

REPUBLIC OF LATVIA



**STRATEGY**  
FOR THE INTEGRATION INTO  
**THE EUROPEAN UNION**

**2000**

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## INTRODUCTION

The accession to the European Union (EU) provides Latvia with an opportunity to participate in the development of European and global economy, politics and culture. The previous EU experience has shown that the so-called small states have played an important role especially in adopting strategic decisions. The EU expects that the applicant countries will not only demand the benefits for themselves, but also come forward with proposals and ideas that would be beneficial for both the applicants and the EU.

Amount of tasks Latvia has to implement in order to integrate in the EU is growing all the time. The number of the institutions involved in the integration process and of people interested in it is increasing as well. Several documents on separate aspects of strategy have been elaborated and adopted. However, unanimity on the priorities of integration has not yet been reached.

The Strategy for the Integration of Latvia into the EU is a document, determining the basic aspects of decision-making on the EU policy issues. Its objective is to facilitate the unified work and understanding, thus promoting Latvia's accession to the EU. The Strategy:

- provides the summary of operational guidelines for the government, ministries and other institutions involved in the integration process;
- facilitates the elaboration and implementation of integration programmes in new sectors as well as the research of issues related to the integration process;
- envisages the compliance of the public administration to the requirements of the EU and the co-ordination of sectoral priorities and the integration into the EU;
- determines that the fiscal policy and the planning of the state budget have to comply with the requirements of the process of Latvia's integration in the EU;
- emphasises that the preconditions for the support of the society are the knowledge on the EU, access to objective information and open dialogue between the public administration and population.

As regards the EU enlargement, it is for the benefit of both the applicant countries and the EU to maintain the quality of the standards defined. The EU historic development shows that each country has to find its own way towards the most effective usage of common rules. We have to solve the tasks of the strategy in a creative manner, actively seeking the most favourable solutions for Latvia and simultaneously being aware of the obligations towards the other states and the EU in general.

The EU operates on the basis of the *subsidiarity* principle, envisaging that the EU does not implement any measures on the level of its competence if more effective solutions can be found on national, regional and local level. This principle ensures that the decision-making and the implementation and control of the decisions is drawn as near to the population as possible.

In order to enhance the preparation of the applicant states for the EU membership, the European Commission regularly issues proposals on the integration priorities and provides different types of assistance in order to make the applicant country to realise its unique and therefore very necessary role.

The tasks of the Strategy are grouped in accordance with the institutional structure of the EU and the membership criteria set out by the EU Copenhagen Council.

Special attention is paid to the national interests of Latvia.

Strategy is to be considered as implemented upon the accession of Latvia to the EU.

## **BASIC ASPECTS OF THE STRATEGY**

### **1.1. NATIONAL INTERESTS OF LATVIA**

The political objective of Latvia is to ensure the independence of the country, to increase social security and welfare and to facilitate the consolidation of Latvia's international positions. Latvia's aspirations to join the EU are defined by the fundamental interests of our state and society.

National interests of Latvia are the most important basic values of the society - the independence and the irreversibility of the democratic system, economic and social development, culture identity, maintenance of the Latvian language.

Latvia considers itself to be a European country and joins the ideals, values and basic principles, forming the basis of the EU.

As the EU is an international contractual organisation, Latvia receives concrete guarantees for the implementation of its interests. By assuming economic obligations as regards the EU membership, Latvia creates flexible and competitive market economy with skilled labour force, effective legal system, stable finances and macroeconomic situation.

The foreign policy concept of Latvia defines that the full-fledged EU membership of the country is one of the most important foreign policy goals. The integration in the EU ensures the orientation and motivation of Latvia's reform processes.

### **1.2. PRINCIPLES OF THE EU WORK**

The EU ensures dynamic and stable balance between the national and common interests of the member states. The EU common responsibility is observed in the integration of national economies, development of common foreign and security policy as well as the co-operation in the justice and home affairs.

The current global and European development can be characterised by growing global and regional co-operation, leaving its impact also on Latvia. The EU is one of the most influential regionally political and economic forces. Its history dates back to 1951.

The EU consists of 15 countries with the total population of almost 400 million inhabitants. The internal market, eliminating barriers for free movement of persons, goods, services and capital within the borders of the Union, was established in 1993. The single currency euro was introduced in 1999. The Maastricht Agreement has provided the citizens of the EU member states with the rights to the citizenship of Europe - to vote and to be elected to the European Parliament.

The success of the EU can be explained by the following basic principles:

- democratic decision-making on the basis of compromise and unanimity;
- general observance of human rights, respect for the national differences, thus ensuring that culture of even the smallest nations has the opportunity to flourish;
- free market economy;
- equality of small countries in solving the common EU issues.

## **1.3. PROCESS OF INTEGRATION**

### ***1. 3. 1. Procedure of the accession to the EU***

The EU has declared its openness to every European country, willing to join it.

The applicant country joins the body of laws, agreements and traditions of the EU gradually and purposefully with the help of harmonisation between the applicant and the EU in all aspects of co-operation.

In order to accede to the EU:

The country has to submit an application to the EU Council of Ministers with a request to consider its compatibility with the membership criteria;

During the consideration process the European Commission provides a detailed answer - its current opinion on the applicant's compatibility with the membership criteria - Progress Report for several times. The Report serves as the basis for setting the beginning of the negotiations;

During the meeting of the EU Council the heads of the member state governments adopt a decision on the beginning of the accession negotiations and the basic aspects;

The Council of Ministers together with the European Commission begins the negotiations with the representatives of the applicant country;

The project of the Accession Agreement created during the negotiations is initialled by both representatives of the applicant country and the EU Council. The Agreement is multilateral and the applicant concludes it separately with each of the member states;

The European Parliament confirms the Agreement by an absolute majority of votes;

All member and applicant states ratify the Agreement in accordance with their constitutions. The applicant country organises referendum if its constitution stipulates it;

The heads of the government sign the ratified Agreement in the EU Council meeting and it enters into force. It means that the amendments on the accession of a new member state are introduced in all the basic agreements of the EU;

Transitional rules are applied to certain sectors of the national economy in the new member state, if it is stipulated by the Accession Agreement.

The representatives of the new member state participate in all EU decision-making processes, legal proceedings and work as civil servants in the EU institutions in accordance with the regulations.

### ***1. 3. 2. The work accomplished by Latvia-***

Since the restoration of independence in 1991 Latvia has permanently expressed its wish to return to the family of European countries. The continuous development of the bilateral

relations of Latvia and the EU since May 11, 1992 when the Agreement on Trade and Economic and Commercial Co-operation was signed clearly demonstrates the stability of this orientation. By concluding the Association Agreement on June 12, 1995, Latvia set a clear aim - joining the EU. The Association Agreement between the Republic of Latvia and the EU regulates the relations of the two parties until the moment of accession. The Agreement is the most important document for Latvia's preparation to the EU membership.

The official application for the accession to the EU submitted by Latvia on October 27, 1995 was a logical continuation of this policy. It was confirmed by all political parties represented in the Parliament of Latvia in a joint declaration on October 10, 1995.

A new stage in the relations between the EU and its applicant countries, including Latvia, began on March 30, 1998 in accordance with the Luxembourg European Council, namely, the next wave of the EU enlargement. Accession negotiations were initiated with six applicant countries (Cyprus, the Czech Republic, Estonia, Hungary, Poland, Slovenia). Simultaneously the EU started the screening of national legislation to the body of EU laws and rules (*acquis communautaire*) with all twelve applicant countries.

Decisions of Luxembourg envisaged regular evaluation of the progress achieved by the applicant countries. The European Commission has prepared three reports on Latvia - in July 1997, in November 1998 and in October 1999.

The EU pays special attention to the applicant country's ability to adopt the *acquis*. The agreement on the fulfilment of this task, the Accession Partnership, is prepared by the European Commission in consultation with Latvia. The Accession Partnership is the main element of the pre-accession strategy. It helps the applicant country to define priorities, envisages attraction of the EU finances and sets out the rules for the use of assistance. Latvia signed the first document of the Accession Partnership on March 30, 1998. On December 22, 1999 the European Commission issued the second Accession Partnership for Latvia.

On December 10, 1999 Helsinki European Council, taking into account the recommendation of the European Commission, made a decision on initiating accession negotiations with Latvia as well as all the other applicant countries: Malta, Lithuania, Slovakia, Bulgaria and Rumania. At the same time it was set out that the negotiations will take place individually according to the preparedness of each country, thus giving the applicant countries that received the invitation in Helsinki, an opportunity to catch up with the countries that have already entered the negotiation process.

### 1. 3. 3. Government and Co-ordination in Latvia

It is important to ensure that there are institutions directly responsible for the management and co-ordination of the integration on all the levels of public administration.

The main institution on the political level is *Saeima (Parliament)* and its *Committee of the European Affairs*. The task of the Committee is to supervise the process and ensure the political support to Latvia's integration in the EU in the Parliament as well as facilitate and develop co-operation with the EU Parliament.

*The Cabinet of Ministers* is responsible for the confirmation of draft laws, adoption of binding regulations, decisions and decrees and confirmation of future action plans and tasks of the government. *The European Integration Council* is the main institution responsible for the co-ordination of the integration on the political level. It is headed by the Prime Minister

and its members are the sectoral ministers who are most involved in the integration. The Council determines the priorities of integration, adopts conceptual decisions and decrees, guiding the integration process, evaluates the process in general.

The main institution for the co-ordination of the integration on the horizontal administrative level is the *Council of Senior Officials (BSO)*, embracing the senior official responsible for Latvia's integration in the EU of each ministry. The BSO is responsible for practical issues concerning the co-ordination of the integration process: division of responsibilities among the ministries as regards the implementation of concrete tasks, elaboration and adoption of co-ordinated action plans, supervision and regular evaluation of the implementation of the integration programme.

*The Ministry of Foreign Affairs* is a central institution in the co-operation between Latvia and the EU institutions and member states. It is preparing and voicing Latvia's stance on the issues of the EU policy and taking care for the support to Latvia's aspirations to integrate in the EU on the part of the EU member states and institutions, international organisations and third countries. The Ministry supervises the implementation of the Association Agreement between the Republic of Latvia and the EU. It is leading and co-ordinating the accession negotiations. The Ministry of Foreign Affairs is at the head of the Delegation of Accession Negotiations, elaborating the stance of Latvia on the issues of accession negotiations. Secretariat of the Delegation for the EU Accession Negotiations set up in the framework of the Ministry of Foreign Affairs ensures the work of delegation in the negotiations.

*European Integration Bureau* is an administrative institution responsible for the co-ordination in Latvia. It ensures and prepares the work of the European Integration Council and the Board of the Senior Officials, provides assistance to the sectoral ministries and interministerial work groups in implementing the tasks related to the integration process. The main task of the Bureau is to supervise the implementation of Latvia's National Programme for Integration in the EU, provide real and independent information on the processes, taking place within the institutions involved in the integration. Among the other tasks the European Integration Bureau has to prepare a conclusion on the compatibility of laws and regulations elaborated by the government with the EU legislation, ensure the information exchange between the public administration institutions and the European Commission, co-ordinate informing of the society. The Bureau together with the Ministry of Finance and the Co-ordination Board of the International Assistance Programmes is responsible for the manner in which the international aid resources are used for the purposes of integration in Europe. The Centre of Translation and Terminology carries out translations of the legislation necessary for the legislation harmonisation.

*Ministries* are directly responsible for the issues of the concrete sector in the context of the EU integration, for example, the alignment of the national legislation to the respective requirements of the EU. All sectoral ministries have an official on the level of secretary or under-secretary of state responsible for the integration in the EU. The interministerial work groups help to ensure the implementation of the Association Agreement between the Republic of Latvia and the EU and Accession Partnership priorities, facilitating the optimal process of accession negotiation.

*The Secretariat of Public Administration and Local Government of the Special Tasks Minister*, implementing the concept of public administration reform ensures the gradual implementation of administration and co-ordination principles of the integration process included in the Strategy, obtaining essential growth of professional public administration.

# MAIN OBJECTIVES

## 2. 1. OBSERVANCE OF THE ACCESSION CRITERIA

Participation in the EU is an all-embracing process, demanding significant reorganisation of institutional, political and economic systems as well as political will for its implementation and acceleration.

In order to accede to the EU, Latvia has to comply with the membership criteria.

The membership criteria (*Copenhagen Criteria*) adopted by the EU Copenhagen Council in 1993 are as follows:

- stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities (*political criterion*);
- the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union (*economic criterion*);
- the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The EU emphasises that the administrative system of the applicant country has to guarantee harmonised co-operation with the EU after the accession.

The Copenhagen Criteria are not applied to the applicant country formally, but rather taking into account the essence. In accordance with the decisions of Luxembourg European Council of 1997 a regular evaluation of progress achieved by applicant countries is carried out. It analyses:

- current political relations between the applicant country and the EU;
- the compatibility of the applicant country's political structure with the EU view on democracy based on justice and free from any subjective conditions;
- economic development of the applicant country, determining its ability to cope with the pressure of competition within the EU;
- the potential of the applicant country to assume the obligations of the member state in observance of internal market rules, border control, home affairs etc.;
- the social circumstances of society, real capacity of public administration and court system to perform their work.

The aspects of evaluation constitute a part of future dialogue with the EU representatives on the level of government, diplomats and experts.

If during the integration process Latvia develops national interests that do not correspond to separate conditions for the accession to the EU, the government of Latvia, maintaining the dialogue, has to continuously identify these interests and ensure their maximal protection.

## 2. 2. INTEGRATION OF SOCIETY

With the EU membership Latvia will not only receive the opportunity to improve the democracy in Europe, but will also have to assume responsibility for the compatibility of its interior policy standards with the EU criteria. It has to pay continuous and permanent attention to democracy, rule of law and human rights.

The tasks of the public institution is to facilitate the growth of the understanding of citizenship among the population as well as to co-operate with NGOs in order to enhance the reflexive link between the state and the society. The obligation of public and local government institutions is to ensure the implementation of the language policy of Latvia, especially as regards the protection of the human rights.

The increase of the social influence has to be ensured in the adoption of laws and decisions and the work of executive power has to be controlled. The close co-operation between the Parliament and the government is the precondition for integration quality and democracy.

The work of civil service has to be improved by ensuring a reciprocal link between public institutions and population and activating the combat against corruption in each state structure.

The integration of society has to embrace three mutually related processes:

- elimination of the estrangement between the citizens and the state;
- inclusion of the minorities into the political, economic and cultural life of the country;
- naturalisation of non-citizens.

The social integration has to be enhanced in all areas, paying attention also to the elimination of social isolation and drastic regional differences.

## **2. 3. INCREASE OF WELFARE**

### ***2. 3. 1. Economic integration***

The most important goal of Latvia's economic policy before the accession to the EU is to achieve stable, balanced and sustainable economic growth - the growth of gross domestic product (GDP) for average 4-5 % per year, thus creating the main precondition for the increase of welfare among the inhabitants.

The monetary and fiscal policy has to be developed so that the economic criteria defined in Maastricht in 1993 could be achieved.

In order to ensure economic growth and increased competitiveness Latvia has to finish the privatisation process, consolidation of property rights and has to continue the liberalisation of external trade regime.

The policy of state expenditure has to be formed consistently in accordance with the defined limited role of state in the economy as well as the principles of public administration reform.

The economic policy of the government has to envisage the ways of reducing the rate of unemployment. There is a need for a purposeful state policy in order to raise the living standard: depressive regions have to be supported, efficiency of the education and health care system has to be increased, the social security system has to be developed further.

The strategic aim of the monetary and exchange rate policy is to maintain trust to the national currency. It is the basis for future participation of Latvia in the European Monetary Union and the zone of single currency euro.

The fiscal policy should be aimed at the reduction of external debt. In order to improve the investment climate and attract long-term foreign investments, it is important to ensure stability of tax system and to put the issues of international compatibility of taxes in order. By improving the legislation, the improvement of tax administration and customs

operations has to be ensured as well.

In order to fulfil the requirements of the EU related to the free movement of capital and services, the financial sector has to take care for the increase of the interests of investors, depositors and insured persons in accordance with the EU standards. It means that the level of deposit guaranties has to be gradually increased and appropriate legislative acts for the protection of investors have to be adopted.

The main goal of the *capital market* policy is to develop accessible and effective capital market that would let the enterprises to attract capital by issuing the shares or promissory notes and facilitate both internal and external investments.

In the sector of social security of Latvia the real economic convergence is closely related to the increase of welfare for inhabitants of all age groups. The programmes aimed at the improvement of demographic situation and the promotion of health of the society has to be elaborated and implemented. The social security and assistance system has to be developed further.

The reform of pension system has to be finished. Social policy has to ensure health and security in work places. The social dialogue has to be improved on all levels.

A real equality between men and women and the integration of the handicapped people in the society has to be ensured. The administrative structure, including the structure, ensuring the co-ordination of the social security, the ability to enforce the EU legislation as well as the employment and social policy complying with its requirements has to be enhanced.

The external trade objectives are the facilitation of the competitiveness of Latvia's goods and services and stimulation of export-import proportions that would be favourable to Latvia. The opportunities provided by the deepening of the regional integration of the Nordic and Baltic States have to be used to a greater extent. The legal basis of the trade relations with the main trade partners has to be improved.

The work on the introduction and observance of the EU quality standards has to be continued. It is in the interest of Latvia to quickly introduce the fundamental principle of the EU internal market - the free movement of goods. By this the Latvian goods would enter the markets of the EU member states more completely and on more equal terms.

Important task for the next few years is to introduce a regulatory mechanism for effective prices (tariffs) of the services in the sectors with natural monopolies. It is necessary to liberalise the prices for goods and services that are not sold further, like, for example, the bank services.

As regards the development of private sector and restructuralisation of the national economy, the main tasks are the increase of the private sector share in the GDP, that has to be carried out by finishing the privatisation of big enterprises, the improvement of the licence order and the elaboration of programmes aimed at elimination of other obstacles for business activities, paying a special attention to the red-tape related problems encountered by both foreign and local investors.

It is necessary to create a mechanism that would ensure the protection of employees in the case of inability to pay through the guarantee institutions. The labour legislation has to be set in order so that it would suit the market conditions.

One of the main tasks, Latvia has to implement on the current stage of development is to build a stable and competitive sector of *small and medium-size enterprises* and beneficial

business environment in the entire territory of Latvia. The implementation of the National Programme for the small and medium-size enterprises of Latvia has to be ensured.

### 2. 3. 2. Sectoral, environmental and regional development

The main goal of both the industrial and agricultural sector is to ensure the production with high and stable growth of added value volume, successfully competing with goods of other states in respect to quality and production costs. Development of new working places has to be promoted to the maximum.

Participation in the EU common agricultural policy cannot make obstacles to Latvia for the existence and development of traditional and important in relation to the history of civilisation kinds of production, it cannot create negative social consequences.

The goal of Latvia is to stimulate the development of fishery branch, by promoting the modernisation of fishing fleet and processing enterprises.

Forests have to be considered as Latvia's national resources. Therefore, by adopting all EU forestry standards, Latvia has to promote a balanced development of the branch.

In the field of transport, by using Latvia's comparative advantages, a stable growth of transport services has to be promoted, the quality and competitiveness of service export has to be improved, a multimodal transport sector has to be developed, the legal system of transport has to be improved in accordance with the market economy principles and demands of the EU legal acts, as well as the necessary investments for the needs of transport infrastructure and specifically for the increasing of the Transeuropean network have to be ensured.

In the field of telecommunications the compatibility of Latvian and EU telecommunication policy and legislation has to be reached.

The goal of the development of energy sector is to ensure national economy and inhabitants with the necessary kinds of energy in the required amount and quality with possibly lower costs.

By joining the EU the goal of Latvia is to create pre-conditions for establishing of favourable and equivalent environment, living and work conditions in all regions of Latvia; to diminish and prevent the undesirable regional differences; to promote the realisation of territorial reform in Latvia. Reform has to be carried out realising that it will be easier to demand and receive the support of the EU structural funds if Latvia's new territorial units correspond to the nomenclature of the EU statistic territorial units. Besides, it will be a greater possibility for Latvia to receive the support if in the request it co-operates with other applicant states. These issues have to be resolved already in the context of the use of pre-structural (pre-accession) funds by realising a Special preparatory program for work with structural funds. A special attention has to be paid to the promotion of non-agricultural entrepreneurship in rural districts.

Beside an intensive harmonisation of legal norms and strengthening of the institutions, the essential investments in environmental protection are necessary, especially in such sectors as the quality of water for drinking, sewage treatment, waste management and derogation of industrial pollution. The involvement of private sector in environmental investments and in

the development of ecologically clean technologies has to be promoted. A support to agriculture has to be linked with environment-friendly activities.

A large involvement of the society in solving the problems of environmental protection is a pre-condition of principal importance for the course to the EU. It means to improve considerably the quality of environmental information, as well as in legislation to provide for wider rights of the inhabitants to discuss different projects.

In the field of information in the result of rapid development of technologies the corresponding legislation has to be elaborated, as well as necessary institutional reforms have to be carried out in order to promote the competitiveness of information branch.

To decrease and prevent undesirable differences among the regions in the state, corresponding to the EU criteria strong institutions in the regions have to be formed - regional development agencies that would promote socio-economic development of the respective region. Their main functions would be the elaboration of the development programs of the region, the administration of Pre-structural funds, Structural funds in future in the level of a region, elaboration, implementation and supervision of projects.

## **2. 4. INTEGRATION IN JUSTICE AND HOME AFFAIRS**

The co-operation of the EU member states in justice and home affairs is closely related to the EU economic integration. Its significance has been growing since the Amsterdam Treaty entered into force on May 1, 1999. The member states have to ensure appropriate capacity in the combat against organised crime, migration, visa and refuge policy, and border control.

Latvia is interested in implementation of free movement of persons within the EU. In order to achieve this goal, the rights of immigration and residence have to be improved. The analysis of legal, economic and social consequences of the free movement of labour has to be carried out.

In order to improve the state policy as regards the refugees and asylum seekers, the state has to take care for the extradition of persons who have not received the status of refugee. It has to facilitate the integration of persons, having received the status of refugee, in the society of Latvia as well.

The tasks to be finished in the sector of home affairs are related to the complete development of effective control system of land, sea and air borders in accordance with the EU standards with the emphasis on the consolidation of the eastern border of Latvia, the increase of border guard qualifications and regional and institutional co-operation of border control.

In order to build an effective system of rights, it is necessary to consolidate the state law enforcement institutions, paying special attention to the development and improvement of the court system. To achieve this goal the improvements have to be introduced in the international and interinstitutional co-operation in the sector of justice, the professional growth of judges and conditions of their work. A reform has to be carried out in the system of implementing the sentence.

The protection of intellectual property has to be developed and the possibilities of the data protection have to be improved.

The alignment of laws according to the EU requirements helps to increase the capacity of

public administration to prepare a wide programme for the legal alignment, build a system for the improvement of the application of the laws and ensure effective work in the institutions responsible for their introduction and enforcement.

The main aim in the combat against crime is to reduce such dangerous activities as the drug trafficking, corruption and legalisation of illegally obtained material values. In order to facilitate combat against organised crime, special attention has to be paid to informing and education of the society. The administrative capacity of law enforcement bodies has to be increased and the co-operation of the police with other public law enforcement bodies has to be improved.

## **2. 5. COMMON FOREIGN AND SECURITY POLICY**

In accordance with the Foreign Affairs Concept of Latvia the main directions of Latvia's foreign policy are the accession to the EU and NATO, co-operation between the Baltic States and Nordic countries, good and stable relations with neighbour countries and an active participation in the UN, OSCE and other international organisations. As regards the goals of the Common Foreign and Security Policy (hereinafter CFSP), they are the same for Latvia and the EU because they are based on the same principles and values: democracy, rule of law, observance of human rights and fundamental freedoms, support to international peace and stability.

The government of Latvia has to keep supporting international activities directed at the consolidation of stability and security in the entire continent. However, it has to provide its contribution to the regional stability as well. This can be achieved by active involvement in the co-operation of the Baltic Sea state region. In order to increase the defence capacity and be able to participate in the international peace and stability consolidation activities, including the EU Common Defence and Security policy, more effectively, Latvia has to implement the planned growth of defence budget.

Latvia has to form its foreign policy, taking into account its future status of the EU member state, developing a political dialogue with third countries in accordance with the ideas of the EU CFSP and common strategies. With the broadening of the scope of foreign policy issues, Latvia will have to work with and take its own stance on as a full-fledged EU member state, it has to develop institutions and plan resources so that upon the accession into the EU it is able to fully integrate itself in the functional, procedural and financial system of the EU CFSP.

## **2. 6. CULTURE AND EDUCATION**

The EU legislation does not determine the cultural area in its member states thus providing opportunity for each applicant country to maintain and develop its own cultural policy.

The strategic objectives of culture policy in Latvia are:

- to ensure the continuation of the culture processes in Latvia, maintaining the cultural heritage as the basis of national identity and facilitating the manifold expressions of creativity as the precondition for culture development;
- to facilitate the access to culture and opportunities for all inhabitants to participate in the culture life;
- to develop and consolidate the role of cultural education in increasing the creative potential of the person and the quality of the social life;
- to enhance a wider involvement of culture of Latvia in the common European culture

process, enriching it and facilitating understanding between the states, nations and individuals;

The consolidation of the Latvian language in all spheres of life is one of the most important tasks for a democratic state in the circumstances of free market and the irreversibility of processes. The language policy, promoting broader and more qualitative usage of the Latvian language has to become the main priority of the culture policy. Simultaneously the state has to promote the development of national literature and art as well as the national TV channels and the audio-visual sector.

Latvia has to facilitate the tax policy that would be more favourable for the financing of culture, entrusting the distribution of resources to the experts and units of culture infrastructure outside the direct influence of state officials.

Understanding of cultivated and cultural environment has to become an integral part of general education.

There has to be a balance between the interests of the EU and the national interests of Latvia because the issues concerning the contents of education and organisation of system and language are the competence of each EU member state itself.

Taking into account the national interests in the integration process, the education system has to ensure creation of a competitive labour force.

The European dimension in the education has to be implemented by:

- widening the opportunities to acquire civic education, the values of European culture and democracy;
- increasing the mobility of students and teachers;
- facilitating intensive scientific co-operation in the framework of the EU programmes;
- mutual recognition of study periods and graduation certificates in the framework of the EU, simultaneously maintaining the quality of teaching;
- developing distance learning and stimulating the experience and information exchange on the issues common to education systems of all member states;
- supplementing the education with the opportunity to study different European languages.

By building an integrated society, the state has to ensure the transition of all state-financed schools to education in the state language. Education has to be one of the priorities in the governmental policy. The government has to ensure modernisation of teaching methods and content of education as well as to improve the accessibility and quality of education. The state has to achieve the integration of higher education and science in the establishments of higher education, promoting the renewal of the teaching staff.

In accordance with the common development strategy for the national economy the state has to set out the sectors of education and science that have to receive priority funding, simultaneously qualitatively developing those sectors of education and science that help to maintain the national individuality and values of European democracy. By building the future society, the state has to facilitate investments in new information and science technologies.

## **2. 7. KNOWLEDGE ON THE EUROPEAN UNION**

One of the most important principles in the general work of public administration is maximum *openness and transparency*, providing society with regular and accessible information on the work of public administration and the integration in the EU.

In order to achieve maximum results in the accession negotiations with the EU, Latvia has to improve the administration and co-ordination system that would speed up the co-ordination and adoption of decisions. The preconditions for the improvement of the system are effective structure of information distribution, use and processing, clear distribution of responsibilities and competence, professional employees on the level of experts and communications, observance of commitments. In order to ensure a qualitative information flow, there has to be both vertical and horizontal link between Latvia's representation in Brussels, the Ministry of Foreign Affairs, sectoral ministries, work groups and all other institutions involved in the integration process.

The basis of the integration in the EU as well as the improvement of this organisation is continuous negotiations. This is why negotiating skills and the knowledge over the situation of the EU institutions and member states gain a great importance. Effective Communication is considered to be effective if the negotiator has an ability to see the total of the state strategic aims and understand their mutual links. This is why possible models and scenarios of negotiation process have to be elaborated, taking into account the experience of previous EU accession negotiations and the interests of other applicant and member states in order to ensure a substantial, but flexible and topical argumentation for the Latvian party in the negotiations.

The society has to receive objective information on the EU and the process of Latvia's integration regularly. There have to be attempts to broaden the information on these issues, to ensure its preciseness and the adequacy as well as the wide accessibility. It is also required by different providers of financial assistance.

Informing the society on the EU issues according to the one-way principle *government - society*, the functioning of the reciprocal link *society - government* has to be achieved, giving the society opportunity to express its opinions, submit proposals on the issues related to Latvia's accession in the EU.

The exchange of ideas has to be continuously activated, discussions on the EU facilitated. It can be performed both during the accession negotiations in order to ensure high level of knowledge among the population on the EU and the maintenance of positive attitude.

## **2. 8. FINANCIAL RESOURCES**

By acceding to the EU the new member state not only receives benefits, but also has to assume responsibilities and cover certain expenses.

The strategic objective is to mobilise the available financial resources as effectively as possible in order to ensure an additional incentive for more rapid development of the state.

The utilisation of the EU prestructural and in future also the EU structural fund is an opportunity to speed up the integration process. This support has to supplement the financial investments of Latvia. It means that a systematic preparation for the use of structural funds and other EU funding is an important priority of the Latvian government.

It is an opportunity to acquire a significant EU supplementary funding for the measures

related to the alignment of legislation, its practical enforcement, social and economic consolidation, modernisation of environment protection, transport and agricultural infrastructures.

The experience acquired in the work with pre-accession finance programmes facilitate the preparedness of the state to get effectively involved in the EU structural and regional policy after joining the Union.

The estimate of integration costs takes an essential part of Latvia's National Programme for the Integration in the EU (LNPIEU).

The integration costs are constituted by the expenses related to the alignment, enforcement and implementation of the EU legislation, including those caused by the public administration improvement measures. Integration costs are planned in the succession of priorities, taking into account the documents of Accession Partnership (AP).

The general plan for the introduction of (*acquis*), and thus LNPIEU, sets out not only a precise time schedule, but also the necessary financial resources.

LNPIEU has to embrace all information on the distribution of financial resources for reforms in each sector. It has to envisage financial resources - what monetary means will come from the national budget, what from the pre-accession finance programmes, bilateral assistance from the member states as well as credits from international financial institutions.

A detailed plan of expenses of integration has to be ready before the allotment of national budget, before the planning of bilateral and international assistance. An essential part of the budget planning is both the EU support and financial resources from the aid programmes.

The state has to create a system envisaging the manner in which both the integration and social measures are implemented in the next years, providing adequate time and financial resources and facilitating the channelling of resources into programmatic measures and not the isolated projects.

Valuable supervision of each separate programme, its priorities in the context of the strategy and the evaluation system of measures are preconditions for effective utilisation of both available external resources and national financial means.

Assumption of long-term financial commitments in the measures of social and economic equalisation means the observance of "supplementing principle" according to which the EU support is provided in the areas where the state is already implementing concrete tasks. It means that one of the main preconditions for successful work with the EU financial instruments is the planning of national expenses:

- making the basis of macroeconomically grounded choice of priority areas of work that would coincide with the sectors where the EU financial instruments can be attracted.
- taking into account the volume of the EU pre-accession assistance, Latvia is required to achieve a maximum connection and mutual interactivity of different resources (loans, external assistance programmes etc.). It makes the state assume the responsibility of paying more and more attention to informing the society and involving it in the distribution of internal and external resources;
- fulfilling the requirements of the EU legislation as regards the finance management, state procurement, state support schemes and ensuring the work of state and municipal institutions in the management of financial resources compatible with the EU experience.

## CONCLUSION

The reason for the reforms in Latvia has very often been explained with the external - the EU requirements that have indeed facilitated the introduction of broad and unified body of legislation in the country.

The Strategy for the Integration into the EU in its turn is an internal initiative of Latvia, laying emphasis on the national interests. It is necessary especially because of the continuous changes in the EU. Accession of more than ten applicant countries will cause essential changes of the interaction between the EU institutions, their functions and decision-making. Latvia has to find and maintain its own influential place in the common dynamic development.

When the ratification process of the Accession Agreement starts, it will be necessary to elaborate a new strategy, ensuring a qualitative participation of Latvia in the EU interinstitutional and intergovernmental co-operation, the consolidation of Latvia's identity and a full-fledged representation of national interests in the EU.

Latvia's way to the EU will be successful only if the majority of Latvia's society and the political forces, representing it, support the integration as a common goal. Preconditions of broad support are dialogue with the society about the integration in the EU and the growth of knowledge and understanding of these issues.