State is what indirectly sustains people's sense of insecurity in areas such as the fight against crime and corruption, as well as in health care. This perception is influenced by two key factors. One is the actual performance of individual institutions – for example, the police's inability to solve some highly publicized murder cases, or firefighters' inability to save the Cesvaine Castle from ruin due to outdated equipment. (The castle is a historical landmark that housed a school. Its roof went up flames in December 2002.) The other factor involves the unsuccessful public relations policies of State institutions and the public administration as a whole.

The passive role of the individual in cooperating with the State in order to ensure human security. The National (State) Police has provided the authors of this **Report** with interesting insights into this problem. One of the most developed areas of organized crime involves the theft of expensive cars, yet many victims are reluctant to report such crimes. They would rather buy back their vehicles from their victimizers than file a report with the police, whose success rate in solving such thefts is not very high. Some end up filing a report only after the thieves fail to meet their part of the bargain. The root cause of the situation lies in a lack of trust of the police. Successful experiences of cooperation between State institutions and society are rarely covered in the press.

Issues of concern

When analyzed through the prism of the State, the main security concerns explained in Chapter 2 of this **Report** reveal three trends. First, nowhere in the **Survey's** list of items regarded as risks of greatest concern do we find issues pertaining to national sovereignty. To a certain degree this may be attributed to successful work by the State in consolidating and strengthening Latvia's independence, as well as to the lack of direct threats in this regard. Second, respondents believe that greater efforts should be put forth in the area of political security, especially in the areas of combating corruption and improving the functioning of the court system. Third, many respondents are worried about their socio-economic security. This is a very broad field that encompassing health care, employment, pensions, etc. Personal security is another concern.

Economic security

In Latvia, where politicians often point to the country's rapid GDP growth as evidence of its development, the issue of economic security remains at the top of the list of people's concerns. Personal economic problems are cited by 27% of **Survey** respondents as their number one threat, with 25% ranking this issue as number two, and 21% as number three. Economic security is directly linked with steady employment and income stability. It is also linked with social security. Employment opportunities are related to education, and the quality of medical care one receives is becoming increasingly dependent upon one's income, or ability to pay.

This demonstrates the interdependence of the macro and micro levels of security. Stability and dynamic development at the macro level is necessary, but an insufficient precondition for security at the micro, e.g. individual level. For example, the fact that a country may have an expanding economy does not in and of itself guarantee an increase in the welfare of the country's inhabitants if the average income per capita is low and the income distribution skewed.

Employment

While GDP growth ensures higher employment and new jobs in the long run, the current rate of unemployment in Latvia is rather high (8.5% in 2002). In order to foster employment opportunities, it is not enough to promote macro-economic stability and high growth. It is absolutely essential for the government to develop job creation policies.

Steady and predictable employment is a key factor in maintaining a sense of security for those of working age. It provides the income that ensures accessibility to other human security-related services such as health care and education. While Latvia's unemployment rate has decreased by more than six percent over the past five years, over one-quarter (26.6%) of the unemployed had been out of work for over one year in 2001. This suggests that the country has a structural unemployment problem, and that the security of the long-term unemployed has not been increased by Latvia's overall economic growth.

It is the responsibility of the State Employment Service to provide re-training programmes for those who are out of work, as well as information about new employment opportunities. However, only about one-fourth of those who lose their jobs contact the

Box 6.3

Development Perspectives in Latvia

The Latvian government has approved a Draft Single Programming Document to serve as a basis for planning future EU assistance to Latvia's socio-economic development. It sets out the following analysis of development prospects for various sectors of the national economy.

Sectors	Traditional	Compensating	Lead	Future growth
Primary	Agriculture Fisheries	Application of non-traditional agriculture	Forestry Primary / upstream food processing	Application of high-tech to the forestry production sector Bio-tech in the farm food sector
Secondary	Metal and other manufacturing	Construction materials Construction Crafts	Textiles Downstream processing Timber products	Composite materials Optical electronics Nano- technologies Organic chemistry
Tertiary		Tourism	Transit / transport	Transport logistics Information technologies Telematics and multimedia

Traditional sectors – in decline and losing importance in terms of their contribution to the GDP. Reduced investment, loss of jobs, and major restructuring;

Compensating sectors – in expansion and capable of absorbing new jobs;

Lead sectors – experiencing growth in terms of economic activity, investment and employment, but under-performing in terms of value added and contribution to the GDP;

Future growth sectors – potential growth in the knowledge-based economy with a high-tech component.

*Latvia, Draft Single Programming Document 2004-2006,
Latvian Ministry of Finance, March 2003*

State Employment Service, according to Latvia's Central Statistical Bureau. Most prefer to seek employment through their friends and relatives, or by looking through newspaper ads and contacting potential employers directly. There is still room for improvement in the State's capacity to provide for human security in this regard. On the positive side, more than two-thirds of the unemployed who participated in government-supported professional training programmes succeeded in finding a new job in 2001, according to the State Employment Service.

When Latvia regained its independence in 1991, agriculture and manufacturing dominated the country's economy. Today the share of both sectors has diminished considerably. Manufacturing contributes to no more than 14% of the country's GDP, while agriculture accounts for only 4.4%. Latvia's economy has experienced a significant transformation and is now dominated by the services sector. Latvia requires a well-balanced economic policy that fosters growth in those sectors of the economy that have a higher likelihood of contributing to steady economic growth and employment, while promoting greater productivity in such traditional sectors as agriculture and manufacturing.

This analysis suggests that those employed in the traditional sectors will be more prone to insecurity due to employment and income unpredictability. The long-term objective of a knowledge-based economy appears to be the way forward. However, this will require significant reforms of the education system. The fact that 67% of the unemployed have a secondary/vocational education and 8.2% have a higher education suggests that there are significant problems with the effectiveness of Latvia's education system.

Latvia is not unique in this regard, as many nations today are restructuring to become "knowledge economies." The only way Latvia can do so is by investing in education, research and development, by developing its transportation and communications infrastructure, and by instituting tax policies that promote private initiative. Responsive and efficient civil service institutions, fair and clearly set legislation and appropriate enforcement are also required.

Latvia does not distinguish itself in terms of favourable preconditions for knowledge-based economic development. Using the Baltic countries for comparison, Latvia's indicators lag in infrastructure

Box 6.4

Comparison of some preconditions for knowledge-based economic development among the Baltic States

	Latvia	Estonia	Lithuania
Government expenditures on education, % of total budget, 2001****	7.86	10.24	5.82
Percentage of population aged 15 to 74 with post-secondary education, 2001**	14.9	23.9	33.3
Government expenditures on science and development, % of GNP***	0.3	0.6	0.8
Private sector expenditures on science and development, % of GNP***	0.2	0.2	0.1
Number of scientists and engineers involved in research per 1 million inhabitants*	1090	2164	2031
Percentage of science and engineering graduates of population aged 20-29, 1999	5.8	3.8	9.3

* *Human Development Report 2002. UNDP, 2002.*

** Statistical Office of Estonia. 2002. *Estonia, Latvia, Lithuania in Figures 2002*. Tallinn, p.8.

*** *Innovation Policy in Seven Candidate Countries (Preliminary Findings)*.

European Commission, DG Enterprise, November 2002, p.5.

**** *Latvijas Statistikas gadagrāmata 2002*. Riga: Central Statistical Bureau 2002, p. 232 (Lithuanian and Estonian data for 2000).



development, State investment in science and technology, the availability of risk capital, and the commercialization of scientific discoveries and innovations. (see Box 6.4)

At the same time, the government is undertaking initiatives to promote business initiative, employment and innovation. The Government's Action Plan for 2003 includes such novel measures as the creation of a risk investment fund to support new and innovative businesses, the establishment of a Science and Technology Park in Salaspils, the creation of 300 subsidized workplaces for disabled unemployed, and other measures. However, a major and concerted effort is required by all government institutions to deliver an economic and educational strategy that will bring about a true knowledge economy in Latvia.

Income level sufficiency

In all societies there are individuals and groups that are unable to satisfy their basic needs without assistance. These include children from families with long term problems, pensioners, persons who are disabled, the chronically ill, the long-term unemployed and new, unskilled entrants into the labour market. Within these groups, of course, there may be individuals whose financial resources are sufficient to provide for their needs in full, but in Latvia they are a minority. Traditionally, the State has assumed at least partial responsibility for addressing the needs of these groups.

In Latvia the assistance provided by the State comes in the form of social insurance and social assistance. Social insurance involves income support when people reach retirement age, when a family loses a provider, when one becomes unable to work as a result of injury or illness, during pregnancy or maternity/paternity leave, in the case of a job loss, etc. Several important elements of the social insurance system in Latvia are almost fully developed and operate in a predictable manner, thereby helping to significantly reduce levels of social insecurity. The long delayed reform of the pension system – arguably the most important element of the social insurance system – is generally complete. The system is financially stable, and the Ministries of Economy and Finance estimate that by 2005 social insurance budget revenues will exceed expenditures.

Social assistance is aimed at providing monetary, material or other support to persons who have fallen upon hard times, while promoting their ability to improve their own situation. Social assistance pay-

ments can be divided into two categories – those paid by the State and those paid by local governments. The increase in State social benefits has been slower than the rise in consumer prices and GDP. In general, State social benefits are not related to the financial situation of the recipient. They depend more on the recipient's belonging to a social group that has the greatest chance of losing income. Examples of such social groups include families with children, guardians caring for children, and foster families. The financial aspect of social benefits is not the only or key source of *security* provided by the State. It is more likely that disabled people, for example, will appreciate those State services that foster their ability to participate in society.

The Law on State Social Benefits regulates the distribution of State benefits while the Law on Social Services and Social Assistance provides for a guaranteed minimum monthly income (currently set at 21 lats) to everyone in the country. This minimum income is paid out to the country's poorest inhabitants by local governments through their social assistance budgets. The State also provides special assistance to groups that are not under immediate threat, but whose welfare is considered to be in the interests of society at large – for example, families with young children.

As discussed in Chapter 2, income insufficiency remains the key human security problem in Latvia. According to the Central Statistical Bureau, more than one-fifth (21.4%) of the registered employed received less than 60 lats per month after taxes during the 3rd quarter of 2002. Just over one-quarter (28.3%) received between 60 and 100 lats, 23% between 100 and 150 lats, 13.3% between 150 and 200 lats, and only 14% made over 200 lats per month. The average monthly retirement pension amounted to 63.50 lats. However, the official minimum income required to provide for one's basic human security needs was listed at 88.76 lats. It is small comfort for many that between 1995 and 2001 the increase in the average pension (185%) has outpaced the rise in inflation (144%) and the rise in average gross wages (178%). Latvia places last among the three Baltic countries regarding average salaries paid in 2002. That year the average monthly salary in Estonia was 368 USD, compared to 321 USD in Lithuania and only 288 USD in Latvia.

The **Report's** findings indicate that the government has several formidable tasks at hand in the coming decade. The first is to guarantee a sufficient income for those without employment opportunities, such as pensioners. The second is to pursue active

labour market policies and support the evolution of the knowledge economy. The third challenge regards aligning fiscal budget revenues by enhancing tax compliance (including the reduction of “envelope payments”) and by creating an equitable tax burden. A fourth challenge, on the fiscal budget expenditure side, is to make public expenditure more effective and ensure that it reaches the intended beneficiaries.

Some of these problems are already being addressed by the government. At the end of 2002 the minimum wage was increased from 60 to 70 lats a month, and the government is planning on increasing it further to 80 lats as of January 2004. The Ministry of Welfare has prepared proposals to further increase the minimum wage over the next five years so that it reaches 50% of the average wage in the economy. However, more efforts will be required to improve the tax collection system and create incentives for both employees and employers to pay taxes. The full operation of the new three-tiered pension system will mitigate the problem of small pensions in the longer term. In the short term, the State will have to implement measures to reduce a growing sense of injustice among those with the small-

est pensions. Some options include indexing these pensions or providing supplementary grants to those whose pensions are under a certain level.

Health security

According to a survey conducted by the Ministry of Welfare in 1998, 41% of respondents in Latvia rated their health as “good” or “fairly good” (by comparison, the response in the Nordic countries between 1994 and 1996 was 70 to 80%). In a similar survey conducted in 2000, practically nothing had changed. The proportion of respondents in Latvia who rated their health as “good” or “fairly good” rose by only 1% to 42%. Latvia’s health ratings were among the lowest in Europe, especially regarding life expectancy, which for men in 1999 was only 62.2 years. (See Chapter 2 for more details on the health situation in Latvia.)

Latvia has approved several documents, which form the basis of its health care system reform. State policy is concentrated in three main directions: health

Box 6.5

Total GDP expenditures for health care in 2001 - international comparison (%)

Latvia	4.8		
Estonia	6.1	Czech Republic	7.3
Ireland	6.1	Sweden	7.9
Luxembourg	6.1	Netherlands	8.1
Lithuania	6.2	Denmark	8.2
Slovakia	6.5	Belgium	8.8
Finland	6.8	France	9.4
United Kingdom	6.9	Switzerland	10.4
Spain	7	Germany	10.5

World Health Organization, 2002



care financing reform, which includes increasing the overall funding level; the establishment of an effective network of health care service providers; and the promotion of public health.

One of the main problems lies in finding sufficient funding for adequately financing Latvia's health care system. The reforms seek to create a stable, predictable and rational system of health care financing that is based on the principle of solidarity. Currently the State does not provide equal access to health care services. Poor and low-income individuals find it difficult to access State-guaranteed health care services because they either cannot afford the mandatory patient fee or prescription drugs, or lack the means to travel to a health care facility. According to World Health Organization statistics, 4.8 percent of Latvia's GDP was spent on health care in the year 2001, of which 70%, or 3.4 percent of the GDP, was covered by the State.

Currently Latvia spends 174 USD per capita (private and public) on health care needs. Other transition countries perform substantially better. Lithuania spends 185 USD (72.4% of which is covered by the State), Slovakia 210 USD (89.6% by the State), Estonia 218 (76.7% by the State), Poland 246 USD (69.7% by the State), and the Czech Republic 358 USD (91.4% by the State).

The objective of the government at the time this **Report** was written was to increase State spending on health care to 7 percent of the GDP. Under this system, every individual would be granted certain health care services that would be paid for either by the inhabitants themselves (through taxes) or by the State (for those not working). The system would also allow for increased investment in health care facilities and would ensure that those employed in the health care sector are adequately remunerated for their work.

In the long-term context of human security, and irrespective of the amount of public spending for health care, the State must ensure a system based on the principle of solidarity, in which those with the least ability to pay receive proportionately more State support (the principle that the rich pay for the poor and the healthy for the ill). In the short term, the State must ensure that the rules of the health care system are clear, that patients understand their rights and obligations, and that they know what State-funded services are available to them.

The development of an effective network of health care service providers should serve to guarantee accessible and cost-effective health care services close to

people's homes. Plans to address primary health care include reducing family physicians' financial interest in restricting patients' access to diagnostic examinations and consultations with more qualified specialists. Secondary health care is to be addressed by improving the cost-effectiveness of the health care service provider network.

The ultimate goal of increasing State financing for public health care services is to achieve an improved level of health for Latvia's inhabitants as soon as possible. Public awareness must also be increased and people's motivation to improve their health must be stimulated. This process requires support from many different sectors, which is why the Health Care Strategy approved by the Cabinet of Ministers in March 2002 lists twenty different action areas (too many to be covered in detail in this Report).

The spread of HIV/AIDS and drugs

Public concern about the rapid spread of HIV/AIDS and narcotics in Latvia is understandable. In the **Survey** conducted for this **Report**, the prospect of increased drug use is rated as the number one general threat, while the spread of HIV/AIDS is rated third. The increase in drug use is of highest concern to individuals under the age of 30, women, and ethnic Latvians, as indicated by answers provided in the open-ended section of the **Survey**.

The high degree of concern expressed may partly be due to the increased attention these issues have recently received in the media, and to the objective increase in scope of this problem.

Many factors influence the spread of drugs and HIV/AIDS, which is why a multi-sector approach is needed to address them. Latvia has developed several policies to deal with these issues, including the *Concept for the Strategy to Restrict the Spread of Human Immune Deficiency Virus (HIV) and AIDS (1999-2000)*, the *State Family Policy*, the *Health Promotion Strategy*, and the *Action Plan for a National Drug Control and Prevention Strategy*. Most of these strategies have yet to be implemented.

The State must actively promote AIDS awareness through information campaigns to educate the public. These need to be complemented by harm-reduction programmes and by measures to support those living with AIDS. Latvia has been performing well in regard to the treatment of the HIV virus. The services provided by the State meet international standards and are well

financed. However, Latvia still needs to develop a strategy for HIV carriers who will require comprehensive treatment once they develop the full symptoms of AIDS.

Community security and family policy

In accordance with the results of the **Survey** conducted for this **Report**, the family has the greatest effect in promoting a sense of security for the individual, and in strengthening local communities. However, according to the Ministry of Welfare, the situation for families has deteriorated over the past ten years. This trend is best illustrated by the high ratio of deaths to births, the economic stratification of society, increased alcoholism and drug use, high divorce rates, a greater number of children raised by only one parent and the increase in the number of orphans and children housed in orphanages. These trends can in large part be attributed to prevailing socio-economic conditions, which are expected to get better. Nevertheless, improved macroeconomic conditions and a rise in family income are in themselves insufficient to improve the situation.

Various surveys reveal that more than 70 percent of families regard financial support for families with children as the most important type of State support. However, the role of the State in promoting strong, healthy families must extend beyond financial support, which in any case is limited by the lack of State budget resources. In May 2002, Latvia approved the main principles of its *State Family Policy*. Its main tenet is that the State must create favourable conditions for families to be able to take care of themselves.

The main areas of action outlined in the *State Family Policy* include:

- Support to families when one or both parents are unemployed;
- Employment support upon return from maternity/paternity leave;
- Promotion and development of a “family friendly” environment: parks and recreation, public services, etc.;
- Housing support to families. Of prime importance in this regard is the *Housing Development Loan Programme* approved in September 2002. It is designed to increase the proportion of affordable housing (up to 20,000 lats) among the housing available;
- Increasing access to quality health care services for pregnant women and for children;

- Increasing access to family planning services;
- Promoting family values in school curricula;
- Support to informal self-help networks;
- Support for families in crisis.

One positive development in government policy towards supporting families and children can be seen in the establishment of a new ministerial post – the Ministry of Children’s and Family Affairs, in the Autumn of 2002 and its work on a new, more detailed, *State Family Policy*.

The ministry’s objective is threefold: to decrease the number of children in orphanages by promoting other types of care (e.g. family care); to reverse Latvia’s population decline by increasing and diversifying the number and types of support received by families with children; to change Latvia’s legislation and developing policy instruments to improve the security of children and prevent abuse.

For now, this well-articulated and important expression of intent (like other government policy papers in this area) remains just that. Whether its ideas and planned activities are implemented in practice remains to be seen.

Personal security

Statistically, every member of society is vulnerable to such personal security threats as crime, although some social groups are far more exposed to this risk than others. While statistics in all three Baltic countries indicate a rise in crime, this rise has been lowest in Latvia. (See Chapter 2 for a general overview of personal security statistics in Latvia).

“Organized crime at the State level” was the number two threat cited by **Survey** respondents from a list of general risks given to them to evaluate. The wide debates on “State capture” and corruption during the parliamentary election campaign of 2002, when the **Survey** was conducted, may have heightened respondents’ concern for this potential risk. The broad sense in which “organized crime at the State level” may be understood includes both State-level corruption (including “State capture”), crimes committed in organized groups and crimes with international dimensions such as smuggling, prostitution rings, drug trafficking, etc. The **Survey** authors did not ask each respondent exactly how he or she perceived this risk.



The heightened public concern about corruption has given rise to the Bureau for the Prevention and Fight Against Corruption, which reports to the Prime Minister. However, to improve the chances of success in solving criminal cases and preventing new crimes, including cases of corruption, it is important to consolidate and improve the effectiveness of all existing State institutions in this area. The past performance of these institutions must also be evaluated. The government might consider the creation of smaller, yet stronger institutions with clearer roles and responsibilities and a mechanism to attract and retain highly qualified staff. One of the greatest challenges in fighting organized crime and corruption will be for Latvia's existing anti-corruption and law enforcement institutions to demonstrate their political neutrality and effectiveness.

Although Latvia has established a national strategy for combating corruption, it does not have one for combating organized crime. The fight against crime is expensive and requires significant resources. Some efforts have been made in this regard, including an increase in police pay by 20 to 50 lats per month.

The police are an important part of any efforts to foster greater trust between the State and the individual in the pursuit of greater personal security (see Box 6.6).

Emergencies are among the most visible cases when State institutions and individuals must cooperate to protect people's personal security from being undermined. Most emergencies are relatively small-scale incidents, such as the fires that engulfed the Cesvaine Castle and the Kandava Retirement Home in late 2002. How does the State deal with such emergencies, and does it have a well-developed system for doing so?

The State is nominally prepared to deal with such natural or man-made disasters as floods, large fires and chemical spills. The necessary contingency plans and standard operating procedures have been developed, and the institutional responsibility has been clearly divided among the National Fire and Rescue Service, the State Police, the National Armed Forces, and the National Emergency Medical Centre. Other State institutions may also be called in, depending on

Box 6.6

Alla Maceiko

Senior Inspector of the Department of Crime Prevention, Ministry of Interior

The State Police of Latvia and its work to enhance children's sense of security

The new programme Police Days in Latvia's schools aims to change existing stereotypes, so that children will no longer be afraid of the police. Sometimes parents threaten their children with the prospect of the police coming and taking them away. We want children to turn to the police when they need help, and not be afraid of us.

The Police Days have been running for three years and cover approximately 90% of all schools in Latvia. The schools outside of Riga and in the countryside are said to be the most responsive, while the "elitist" Riga schools sometimes are more reluctant to become engaged. Various police departments are involved in the programme, particularly police inspectors who work with minors. Sometimes police dogs are also brought along. The youngest children are taught about traffic safety. Older children are engaged in discussions about such current issues as violence, abuse and the spread of narcotics at school. Police from the personnel department visit senior classes and explain police work as a profession, as well as the career opportunities available.

Police officers sometimes compete against students or teachers in volleyball, football, and basketball games. Art and essay contests are held for younger children. The response has been positive. We play with the children, so that they will understand that police officers are like other ordinary people. So that they will come and discuss their problems with us, and ask for our help and protection.

UNDP Latvia, 2003

the emergency. For example, in cases where an outbreak of food poisoning occurs, or where such a possibility arises, the key institution is the Food and Veterinary Service. In cases of environmental pollution, cleanup efforts are coordinated together with institutions under the Ministry of Environment.

The National Emergency Management Centre is an institution that constantly monitors the situation throughout the country and provides the government with the necessary information and decision-making mechanisms in times of emergency. See Box 6.7 about the preparedness of the State for such situations.

The police, medical personnel, and firefighters provide the most immediate and primary assistance, but in many cases the emergency does not end there. The State should provide a comprehensive package of services to people that would help them overcome trauma following emergency situations. However, that is no longer an issue of crisis management – it is an issue of public policy.

Risk management through international organizations

Global and international regional organizations can be a source of security for individuals in Latvia. Directly or indirectly, these organizations give people the opportunity to develop associations with others internationally. They open up new avenues for strengthening one's identity by allowing for the recognition of commonalities and differences among people and nations. Working together with others in international organizations increases one's understanding of the true intentions of other countries and people, and decreases suspicion of the foreign and unfamiliar. Identification with a larger community helps individuals to recognize their interconnections with people living in other countries.

International organizations enhance security because they can deter parties with conflicting interests from unfriendly courses of action. Their material, intellectual, and financial resources are mobilized

Box 6.7

Modris Stašuls

Director of the National Emergency Management Centre

Emergency management

It is essential for the State to identify risks in a timely manner, and to take action to prevent risk situations from becoming emergencies. Most major accidents or emergencies, such as the Cesvaine Castle fire, happen without warning. However, there are also emergencies that can be predicted and avoided by simply following elementary safety precautions. Emergency management, by its very nature, resembles a surgical intervention – it's a scalpel to be used only in situations when regular therapy is useless. Identifying risks in advance and informing society can often prevent major emergencies.

The role of emergency management is not to compensate for acts of negligence, policy failures, or a lack of funding for the implementation of safety precautions. The Cesvaine Castle fire is a perfect example of a situation in which one of the most important State institutions, [the State Firefighter and Rescue Service – ed.] was forced to respond belatedly and with obsolete equipment due to limited funding.

Ultimately, one can train in advance for a variety of responses to emergencies and major accidents. However, one can never prevent all fires, floods and other catastrophes from occurring. An oil tanker like the one that sank off the coast of Spain could just as well have spilled oil near the port of Ventspils. It is difficult to estimate the consequences of such a catastrophe on our country's development. This is why it is so important to invest in preventive action, and to inform and involve the public. Many State institutions held in low regard by the public are indeed capable of providing quality assistance. At the same time, we have to ensure that these institutions are adequately equipped and prepared, so that in an emergency response we are not hindered by obsolete equipment or a lack of funding.

UNDP Latvia, 2003



instead for the accomplishment of common goals. International organizations can also serve as instruments for implementing national interests. They can also decrease people's feelings of insecurity by generating a sense that one is not alone in the world, that enemies will not attack unexpectedly and that people can work together against common threats.

The results obtained by the **Survey** indicate that people in Latvia are concerned about global and regional issues, but are not always confident in international institutions as sources of security. **Survey** respondents mentioned many international factors when asked to list the top three issues that cause them the most concern: terrorism, war, HIV/AIDS, the loss of Latvia's independence, an influx of refugees into Latvia, global warming, nuclear threats, threats from Russia, the EU, NATO, famine, the influence of large foreign institutions on Latvia's government, germ warfare, the loss of human rights.

Many people in Latvia are not sufficiently aware of what international organizations have to offer for enhancing human security. International organizations ranked near the bottom of a **Survey** list of 26 potential sources of security. The UN ranked 21st, NATO 22nd and the EU 24th.

People in Latvia, just as in other transition countries, often do not have sufficient experience in identifying and utilizing global and regional resources to increase their security. One positive aspect is that as old systems are replaced by new ones, individuals and their diverse interests are influencing politics more than before. Rapid development is creating the impression of Latvia's increasing inclusion in global networks. This process, however, simultaneously makes people feel more vulnerable to external threats. Their sense of vulnerability hinders their ability to distinguish between consumers and creators of security, and between threats and tools that increase security.

For the individual, risk management at the global and regional levels seems remote and inaccessible. How can people whose daily lives are spent in small villages or towns and in relationships with a limited number of other people, develop relationships and communication networks with global and regional structures? Traditionally individuals have mandated the government and its structures to form relationships with the international environment. On occasion nationally and internationally based NGOs have taken on the role of the mediator in developing such relationships.

The development of the individual's relationships with regional and international organizations is dependent on several factors.

- *First*, on the individual's own *securitability factors*, which include an active interest in global and regional processes, sufficient financial resources to consider reflection on global issues, the ability to make use of social networks and government mechanisms, the ability to assess prevailing threats and find ways of reducing or even preventing them through action ranging from individual initiatives to activities with international organizations. The better one's *securitability factors* are developed, the likelier one is to develop relationships with regional and global organizations to resolve human security issues.
- *Second*, on the rules created by the State for its relationships with individuals and international organizations. If the State maintains only a formal presence in international organizations and does not invest sufficiently to take full advantage of available opportunities, then individuals, social structures, and the nation itself can become alienated from the world community. The government must act as a service provider and advocate for its people in creating relationships with regional and global institutions to help its people orient themselves in the range of services offered by world political structures.
- *Third*, on the financial and other resources available to international organizations and on their ability to elucidate their goals in an understandable manner. The more clearly global and regional organizations formulate the reasons for their existence, the easier it is for individuals and societies to act within them and support them.

Areas of insecurity concerning the EU

Latvia's upcoming membership in the European Union will have a wide range of implications for human security in the country. The European Union was founded with two objectives: to ensure that Germany would never threaten her European neighbours again, and to rebuild the war-torn Western European economies. The instrument put forth by the heads of European nations in the 1950s was simple – a framework that would help develop friendly relations

though increased cooperation and to resolve potential conflicts in a peaceful manner. The European Union of today is the result of long-standing democratic cooperation that balances the rights of the individual with the needs of a just and equitable society.

The European Union's requirements in such areas of current concern to the people of Latvia as food quality and environmental protection, its policy decisions concerning the preservation of rural lifestyles, the credits it offers for small and medium sized enterprises, etc. should ultimately serve to increase the level of human security in Latvia.

However, the **Survey** shows that people in Latvia have mixed attitudes concerning the EU's role in ensuring human security, seeing it both as a threat to and a source of security. Those surveyed in September 2002 ranked the European Union 24th out of 26 security-enhancing factors, below the UN, NATO and the government. Somewhat less than one-fifth (17.4%) felt that the EU decreases their sense of security, 43.3% were not influenced by the EU, 23.3% saw the EU as advancing their security, while 2.3% saw it as greatly enhancing their security.

Results of the European Commission's multi-country, qualitative *EU Accession Opinion Survey* in 2001 revealed a series of weaknesses in people's *securitability factors* and *securitability skills*. The study concluded that many of those interviewed had no basic knowledge about the history of post-war Europe and about the circumstances that led to the founding of

what is now the EU. The stereotype of an abstract EU hindered respondents from seeing the Union as a form of cooperation between 15 member states that coordinate their interests to maximize benefits.

Participants of the study in Latvia did not mention the EU's potential in preventing organized crime, the proliferation of narcotics, war or other forms of conflict. Rather than addressing policy issues, they verbalized such defensive stereotypes as "the EU will swallow us." Respondents in Latvia were the only ones in the multi-country survey not to mention opportunities provided by the EU in education and culture, or the potential benefits of the EU in consumer protection and in the improvement of Latvia's health care system.

To gain a more complete understanding about the risks perceived by the people of Latvia in connection with EU membership, the **Survey** included questions that had been asked in the European Commission's Autumn 2002 study of *Attitudes Toward the EU. Arguments For and Against* (see Box 6.8).

Perceived risks as stated in the **Survey**:

Foreign producers forcing local producers out of the Latvian market. Respondents ranked this risk as 14th of 31 general risks (average security coefficient – 2.92). (See Box 2.3 in Chapter 2.) The vast majority of those surveyed (87.4%) were sceptical about their ability to overcome market pressures from foreign producers, with only 8.5% expressing an optimistic view in this regard. This reflects a widespread fear of competition

Box 6.8

Attitudes toward the EU in Latvia

Perceived opportunities	Perceived risks
New jobs and educational opportunities	Collapse of the agricultural sector
Improvements in the economy	Application of inhibiting EU standards
Reduction in the level of corruption	Fear of job loss and loss of control of enterprises resulting from the influx of foreign capital
Possibility to safeguard one's national identity	Influx of migrant workers
Improvements in one's socio-economic situation	Loss of national identity tied to decreased use of the Latvian language

Attitudes Toward the EU, European Commission, 2002



from Latvia's neighbouring countries. The positive side of competition is that it can serve to stimulate modernization and improvements in production. It does not necessarily mean that local products will be considered as inferior, and provides new opportunities for local producers to sell their products abroad. Competition can result in lower prices for consumers, higher quality products and greater choice, as long as there is a functioning competition policy that works against unfair competition, the abuse of market power, collusion and dumping.

Foreigners buying up land in Latvia (15th place, average security coefficient – 2.87). As Latvia's agricultural sector experiences restructuring, one of the arguments against EU membership concerns the low income levels of people working and living in rural areas. This lack of income is preventing them from increasing their land holdings to expand production. The fear that foreigners will move in and buy up land is also connected with Latvians' attachment to the rural milieu and lifestyle, which they see as an integral part of their culture and national identity. Those under age 29 were relatively less concerned, with this fear placing only 18th in rank, compared to 15th for the others.

Threats to the survival of one's own language and culture (21st place, average security coefficient – 2.66). Over half of the **Survey's** respondents (57.2%) expressed fears concerning the survival of Latvia's national identity. The concerns have also been expressed in other analyses. Although this question seems just about equally important to all of those surveyed, it placed slightly higher on the scale of threats amongst those under 29 years of age. This may appear somewhat surprising, in view of the widespread perception that younger people are more open to the surrounding world and perceive greater advantages in contacts with other cultures and traditions. Only 44.2% of respondents believed that they could promote the preservation of their language and culture on their own or together with others, while 48.9% felt that they could not.

Partial loss of Latvia's sovereignty (27th place, average security coefficient – 2.40). This EU-linked threat is perceived unevenly and saw the greatest divergence in answers. Latvian-speakers place the loss of sovereignty in 24th place, whereas Russian-speakers rank it 30th. Responses were similarly divided between citizens (26th place) and non-citizens (30th place).

The above-mentioned risks are ranked low in the **Survey**. The respondents' greatest concerns were of an economic nature and linked to access to the basic

necessities of life. The results of the **Survey** and other studies reveal that perceptions of the EU as a source of insecurity are due in part to weaknesses in respondents' *securitability factors* and skills.

The widening economic and information gap between the wealthy and the poor in Latvia contributes to feelings of insecurity with respect to the unfamiliar and the unknown among those with low incomes. Wealthier individuals see the opportunities offered by the EU and may already be benefiting from some of them, while the poorer social segments tend to view the EU as a potential source of insecurity that may exacerbate their state of poverty. Most people in the lower income brackets who participated in the previously mentioned study *Attitudes toward the EU* by the European Commission had not heard that the EU supports various projects in Latvia. They were unaware that since 1992 the EU has provided Latvia with approximately 300 million euros worth of assistance.

Residents of the EU member States have benefited directly from EU activities that increase peoples' safety and security, which is why their view of EU policies is generally more favourable than that of Latvian residents. The top five EU priorities mentioned by EU residents are directly concerned with human security and perceptions of security – combating unemployment (90%), maintaining peace and security in Europe (89%), fighting against organized crime and drug trafficking (88%), combating poverty and social alienation (87%), and maintaining a clean environment (83%).

One of the main *securitability factors* for individuals is the ability to view a potential situation as an opportunity rather than a threat. The study *Attitudes toward the EU* showed that people in Latvia focused more on the threats than on the opportunities resulting from Latvia's accession to the EU. Each of the risk statements in Box 6.9 reflects not only an aspect of threat, but also the potential to use the tools offered by EU membership.

The degree to which people's lack of knowledge concerning EU issues is overcome will depend upon their desire and skill in accessing information, and on the ability of institutions working with issues of EU membership to address people's principal concerns revealed by the EU attitude study.

A serious communication gap has developed in the country. Latvia began to take purposeful steps towards EU accession during 1994/1995, several years later than the Central European countries. Latvia's progress

Box 6.9

EU accession: examples of risks and opportunities

Area	Risk	Opportunity
Economy	Latvian products could lose their market share in more competitive circumstances	Competition offers new opportunities to local producers in the EU market
Currency	The introduction of the Euro would entail a partial loss of Latvia's national identity	The Euro will make travel easier and reduce the costs associated with currency exchange
Agriculture	Latvian farmers could lose their livelihood	The EU offers support programmes for agricultural production and rural development to farmers and people living in rural areas

UNDP Latvia, 2003

proceeded at a very rapid pace, as evidenced by the fact that Latvia's accession talks ended at the same time as those of the other applicant countries, despite having begun two years later. In their efforts to ensure that Latvia caught up with the other applicant countries, Latvia's successive governments engaged in the EU accession process without involving the public in any extensive dialogue and without offering sufficiently accessible explanations about the necessity, logic or consequences of this complicated endeavour.

Due to the fact that the Latvian public had not been involved in the country's integration processes from the outset, people formed stereotypical views of the EU, which were based less on knowledge than on emotions. The public was introduced to EU issues in greater detail during the late 1990s, but has had difficulty in reconciling this information with existing biases. As a result, the government's belated but well-intentioned communications policy may prove less successful than hoped because it is based primarily on providing information and not on countering stereotypes.

The government's communications strategy during the last two years has been largely limited to highlighting Latvia's accession process, rather than the broader context of integration into a common Europe. Consequently, some people in Latvia still fail to perceive Europe as an open area for interaction and self-enrichment. Instead, they see the EU as a threat to their identity and security.

The aforementioned communications gap with the public about Latvia's future in the EU is exacerbated by the general lack of trust in the government. This low level of trust in State institutions and politicians is also reflected in people's attitudes towards the EU. The fact that politicians have been the most energetic in promoting Latvia's accession drive has generated a degree of scepticism about its true merits among some people.

Despite the critical and sceptical views expressed about the EU, 67% of those participating in the September 17th, 2003 referendum expressed support for Latvia's membership in the EU. While at present the EU is often perceived as a risk, it is nevertheless widely seen to be a guarantor of security for the future.

The relevance of human security in public policy

The government could consider integrating the concept of human security into its policy-making in order to enhance human development in Latvia. The concept of human security could serve as a prism through which public policy issues can be analysed. Policy makers can use the concept of human security as an analytical tool not only to understand the motivation behind people's actions, but also to improve their living conditions.



For example, an analysis of people's fears and risk perceptions might provide a better understanding of why some individuals feel helpless, turn to crime or resort to suicide. Such an analysis might also help to formulate the required policy intervention for successfully dealing with people's insecurity. A good example of the use of human security as a policy analysis tool for understanding criminal behaviour can be found in the case of the Latvian Probation Service (see Box 6.10).

The findings of this **Report** are a first step in exploring the use of the concept of human security as a policy tool. Subsequent discussions are needed among policy makers on the practical application of the use of the concept of human security in the policy planning process. For example, an evaluation of the human security costs for vulnerable groups could be a mandatory component of social impact assessments; communications policies about such key issues as health, increasing the competitiveness of the work force, traffic safety, trust in the police, etc. could be aimed at providing information for individuals with a low degree of *securitability*. Human security concerns should be taken into account

when developing emergency procedures, and ought to be considered when planning budget priorities, etc.

Although decisions concerning the application of the human security concept can be made case by case, a more systematic approach to the utilization of this policy instrument would increase the likelihood that the government efforts in strengthen the *securitability* of it's people would yield results, paving the way for improved human development.

Summary

This **Report** does not aim to provide concrete recommendations to the government in specific policy areas such as employment and social policy, as that would be outside of the **Report's** scope and focus. Ultimately, however, the State can influence human security in two ways. At the macro level, the government should maintain its prudent monetary and fiscal policies to ensure stable macro-economic growth, keep prices stable and ensure that banking deposits are safe.

Box 6.10

The new probation system: using the concept of human security in designing policy intervention strategies

At the macro level, the overall level of crime in Latvia is not significantly higher than in neighbouring countries. However, the actual number of crimes committed is rising each year. Latvia's prisons house approximately 8800 inmates, with a huge social, health and economic cost to the detained and to their families, as well as to the State (around 11.6 million lats per year).

At the micro level of the individual, crime is a complex phenomenon brought on by a myriad of factors, which can largely be attributed to the perpetrator's level of insecurity. Latvia's high rate of recidivism, for example, has a great deal to do with the situation in which former inmates find themselves after leaving prison. Each year about 2500 persons are released from incarceration. Often they have no home to return to, have no identification documents, and cannot find work or other legal means to sustain themselves. During their incarceration, which on average lasts 4.5 years, these persons' social skills often deteriorate and they lose contact with their family and friends. Frequently they suffer from health problems after contracting TB, HIV/AIDS or other communicable diseases while in prison. Finding themselves in such positions of insecurity, many again resort to crime and return to prison, where they find greater "security" than in society at large.

To address this situation, the government is in the process of establishing a State Probation Service, and the draft *Law on the State Probation Service* is undergoing a second reading in the Saeima (parliament). The mission of this probation service is to provide those released from prison with the necessary assistance for their re-integration into society, thus serving as a preventative measure to curb future crimes.

UNDP Latvia, 2003

The government should also make its budget spending more effective to attain the priorities it has set for the provision of health, education and other dimensions in which human security is at risk. At the *micro* level, the government must continue to search for ways to help individuals deal with specific situations of insecurity – illness, crime, unemployment, etc.

Human security cannot be obtained without the investment of resources. In the context of Latvia's EU accession, a balance between growing expenditure pressures and requirements for sound fiscal management will have to be found in the years to come. An informative and transparent budget process that achieves maximum expenditure efficiency is important.

It is also incumbent upon the State to help people increase their own level of security. This **Report** offers a range of ideas on how this could be done through the use of *securitability factors*. Some of these ideas have direct relevance to State policies regarding education (such as curriculum reform), health, the family, and other important issues.

The capacity of the State to respond to security threats is influenced by the degree and quality of citizens' participation in and access to decision-making processes. More effective consultations provide *ex ante* and *ex post* feedback to policy makers, parliamentarians and politicians about the potential impact of their decisions. The practice of effective consultations has experienced a promising start in many State institutions and needs strengthening.

An analysis of public policy confirms that individuals cannot simply be passive recipients of government assistance. As the case of personal, physical security has shown, law enforcement institutions – no matter how improved – cannot perform their duty to the fullest extent if the public does not trust them or fails to report crimes or perceived threats. Mutual cooperation is the key, with the public placing more trust in State institutions, and with these institutions working hard to justify that trust.

The State and its institutions are an important *securitability factor* and a source of support that an individual may turn to when he or she feels at risk. In those instances where the State does offer assistance, it should provide accessible information about the services it provides, and make it easy for the individual to access these services.

Finally, this **Report** has introduced the concepts of security realms and *securitability*. Both can be used as tools in the formulation of public policy. While there is no need to establish a comprehensive human security policy at the government level, human security can serve as a useful analytical concept for use in policy analysis and design.

In order for the people of Latvia to prevent, mitigate and cope with global and international regional threats, they must be aware of the resources they have at hand to address global risks. The State must ensure that the individual supports government initiatives at the global and regional level. It must participate in international organizations by taking full advantage of the opportunities they offer, and position itself as a manager of global public goods for the inhabitants of Latvia.

The government should also improve its public communications strategy to avoid situations in which the inhabitants are not informed about the costs and benefits of government action on their behalf both domestically and in international organizations, and are unwilling to support the government's decisions financially or at the ballot box.

Individuals and society can improve their security on their own only to a limited extent. Many, especially those close to the *securitability* threshold, require the assistance of policy makers. Focussed activities on improving *securitability* will reduce the polarization of society, promote individual initiative, unleash the benefits of social capital and improve trust in the government, leading to flourishing human development.