



Annual Civic Space Report - 2022

Latvia

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Summary

Key developments

- 🕒 Overall positive environment for civil society
- 🕒 More avenues needed for public participation at local levels
- 🕒 Availability & adequacy of funding resources a significant constraint to CSO activities

Civic space in Latvia is rated as “open” by the CIVICUS Monitor¹ and is generally well respected. In its 2022 Rule of Law report on Latvia, the European Commission recommended continual efforts towards “adopting the draft legislation on lobbying” and “the setting-up of a special lobby register”. Additionally, it recommended, “measures to increase the participation of civil society in decision-making at local level”. The government has only partially implemented these recommendations. It passed the Law on Transparency of Representation of Interests or the so-called lobbying transparency law, to improve transparency in the process of representing any interests. There have been attempts to improve public participation, such as through the online TAP portal, but further work is needed at local levels. While the availability and adequacy of financial resources is one of the most significant constraints to the activities of civil society organisations (CSOs), they still had access to increased government funding in 2022.

Institutional landscape, political and socio-economic

After more than 30 years since the re-establishment of independent Baltic States, Latvia has built a stable democratic state and fruitful ground for active citizenship. But there are several challenges to be addressed in building a stable civil society based on democratic values.

One of the most important elements of civil society is that they are formally and informally created social networks. At the beginning of 2023, more than 2,600 associations and foundations² are registered in Latvia. The number of these organisations is increasing annually by around 3 to 4 per cent. However, it should be noted that not all registered organisations are active and actually working. One of the indicators that indirectly allows the number of active organisations to be established is the submission of annual reports. Data shows that 14 per cent of all organisations in 2019, 18 per cent in 2020 and 29 per cent in 2021 did not submit annual reports. In order to address the high proportion of organisations in state-maintained registers that are not active for a long period of time, the Ministry of Justice drafted proposals to amend the Law on Associations and Foundations³. This will facilitate the liquidation procedure, where CSOs who have not been active for a long time and have not reported to the State Revenue Service or the Register of Enterprises will be removed from the register.

¹ <https://monitor.civicus.org/country/latvia/>

² According to the official database of Lursoft Ltd., https://www.lursoft.lv/lursoft_statistika/?id=41

³ Resources of civil society organisations: current situation and needs 2022, page 5: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

According to the researchers, there are approximately 1,000 organisations working in the field of civil society in Latvia⁴. This estimate is also in line with the research carried out by the Civic Alliance-Latvia on the organisations involved in the civic participation mechanisms (working groups, official meetings, councils etc) of the ministries and the Parliament (Saeima), i.e. the total number of organisations working in the field of civil society is estimated at 720⁵. Other organisations (more than 25,000) are working in different fields – the most common are sports activities and amusement and recreation activities, real estate activities (housekeeping), education.

The public image of CSOs is generally positive and there seems to be a growing public recognition and appreciation of CSOs' activities, especially in crisis management and helping the less fortunate in recent years. Above all, officials and politicians increasingly appreciate the importance of civil society in the development of the country. This is also reflected in the trend in recent years for more civil society actors to receive the country's highest honours.

In the beginning of the year, it seemed that the crisis of the COVID-19 pandemic was overcome, but in February Russia started a brutal war of aggression against Ukraine, which created a new crisis, that strengthened solidarity in Latvia and around the world. Latvia strongly condemned Russia's aggression against Ukraine as a grave violation of international norms and sovereignty and territory. It provided support including military support, humanitarian aid, aid for war refugees⁶ and ranked first among the countries that have donated the most to Ukraine in relation to its gross domestic product (GDP).⁷ Civic Alliance-Latvia organised a march in support of Ukraine "Together for Ukraine! Together against Putin!", with more than 30 000 participants- the biggest manifestation since the 1990s.⁸ There are a lot of support activities organised by CSOs and new social initiatives - volunteer coordination, fundraising campaigns, creation and maintenance of various platforms, translation etc. The organiser of the donation drive 'Twitterconvoy' from Latvia to Ukraine, Reinis Pozņaks, was named European of the Year 2022 in Latvian by the non-governmental organisation European Movement – Latvia⁹.

Seimas removed the legal obstacles for the demolition of the Soviet monuments in Latvia. Meanwhile, after there was a published fundraising campaign for the demolition of the Soviet-era obelisk in Riga, with 100 000 euros donated for the demolition in less than a day¹⁰. That was one of the expressions from civil society against Russian aggression.

2022 was Parliament election year in Latvia. The campaign for Latvia's parliamentary election was dominated by the war in Ukraine, democratic values, defense.

⁴ <https://www.mk.gov.lv/lv/media/13802/download?attachment> slide 13

⁵ Public Participation in the Decision-Making Process (2021): <https://nvo.lv/uploads/public-participation-in-the-decision-making-2021-cal.pdf>

⁶ <https://www.mk.gov.lv/en/latvia-supports-ukraine>

⁷ <https://eng.lsm.lv/article/society/society/latvia-ranks-first-in-aid-to-ukraine-by-gdp-share.a477661/>

⁸ <https://zinas.tv3.lv/latvija/gajiena-kopa-ar-ukrainu-kopa-pret-putinu-nosoda-putina-sakto-karu-ukraina/>

⁹ <https://eng.lsm.lv/article/society/society/twitterconvoy-organizer-named-european-of-the-year-in-latvia.a489228/>

¹⁰ <https://zinas.tv3.lv/latvija/sabiedriba/okupacijas-pieminekla-nojauksanai-saziedoti-jau-100-000-eiro/>

The regulatory environment for and implementation of civic freedoms

The Constitution of the Republic of Latvia recognizes and protect fundamental rights. The existing fundamental rights chapter in the Constitution guarantees freedom of speech and thought, press freedom, freedom of association and assembly, freedom of strike, inviolability of correspondence and home.

CSOs are governed primarily by two laws – the Law on Associations and Foundations and the Public Benefit Law. CSOs are generally able to operate freely under the law without harassment by the government and can freely address matters of public debate and express criticism. The registration process is easy and accessible, and all documentation may be submitted electronically.

The core legal document establishing citizen's rights to participate in state matters (Article 101) states that: "Every citizen of Latvia has the right, as provided for by law, to participate in the work of the State and of local government, and to hold a position in the civil service. Local governments shall be elected by Latvian citizens and citizens of the European Union who permanently reside in Latvia. Every citizen of the European Union who permanently resides in Latvia has the right, as provided by law, to participate in the work of local governments. The working language of local governments is the Latvian language¹¹. However, as explained below, challenges remain regarding participation.

CSO participation and new transparency law

Regulatory enactments, such as State Administration Structure Law and the Cabinet Rules of Procedure, determine civic participation in the state administration, and methods for the participation – including working groups, advisory councils, participating in public consultations, providing opinions, proposals and objections in the process of drafting political and legal acts. This means that at governmental level – at least each ministry has a consultative council, and parliamentary commissions which invite CSO representatives to participate in their meetings and provide input.

In practice, CSOs have relatively easy access to politicians and civil servants responsible for public policy issues. However, the quality of the dialogue between state and CSOs generally depends on the individuals involved. Meanwhile, in survey's, organised by Civic Alliance – Latvia in 2022, findings identified the most important obstacles to CSOs activities – including 37 per cent of organisations identifying the frequency of changes in laws and regulations as an obstacle, 33 per cent the donation regulatory framework and 26 per cent the tax regulatory framework. The share of organisations which found other aspects of the regulatory framework problematic is also significant, ranging from 10 to 25 per cent.¹²

¹¹ <https://www.saeima.lv/en/legislative-process/constitution>

¹² Resources of civil society organisations: current situation and needs 2022, page 6: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

In 2022, Latvian Parliament passed its final reading on the Law on Transparency of Representation of Interests or the so-called lobbying transparency law. The goal of the law is to ensure transparency for lobbying interests, promote society's trust in lobbyists representing interests in public suggestion of different decisions, their development, approval and implementation, as well as ensure equal and fair opportunities for all private persons to participate in representation of interests.¹³

Attempts to improve public participation

Active public participation requires individuals to be willing to participate in decision-making processes, to have the knowledge and skills to do so, and to have access to information. In order to promote access to information and public participation in democratic processes, several laws and regulations have been adopted, including the Law on Openness of Information and Cabinet of Ministers' Regulations, which require public participation in the drafting of laws and regulations and require public administrations to make information available on websites.

In order to facilitate public access to information on opportunities for participation, the latest public administration solution is the Single Portal for Drafting and Coordination of Draft Legislation, or the TAP Portal, which aims to improve the environment for public participation in the process of drafting legislation, as well as to modernise the decision-making process by ensuring a more efficient, transparent and faster process of drafting and coordination of draft legislation. The TAP portal is a digital information system that started operation in September 2022. It provides a single place for draft legislation to be developed, agreed and approved, and to be sent to government. Everyone can follow the progress of legislation on the portal and watch its consideration in the public part of Cabinet meetings – both live and in video archives.¹⁴ It is important to note that the TAP portal does not include the parliamentary and local government levels, so information on public participation at these levels is still fragmented.

The framework for civic organisations' financial viability and sustainability

Availability & adequacy of funding resources a concern

Annual reports show that over the last three years, the proportion of financially inactive organisations remains at around 25 per cent. Revenue data show that 34 per cent of organisations had membership fees or other annual contributions and 31 per cent had income from business activities. Donations and gifts were received by 21 per cent of the organisations and grants by 14

¹³ <https://eng.lsm.lv/article/politics/saeima/saeima-adopts-lobbying-transparency-law-after-15-years-of-debate.a477802/>

¹⁴Single Portal for Development and Harmonisation of Draft Legal Acts (TAP portal): <https://www.mk.gov.lv/en/tap-portals>

per cent. At the same time, only 3 per cent of organisations received income from various foreign foundations.¹⁵

Looking at the changes over the last three years, the number of organisations showing financial activity has gradually decreased in all revenue categories. This shows that the financial activity of CSOs is decreasing. This is particularly evident in the pandemic and post-pandemic years. Overall, expenditure is down by 28.4 million EUR, while revenue is down by 10.7 million EUR. In this respect, too, the sector's financial activity may be seen to be declining.¹⁶

The financial sustainability of organisations is largely linked to the diversification of revenue sources. However, annual accounts data show that most organisations typically have only one major source of revenue, while the others account for an insignificant share. In this respect, it can be concluded that the financial sustainability of associations and foundations is currently weak, as a large proportion of organisations are dependent on a single source of funding.

Over the last three years, the number of organisations with donations has decreased by almost 20 per cent¹⁷. In relation to the Tax Policy reform, adopted in Latvia in 2018, CSOs warned policy-makers that it could create crises in the sector.

The precarious financial situation and weak sustainability of organisations is also indirectly reflected in their assessments of the most important constraints to their activities in the survey. 38 per cent of organisations say that tax rates are a major obstacle, while 37 per cent say that the frequency of changes in laws and regulations is a major obstacle. One in three organisations have problems with the legal framework for donations and one in four with tax laws and regulations. One in five organisations identifies the regulatory framework for business activities and the procurement process as a barrier. These assessments show that in many aspects of the administrative framework, organisations face significant obstacles that affect their overall financial stability and sustainability.¹⁸

Data shows¹⁹ that the availability and adequacy of financial resources is one of the most significant constraints to the activities of organizations, with 69 per cent rating overall financial resources as insufficient and only 23 per cent regard them sufficient. With an analysis of the data in more detail by different categories of financial resources, it can be observed that the most lacking categories are: private donations (62 per cent say that this funding is insufficient), support from state budget funds (61 per cent), donations from the commercial sector (60 per cent), support from municipal budget funds (54 percent), and revenue from economic activities (53 per cent). Slightly less frequently, but also very frequently, the following are identified as missing financial resources: membership fees (48 per cent), grants (47per cent), project funding from foreign donors (42 per cent).

¹⁵ Resources of civil society organisations: current situation and needs 2022, page 5: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

¹⁶ Resources of civil society organisations: current situation and needs 2022, page 10: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

¹⁷ Resources of civil society organisations: current situation and needs 2022, page 12: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

¹⁸ Resources of civil society organisations: current situation and needs 2022, page 13: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

¹⁹ Resources of civil society organisations: current situation and needs 2022, page 13: https://nvo.lv/uploads/cso_resources_current_situation_and_needs_2022.pdf

The survey also asked representatives of organisations to indicate which activities and needs are the most difficult for them to raise funding for. Majority of respondents answered that the most difficult task to raise funds for are core activities (salaries, administrative costs, running costs).

The possibilities for the state and local authorities to support organisations are regulated by various laws and regulations. The legal framework in this area offers a wide range of choices and imposes few restrictions. For example, The Law on Local Governments (also the new Law on Local Governments) provides that a local government may adopt binding regulations to ensure the performance of its autonomous functions and voluntary initiatives. In the Law on Public Administration, the most relevant provisions regarding the possibilities of providing state aid to organisations are those regulating the conclusion of public law contracts, including delegation and participation agreements. However, in practice, problems have been identified with delegation and participation agreements, including administrative burdens. The Law on Prevention of Waste of State and Local Government Financial Resources and Property includes a provision giving the right to a public body (public administration authorities) to transfer public property and allocate premises to a public benefit organisation or social enterprise free of charge.

CSOs had access to increased government funding, after receiving approximately EUR 2 million from the National NGO Fund, which is administered by the Society Integration Foundation. In addition, the Foundation provides other programs for CSOs, funded by state²⁰. Line ministries in the fields of youth, culture, environment, and other sectors also provide different grants for CSOs. There were also specific programmes for CSOs who implement activities to help Ukrainians.

Given that support from the national budget is very limited, the alternative is to attract funding from the European Union Structural Funds, but this funding does not provide for a guaranteed quota for each EU Member State, and the project conditions are cumbersome, which allows only some organisations to be able to compete with organisations from other countries with much greater capacity and resources. This is also confirmed by the latest data provided by the Ministry of Culture: in the programme "Citizens, Equality, Rights and Values" (CERV) 2, 067 project proposals were submitted and 787 were supported amounting to 181.45 million EUR. Latvia has attracted 1,01 million EUR, with Latvian organisations as lead partners in only two projects.²¹

The right to participation and dialogue between the sector and governing bodies

Several avenues for dialogue

It should be stressed that with the abolition of the Secretariat of the Special Assignments Minister for Public Integration in 2009, Latvia no longer has an institution dedicated to civic society strengthening and development policy in the country, and there is no institution to oversee this

²⁰ <https://www.sif.gov.lv/lv/nvo-fonds>

²¹ Meeting of the Council for Implementation of the Memorandum of Co-operation between Non-governmental Organisations and the Cabinet, September 28, Presentation of Ministry of Culture: <https://www.mk.gov.lv/lv/2022-gada-28-septembra-darba-kartiba>

cross-sectoral policy related to all areas of state and local government policy. The pandemic has changed public administration, working organisations and how civic participation is ensured. For years, meetings of the Cabinet of Ministers' and Parliament plenary sittings are live broadcasted to provide the opportunity for every stakeholder to follow the decision-making process, but during the pandemic a new format was set – sittings are organised on digital platforms, which is more accessible to the general public, including people from regions and diaspora.

In general, the legal framework for civic participation (not civic dialogue) is favourable and public administration both in local and national level follow the rules, but civil society more often asks for non-formal consultative processes with wider society and to provide more meaningful civic engagement and feedback. A challenge for public administration is to find new ways to be more engaged with citizens and to find balance between professional civic dialogue and deliberative process with different groups of society. Thus there needs to be a strengthening of all circulation of democratic process to hold heterogeneous society together and bring different and even competing interests together with citizens' willingness and ability to compromise and cooperate for common goals.

Parliament decided to add to the National Development Plan 2021-2027²², which commits to strengthening civil society, civic initiatives and promotion of volunteering, as well as to establish an equal approach to dialogue with civil society. But there was no action to implement this political commitment both in legal framework and practice. After active lobbying from CSOs, the new government's in their Declaration²³ included a paragraph with commitment to develop and support self-organisation and resilience mechanisms, and implement civic dialogue, and allocate permanent state budget funding for capacity building and strengthening of civil society. This may result in a new level of civic participation, but it is too early to tell. One of the civic dialogue platforms - the Council for Implementation of the Memorandum of Co-operation between Non-governmental Organisations and the Cabinet – should have implemented the reform model that was confirmed in 2018, but as it requires financial investments, this was postponed. CSOs have developed a proposal to decision-makers on how civic dialogue should be regulated and implemented.

In 2022, the New Law of Local Governments was adopted. It includes new formats of civil society cooperation, such as residents' councils.

Civil society's resilience to challenges to democracy, the rule of law and fundamental rights

Civil society: an important actor in crises

CSOs are key actors for a strong, independent, and democratic society with a focus on a common good, on social impact and increasing societal resilience. CSOs provide critical social services, which are even more important in crisis situations, especially with rising social tensions, which can also

²² https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2027_ENG.pdf

²³ Declaration of the Intended Activities of the Cabinet of Ministers headed by Arturs Krišjānis Kariņš: <https://www.pkc.gov.lv/sites/default/files/inline-files/20221214MKDeklaracija%20%281%29.pdf> Article 303

lead to an increase in crime and violence, exacerbate other diseases and their spread, and reduce the protection of vulnerable groups. The COVID-19 pandemic proved that CSOs can reach out to the new social groups that have been failed by government safety nets, leaving no one behind. They have also mobilised resources for flexibility in ensuring social services, especially in the first few days of the crisis, where governments failed to operate effectively due to new circumstances. CSOs mobilise and coordinate local communities in crisis situations, including organising crisis response as humanitarian aid, shelter or transportation support. CSOs also coordinate activists, including volunteers, to support those in need in a crisis.

The willingness of citizens to participate and engage in social and civic activities is largely determined by indicators of social capital – trust in other people, and willingness to cooperate. The SKDS research centre has been regularly measuring various indicators of social capital for many years. The data²⁴ shows that the social capital of the Latvian population has increased significantly since 1998 where only 34 per cent rated that most people could be trusted, while in 2021 it was already 46 per cent. In the long term, only the 45-54 age group has shown a clear and consistent increase in trust, while the other age groups have been variable over the years. In cities outside Riga, trust between people has been consistently on the rise (reaching 56 per cent in 2020). In contrast, trust among those living in Riga has decreased (from 52 per cent in 2016 to 41 per cent in 2020).

The extent to which residents establish and maintain contact with their immediate neighbours, especially in terms of joint activities, can also be measured in terms of cooperation between residents. In 2021, a total of 44 per cent of the Latvian population had discussed issues related to problems in their neighbourhood with their neighbours. Significantly, this figure is almost identical to the mutual trust figure which has increased very slightly over the last decade, from 38 per cent in 2010 to 44 per cent in 2021. By socio-demographic group, mutual cooperation is more common among Latvian speakers, the population aged 45 and over and the rural population.

These findings show that activities of local communities have the potential to contribute to the cultivation of shared social capital, resulting in greater civic and social participation in the long term.

As a result of CSOs active involvement, especially in crisis management, there seems to be increasing media coverage of their local and national initiatives, as well as the inclusion of civil society representatives as experts in numerous articles in newspapers and magazines, and on TV and radio programmes.

²⁴ Here and in the following paragraphs, data and interpretation from the evaluation: Impact assessment of the implementation of the Latvian National Centenary Programme for the period from 1 January 2019 to 1 December 2021. Ministry of Culture. Latvian Academy of Culture, "Analytical Research and Strategy Laboratory" Ltd. Available at: <https://www.km.gov.lv/lv/media/21713/download>

Recommendations

To the government of Latvia:

- ⑩ identify the institution responsible (at political and civil servant level) for the development of civic society and the strengthening of democracy, through cross-sectoral policies to guide and coordinate reforms;
- ⑩ develop and support mechanisms for societal self-organisation and resilience, as well as the establishment and implementation of a crisis management system, which is particularly relevant in the current geopolitical situation;

The right to participation and dialogue between the sector and governing bodies

- ⑩ recognize and put into practice civil dialogue as equal dialogue to social dialogue;
- ⑩ take measures to increase the participation of civil society in decision-making at all levels, including local, national and parliamentary levels

The framework for civic organisations' financial viability and sustainability

- ⑩ ensure public participation in the planning and monitoring of public funding;
- ⑩ implement a targeted civic society development policy, with permanent state budget funding to strengthen civil society capacity.