

Perspectives of Rural Development in Latvian

Alise Vitola (*Riga Technical University*),

Zintis Hermansons (*Ministry of Environmental Protection and Regional Development*)

Keywords – regional development, rural development, migration, commuting.

I. INTRODUCTION

The proportion of rural population is decreasing not only in Latvia, but all over the Europe. It is forecasted that along with a further increase in agriculture's productivity the number of jobs in Latvian rural areas will continue to shrink. Therefore questions arise on the future of rural population. We are going to outline the perspectives of the rural development based on theoretical considerations, Scandinavian experience and an example of a rural municipality – Durbe novads – in Latvia.

II. RURAL DEVELOPMENT IN LONG-TERM

The latest data show that the decrease of the rural population in Latvia was one of the highest in the European Union. The number of inhabitants in the rural areas decreased more rapidly than in the cities. It is assumed that nowadays approximately 30% of Latvia's inhabitants live in the rural areas (of which 10% commute to work in cities) and this proportion is going to decrease to 25-26% in the year 2030 due to a decrease in the number of jobs in agriculture and consequently services [11].

III. RURAL DEVELOPMENT PERSPECTIVES IN 21ST CENTURY

A. Changes in the economy, work organization and the role of place

The nature of economy is changing towards the creative or conceptual age. During the last 40 years the role of employed has changed significantly. Routine task have been replaced by creative and project type activities. Undoubtedly, the concentration of resources in the agglomerations brings benefits to the economy. But the information and communication technologies (hereinafter – ICT) allow reaching the concentration of resources not only physically, but also virtually (digitally).

B. The rise of the creative economy

According to three T's economic growth theory by Florida, main drivers of the development are technologies, tolerance and the creative class and talent – people that are well educated and deal with creative or conceptual tasks in their professional life [19]. Although the concept of the creative class most commonly is associated with large cities, the creative class successfully acts also in rural areas. For example, the majority of Swedes have an access to a second home in countryside, one fifth owns such house (such practise is common also in Canada, Norway and Finland). Academics, managers, officials from cultural institutions and public institutions – undoubtedly, the creative class - have access to such homes more frequently [20].

The Swedish experience also shows that young families with children and also elderly people move from cities to rural areas, especially to territories with rich cultural and historical heritage not too far from large cities. The main reasons for this life-cycle related migration are the proximity to nature, high costs of real estate and living in cities, as well as children-

friendly social and cultural environment. Moreover, the development of ICT has encouraged the development of companies that offer such services as customer catering using ICT and the gathering, storing, processing and selling information in the North of Sweden [20].

IV. THE EXAMPLE OF DURBE MUNICIPALITY

Durbe region is a small (2998 inhabitants), rural municipality located approximately 200 km from the capital city Riga and 20 km from Liepaja, the 3rd largest city in Latvia. It has a significant natural and cultural heritage. Durbe town (554 inhabitants) is the smallest town in Latvia and probably also in Europe. In the last ten years the municipality has lost 24% of its inhabitants due to natural causes and long term migration. Most of the young people do not return to municipality after their studies. However, the number of newborns in the last years has slightly increased.

The main economic activity in the municipality is agriculture; it covers 76% of the economically active market sector statistical units. The largest employers in Durbe novads are the local municipality, surrounding municipalities, local cooperative and agricultural companies. The employer of 73,2% of the employed inhabitants is located in Durbe municipality, Liepaja (it covers 30% of incomes by the employed) and surrounding municipalities. 20,4% of the employed work in the capital city Riga and its surroundings. Thus we conclude that $\frac{3}{4}$ of official inhabitants of Durbe municipality actually live in this municipality.

V. CONCLUSIONS AND SUGGESTIONS

If we plan to sustain the rural population, cross-sectoral approach is needed as the increase in agricultural productivity is going to further decrease the number of jobs in rural areas. Special attention should be paid to the promotion of non-agricultural business, as well as the physical and virtual connectivity to large agglomerations in order to join the resources. In order to facilitate the migration (at least seasonal) from cities, rural territories should position themselves as green, peaceful, children-friendly settlements with a good social infrastructure, which is true for a large part of small towns and villages. The promotion of distant work also might help to sustain or even increase the rural population. Last but not least, the rural youth should be encouraged to start their own business by giving them practical knowledge and exchanging good practice.

V. REFERENCES

- [11] Valsts agrārās ekonomikas institūts, "Latvijas Lauku telpas attīstība un iespējamie nākotnes scenāriji", 2011. [Tiešsaiste]. Pieejams: http://www.llkc.lv/upload_file/401372/LAUKI_LOSP_upd_2012_0118.pdf [Apskaifis 2012.gada 6. augustā]
- [19] R. Florida, *The rise of creative class. And How It's Transforming Work, Leisure, Community and Everyday Life*. New York, NY: Basic Books, 2002, 332p.
- [20] C. Nuur, S. Laestadius, "Is the 'Creative Class' Necessarily Urban? Putting the Creativity Thesis in the Context of Non-urbanised Regions in Industrialised Nations," *European Journal of Spatial Development*, June 2009, [online]. Available: <http://www.nordregio.se/Global/EJSD/Debate/debate200906.pdf> [Accessed: June 18, 2012]