

## Develop one's own civil affiliation!

This **Report** analyzes the public policy process in Latvia. For the purposes of the **Report**, *politics* refers to public participation in decision-making processes that effect people's lives. Such participation is possible at any level of governance.

This **Report** systematically studies not only the institutional side of politics, but also the manner in which civil society takes part in politics. The **Report** stresses the importance of democracy and openness, and analyzes the link between the individual and policy-making.

It also strongly supports the establishment of open and responsible policy-making in Latvia. This may become the case if a number of conditions are met:

- the laws of the land are observed (rule of law);
- information on draft decisions is widely accessible;
- decisions are based on research studies and policy analysis;
- public participation assumes a greater role in policy-making;
- politicians ensure that policy-making is responsible, fair and efficient;
- the public is informed of political decisions and solutions;
- the public can effectively act in protest against policy decisions;
- public participation assumes a greater role in policy implementation;
- there is a sufficient base of NGOs that provide social services and defend public interests;
- politicians are accountable to the public;
- policy is monitored and evaluated.

It could be asked what is new and unusual about these democratic theses. The novelty lies in the recognition that individuals themselves are the ones who shape policy, an idea that until now has been relegated to the very fringe of political thinking. By becoming involved in politics, individuals confirm their civil affiliation. Citizenship does not merely entail a different colour passport; it entails a consummate relationship with one's country. Citizenship means that people are informed of decisions and understand the principles of policy-making.

It means that they wish to participate in public and political activities and that they do so.

The goal of democracy is not to develop an ideal society, but rather to expand the public arena of freedom and responsibility. This is only possible if the people themselves form an active civic community. Democracy does not establish a state of justice and does not create an ideology of truth, it merely strengthens the public arena within which everyone has the right to act.

This **Report** is a manifesto for involvement and participation. The responsibility for human development cannot be expected to come from the government and politicians alone. Individuals themselves must become involved in finding solutions to social and political issues. That is the beginning of a civil society.

The writing of this **Report** has been an expression of participation and social activity. Many people have contributed to the **Report** with suggestions, interviews, comments and discussions. These people represent the community of policy makers. The authors hope that once this **Report** is published, it will be discussed in the media, regional forums, municipalities, in public policy portals on the Internet and elsewhere.

The objective of the **Report** is not to enforce collectivism, as the fragility of individual freedoms must be recognized at all times. Individual freedoms may be strengthened only through the mutual contact of individuals. Therefore the **Report** emphasizes the significance of politics in realizing individual freedoms and the fact that democracy ensures the sustainability of these freedoms.

Policy-making is not the exclusive domain of the State, the Parliament, or the government. It is the domain of civil society as a whole. During the privatization of Latvia's State-owned enterprises, many people began to view policy-making as serving to the economic advantage of a narrow circle of people and ignoring the interests of the public at large. Policy-making should not entail only the management of economic transactions. It must become a concern of the public. Political decisions should not be bought and sold like goods and merchandise, or

handled like items in an auction house, because politics is the domain of the entire people. Politicians merely manage the realm of public interests that the people have entrusted to them.

If, however, politicians sell, privatize or divide what is perceived as the public good, then this amounts to an arbitrary expropriation of power from the people and simultaneously erodes the public's trust in the country's administrative institutions. As they slip off the public platform, politicians or civil servants by extension become either bunglers, corruptible officials, marionettes or usurpers and place themselves outside of the pale of democracy. If this is the case, then they must either answer to the law or change their occupation.

In Latvian politics there is a strong element of selflessness and altruism. The financial remuneration of politicians and civil servants does not exceed average wages by a great deal. Those who wish to fulfil their identity with wealth and affluence must choose another profession, and here the free market provides an ample field of alternative opportunities.

Latvia has established several good preconditions for developing open, responsible and effective public policy:

- it has a generally well-educated population;
- for the most part, politicians and civil servants are competent, responsible and aware of their mission;
- the public is increasingly demanding that public policy be targeted to the public interest, that it be responsible, skilfully implemented, transparent, fair, honest and open to participation;
- a good institutional framework and legal base have been established for democratic policy-making;
- systematic links are taking root and examples of co-operation between politicians, NGOs and government institutions are growing in number;
- the number of NGOs and citizens' groups actively involved or wishing to become involved in public issues is on the increase;
- new partners are participating in the formulation of public policy – NGOs, sectoral associations, public policy institutes, scientists, et al.;
- politicians and civil servants have expressed the desire to improve policy-making and avert its present shortcomings. Many politicians and government institutions, such as the State Chancellery, support attempts to make policy-making more open.

Politics in Latvia can draw upon rich human resources and a solid institutional framework, but its systemic capacity is insufficient. In other words,

policy-making is not always conducted in the most effective manner. Policy-making will be made more open by strengthening its systemics and continuity. Political activity has an inherent inner logic. It consists of a succession of steps, in which every stage of action is important.

Therefore, the relevant democratic procedures must be observed in the discussion of public issues. Unfortunately, politicians, government officials and citizens often ignore these procedures, or do not know how to apply them, or consider them to be an unnecessary nuisance. Nevertheless, democratic procedures are important because they permit all interests to express themselves and ensure political interconnection.

Each one of us is responsible for ensuring that other people, too, have access to opportunities. The moral basis of democracy is the ability to step into the other person's shoes. Democratically minded individuals are aware not only of their own freedoms, but value the freedom of others as well. They stand up for democratic policy, knowing that it is the best tool for co-ordinating and realizing individual freedom.

Those concerned with the public good – for example, access to a lake whose shores have been earmarked and fenced off for private construction by economic development giants – must turn not only to their city council, but also to the developers themselves, and express their misgivings over the effect of such activities on the public interest.

Each Chapter of this publication, as in previous **Reports**, provides recommendations to the national government, local governments, NGOs, the private sector, and citizens' initiative groups. The following is a summary of the principal recommendations in this **Report**.

## Chapter 1. Public Policy and Human Development

According to *Saeima* deputies, policy-making would become more open and transparent if stronger links were forged with the public and if politicians became more accountable for their activities by such means as declaring their sources of funding and revealing their links with political lobbies. In the event of transgressions, politicians and appointed officials should resign or be recalled from their posts.

Various groups of the public, such as urban and rural residents, must have equal opportunities to access information on the country's administrative decisions.

In addition, sanctions must be considered and introduced for the public to apply against administrative institutions that fail to abide by procedures of openness. An institution carrying out functions similar to that of an ombudsman could provide the public with an extra means to pressure the country's administrative institutions into working within the confines of the law.

Open policy-making would also be promoted by financing political parties from the national budget, as that would reduce their considerable dependency on business groupings and sponsors.

As long as the matter of financing parties from the national budget has not been resolved, the parties themselves must take greater responsibility for ensuring the transparency of their finances.

A law is also needed to ensure public debate before the final resolution of complex issues that have a long-term influence on human development.

Appropriate policy analyses and studies should be used more effectively in drafting and implementing policy. Independent policy analysis institutes should be strengthened, and advantage should be taken of the fact that *Saeima* deputies, ministry department directors and local government leaders trust professional experts more than any other participants in the political process.

In the interests of rural and regional development, the establishment of partnerships should be supported where parish and municipal governments, rural support institutions, NGOs and private organizations work together to develop and implement district and regional development strategies. Such partnerships will play an increasingly important role in attracting EU structural funds.

In order to accelerate rural and regional development, community funds must be established with contributions from the State, local governments, businesses and private persons. These community funds could finance projects for the common good and ensure co-financing for EU structural fund programmes designed to develop Latvia's regions. In establishing community funds, local governments and State institutions must work actively with businesses. Both the national and local governments should find the means to contribute to such funds.

The use of funds presently allocated for rural support sub-programmes should be re-evaluated in order to direct more funds to human resources, the introduction of new technologies, education, and co-operation projects.

Collective participation projects and citizens' initiative groups must be supported by providing them with methodological assistance and training in the management of group projects.

Organizations representing various interests and engaging in intermediary involvement should be treated with respect. NGOs established for the public good with small memberships may represent the interests of a broad spectrum of the public.

## Chapter 2. The Public Policy Process

In order for the preparation and adoption of policy decisions to change significantly for the better, the dependence of the parties elected to the *Saeima* on narrow interests must be reduced.

The discussion of opposition proposals in the *Saeima* would contribute to a climate of mutual trust.

The analytical capacity of the Parliament should be strengthened by according additional funding to each faction, or by establishing a separate analytical service that would increase the decision-making capacity of the *Saeima*.

Mass public participation in political parties could be an effective means for strengthening political transparency and quality. Party leaders would be subject to dual control – both from their voters and from rank-and-file party members.

The quality of government decisions could be improved by unburdening the Cabinet, and by delegating the decision of less important technical issues to ministries. This would significantly strengthen the Cabinet's strategic leadership role.

The more intensive involvement of independent experts in the preparation of draft decisions would provide an opportunity to increase the amount of alternative solutions and facilitate the involvement of the public in the policy-making process.

The implementation of the government declaration and other conceptual documents would be facilitated by the promotion of horizontal inter-ministry co-ordination.

Increased public involvement in the decision-making process would be facilitated if the preparation of draft decisions became more transparent already at the ministry level. A publicly accessible draft document register should be established for the public to examine even before such documents are presented at state secretary meetings.

All state and local government institutions should strictly abide by regulatory enactments that guarantee public access to information.

In order to generate a longer-term perspective at the local government level, the country's administrative territorial and regional reform should be completed as soon as possible, though not overly hastily and in a considered manner.

Sufficient funds must be provided for the performance of local government functions, and to ensure the effective use of these funds. Administrative territorial reform, educational and consultative measures, and fully functional accounting systems should help in this regard.

The manner in which the preparation and adoption of decisions occurs at the local government level, and the fact that currently this process is only relatively open, indicates that the mutual estrangement between decision-makers and the public at large must be reduced. Only then will the public evaluate the decision-making activities of State institutions more positively, and only then will the legitimacy of the policy-making process increase.

## Chapter 3. The Advent of Participation in Public Policy

Increased public participation in politics would be facilitated by following four parallel steps:

- Promoting the accommodation of public interests by State institutions;
- Strengthening the public's participatory capacity;
- Improving public monitoring mechanisms;
- Promoting co-operation between NGOs in the defence of public interests.

Political shortcomings will be overcome only by opening government and local government institutions to the public in a concerted manner. This will require systematic educational efforts, as politicians and civil servants will not acquire an aware-

ness of this need overnight. Therefore, appropriate political education programmes must be provided without delay.

State structures need to offer real co-operation mechanisms directed both to the hearing of public interests and to accountability for decisions taken.

Strengthening the public's participatory capacity will provide another means for achieving the public's increased involvement and participation in politics. This can be effected in part through educational measures. Civic education must enter school curricula and continuing education institutions with the support of the State.

State support in both moral and financial form must be provided for NGOs, which form the participatory base for public participation.

Previous **Reports** dating from 1996 and 1998 provided many recommendations for strengthening the NGO sector. These have not, however, gained widespread support. The authors of these reports maintain that:

- The State must establish a clear tax policy in relation to NGOs;
- Organizations operating with donated funds in the name of the public good must not be taxed (NGOs share all donations with the State);
- The State must promote philanthropic activities by offering advantageous tax breaks to donors and by facilitating the establishment of foundations.

The current experience of co-operation between the State and NGOs must be assessed, and result in the delegation of State functions to NGOs. Such an assessment would not only help to better organize future policy, but also provide the positive effect of openly recognizing the important role of the public at large.

A good legal basis has already been established regarding the definition of public rights, but it is also necessary to provide guarantees for their implementation. The 1998 **Report** recommended establishing an institution that would fulfil the role of ombudsman, whose functions are currently being carried out in Latvia by various NGOs. An alternative course would involve strengthening existing mechanisms. In such a case, NGO activities would require strong support from the country's institutions of justice.

NGOs should be encouraged to strive for a more unified and targeted approach in the defence of public interests. Expanding contacts and co-operation with other groups would also be useful.

The non-governmental agents with the greatest influence in policy-making are experts and professional organizations. This potential should be activated and, if necessary, even organized and supported.

## Chapter 4. Administrative Capacity in the Context of Human Development

The drafting and approval of the national State budget must be linked to the strategic priorities and vision of the country.

In order for policy-making to promote human development, budget planning and adoption processes must be linked to the strategic priorities and vision of the country.

A long-term development vision must first be agreed upon for the country, before human development goals can be set and their implementation monitored and evaluated. The State Chancellery's Policy Co-ordination Department has an essential role to play as the principal co-ordinating institution for working out this vision.

In order to promote transparency and understanding about its vision for Latvia's future, the government must publicize a declaration of its values, ethical foundations and fundamental principles of governance. These fundamental principles must be formalized and embodied in the daily functions of the State's administrative institutions.

In order for the multi-sectoral co-ordination of human development policies to become more efficient, and for all individuals to feel that they also have a role to play in the country's overall development, the principle of team activity must be strengthened among ministry staff. Unhealthy competition between ministries must be diminished, and obstacles to inter-ministry co-operation in policy-making must be eliminated.

Governmental public relations mechanisms must be developed to increase transparency and accountability. Besides the "traditional media," the Internet and the latest technologies should also be used.

The soon to be obligatory annual local government reports should observe the same principles as ministry annual reports, giving additional consideration to methodology, principles of implementation, publishing resources and their target audience.

Changes must be made to the State system of commissioning policy analyses in order to facilitate the transfer of international experience to local policy analysts. Inter-ministry co-operation in the research of multi-sectoral issues must also be promoted, and policy analysis priorities should reflect national priorities.

In order for quality policy analysis to play an increasing role in Latvia's national policy-making processes, the capacity of policy analysts and the institutions requesting such analyses must be increased.

To improve the quality of public policy in the nearest future, the capacity of independent policy analysis experts and policy institutes must also be raised in order to permit them to conduct qualitative analyses of public policies and to forecast the consequences of such policies through cost-benefit studies, including the evaluation of social costs.

In this regard, the opportunities for potential specialists to gain the necessary policy analysis skills must be increased in Latvia's higher education system.

Increased public participation in local government decision-making must be promoted, particularly regarding such essential issues as community development and improving the quality of life. This can be done by organizing more public discussions, by involving public interest groups in decision-making and development planning, and by organizing partnerships between local governments, NGOs and businesses.

In order for local governments to perform their functions according to modern requirements, priority must be placed on increasing their technological capacity.

Local government capacity could be raised by developing various local government co-operation models, thus respecting their municipal sovereignty and permitting them to choose on their own whether or not to amalgamate.