




## **Weekly Briefing**

**Latvia political briefing:  
The political strategy of Latvia – recovery from the Covid-19 crisis  
and innovation  
Nina Linde**

### **China-CEE Institute**

Kiadó: Kína-KKE Intézet Nonprofit Kft.  
Szerkesztésért felelős személy: Chen Xin  
Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.  
 +36 1 5858 690  
 [office@china-cee.eu](mailto:office@china-cee.eu)  
 [china-cee.eu](http://china-cee.eu)

## **The political strategy of Latvia – recovery from the Covid-19 crisis and innovation**

*During the Covid-19 crisis Latvia has become globally recognizable for the successful approach to amortize the consequences of the global pandemic while the restrictions were comparatively loose in comparison to other countries. Overall the total cases per 100 000 have been reported as one of the lowest in Europe while the total tests conducted per new confirmed case of Covid-19 is one of the highest in Europe.<sup>1</sup> The testing capacity together with informing the society about the importance of the prevention measures has led Latvia to start a gradual transformation to ease the restrictions.*

### **The Cabinet of Ministers supports the Covid-19 Governance Law**

In May, the Cabinet of Ministers supported the draft law "Law on the Management of the Spread of Covid-19 Infection" jointly developed by the Ministry of Justice and other responsible institutions, which aims to establish a general legal order after the end of the emergency by providing appropriate precautionary measures.<sup>2</sup>

The responsible authorities have compiled and consolidated the necessary aspects in one law, which will help to comply with epidemiological safety measures and prevent the spread of Covid-19, as well as provide the public administration and citizens with clear rules during Covid-19. In turn, the Ministry of Finance and the Ministry of Health will regulate significant changes in the law regarding economic and epidemiological issues.

The draft law determines the basic principles of the activities of state institutions, including the provision of services by courts and local governments after the end of an emergency situation. Appropriate precautions and restrictions for individuals, including special conditions for the provision of educational, sports, social and health services during the Covid-19 deployment period following the lifting of the emergency.

Given the changing and unpredictable nature of the spread of Covid-19, the draft law provides for the possibility for the Cabinet of Ministers to decide on practical implementation measures to control Covid-19 in case of spread or threat of Covid-19 infection in order to respond in time to changes in the country and abroad.

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<sup>1</sup> <https://ourworldindata.org/coronavirus-testing>

<sup>2</sup> <https://www.mk.gov.lv/lv/aktualitates/ministru-kabinets-atbalsta-covid-19-parvaldibas-likumu>

The new Covid-19 infection control law will be applicable as long as there is an epidemiological safety threat related to the spread of Covid-19 infection. After the approval of the Cabinet of Ministers, the law will be able to be repealed by the government by a separate decision.

### **The Cabinet of Ministers approves the Strategy for Latvia to Mitigate the Consequences of the Covid-19 Crisis**

Although Latvia has been globally recognized as one of the most successful examples to adapt and come to solutions regarding pandemic, nevertheless it has led to new challenges. Because of the internal and external restrictions, it is seen that the Covid-19 will leave inevitable consequences to the economic, social, political and other fields. However, as the most pressing epidemiological point of Covid-19 had already reached its peak during the beginning of April and since then experienced recession as the cumulative cases have dropped by 7 times a strategy to mitigate the created difficulties caused by the outbreak of the virus has been developed.<sup>3</sup>

In order to overcome the crisis caused by the Covid-19 virus in Latvia, as well as return to the pre-crisis level as soon as possible, the Cabinet of Ministers together with entrepreneurs, industry experts and organizations representing entrepreneurs developed plan for mitigating the consequences of the Covid-19 crisis, which consequently was approved by the Cabinet of Ministers during May 2020.

The short-term goal of the strategy to mitigate the effects of the Covid-19 crisis on Latvia is to achieve as little negative impact on the economy and business operations as possible, while in the long run to achieve structural changes in the productivity-driven economy in favor of knowledge-intensive exports of goods and services. At the same time, it is important to reduce unemployment and the share of low-skilled workers, to develop and increase innovation and research capacity, to promote digitalization solutions and the availability of financial instruments for entrepreneurs.

In the current challenges, the political strategy of Latvia is primarily to stabilize the Latvian economy, while maintaining a strategic course, in order to accelerate the structural reorientation of the productivity-based economy. Currently it is seen to be implemented by adapting the economy to global trends in a timely manner and creating new comparative

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<sup>3</sup> <https://spkc.gov.lv/lv/tavai-veselibai/aktualitate-par-jauno-koronavi>

advantages. At the same time, the economic stabilization phase includes actions aimed at boosting export capacity and productivity, as well as improving the business environment.

The current political strategy of Latvia includes **5 directions of action** - human capital, innovation, business environment for export capacity, access to finance and infrastructure, in which measures are planned in the three following steps and in respective time periods.

**Economic stabilization period** - measures to be implemented in 2020 aimed at stabilizing the financial situation of the population and entrepreneurs in the conditions of the Covid-19 crisis and limiting the spread of the virus in Latvia.

**Reorientation period** - measures to be implemented in 2021-2022, which, taking into account the changes in the global economy caused by the Covid-19 crisis, as well as using the advantages and challenges of the Latvian economy, create new opportunities for entrepreneurs and citizens, focusing on innovation, digital transformation, lifelong learning, and focusing on structural changes in the economy through targeted adjustment of state aid mechanisms.

**Growth phase** - from 2023 onwards measures for economic transformation based on dynamic development of exports of goods and services, ensuring economic growth through productivity growth, automation, digital transformation, support for business growth and fast-growing industries and ecosystems.

### **Parliament of Latvia – one of the first in the world ready to work in the e-Parliament mode**

The Parliament of Latvia is one of the first parliaments in the world that is ready to work completely remotely during the crisis caused by Covid-19. Because of the new e-Parliament tool, parliamentary sittings can now be held remotely, with deputies also staying outside parliamentary premises. At the same time, the work of the Parliament will still be open to the public, and everyone interested, as before, will be able to follow the proceedings of the remote sitting live on the Parliament website and on the Parliament's social media accounts.<sup>4</sup>

The new tool is a unique information technology solution created specifically for the needs of the Parliament of Latvia. It provides the most important functionalities of the parliamentary sitting - an opportunity for deputies to both debate and vote on the issues on the agenda of the Parliament sitting. Both of these features work online in real time. The e-Parliament tool has been developed in an emergency mode in just a few weeks, in response to the restrictions on assembly caused by the Covid-19 crisis and the need to switch to remote work, as well as the call of the heads of state constitutional bodies to use parliamentary work.

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<sup>4</sup> <https://www.saeima.lv/lv/aktualitates/saeimas-zinas/28981-parlaments-gatavs-darbam-e-saeimas-rezima>

If the e-Parliament technological solution developed for the needs of an emergency situation proves itself and allows to ensure the quality of the work of the parliament, there is a possibility to use it for the daily work of the Parliament sittings, respectively, deputies working on the spot in the Parliament.

This project not only proves Latvia as a country of technological innovation, but also opens a new direction of political governance. Parliaments, in cooperation with IT specialists, have been able to create a modern technological solution that allows the parliament to work successfully in emergency situations even when the deputies are outside the parliament. The tasks set by the heads of the constitutional bodies together with the President of the Latvia have been implemented - all branches of power are able to work fully in exceptional circumstances, following the objectives and basic principles of regulating judiciary.

The implementation of the e-Parliament project has also received criticism from the members of Parliament as some of deputies do not have sufficient amount of knowledge to operate in e-Parliament platform. In addition to that other member of the Parliament of Latvia have stressed that there is no practical need for the e-Parliament and the government should return back to the previous working system.

### **Summary**

As the number of active cases of Covid-19 has been decreasing, during May 2020 the Cabinet of Minister supported the Covid-19 Governance Law, which aims to establish a general legal order after the end of the emergency by providing appropriate precautionary measures. Additionally, the Cabinet of Ministers have created the Strategy for Latvia to mitigate the consequences of the Covid-19 Crisis mainly putting focus on productivity-driven economy, reduction of unemployment and the share of low-skilled workers to stimulate the fields of innovation. The Covid-19 has contributed to the creation of new innovations in fields of politics. During May 2020 the Parliament of Latvia became one of the first Parliaments in the world, which could ensure its operations fully online. The e-Parliament tool has been developed in an emergency mode in just a few weeks, in response to the restrictions on assembly caused by the Covid-19 crisis, it provides the most important functionalities of the parliamentary sitting - an opportunity for deputies to both debate and vote on the issues on the agenda of the Parliament sitting.