

*Regions and Cities at a Glance 2020* provides a comprehensive assessment of how regions and cities across the OECD are progressing in a number of aspects connected to economic development, health, well-being and net zero-carbon transition. In the light of the health crisis caused by the COVID-19 pandemic, the report analyses outcomes and drivers of social, economic and environmental resilience. Consult the full publication [here](#).

---

## OECD REGIONS AND CITIES AT A GLANCE - COUNTRY NOTE

# LATVIA

---

- A. Resilient regional societies
- B. Regional economic disparities and trends in productivity
- C. Well-being in regions
- D. Industrial transition in regions
- E. Metropolitan trends in growth and sustainability

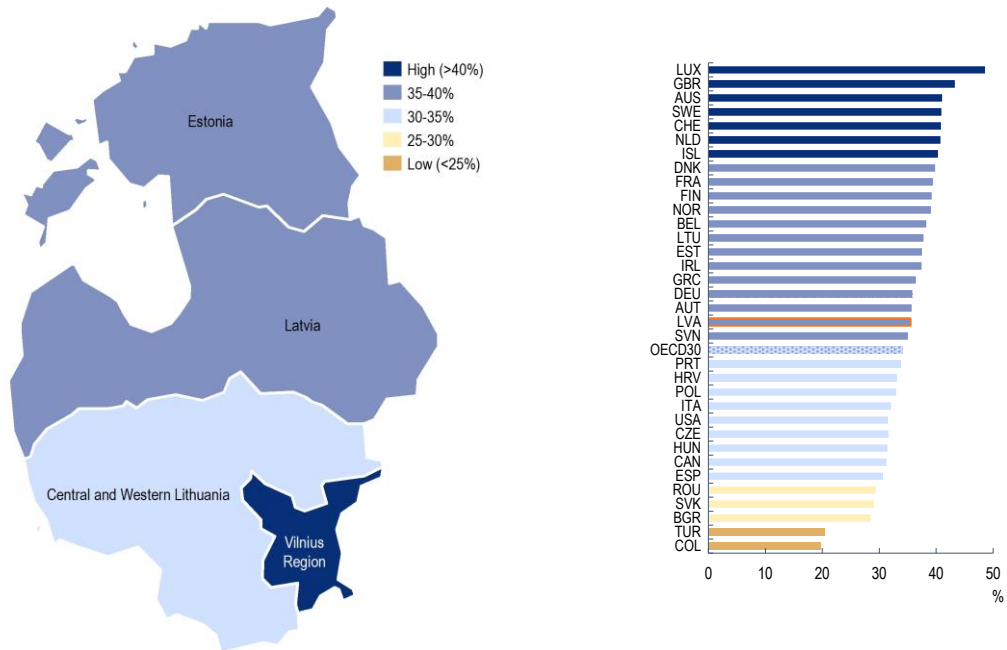
The data in this note reflect different subnational geographic levels in OECD countries:

- **Regions** are classified on two territorial levels reflecting the administrative organisation of countries: large regions (TL2) and small regions (TL3). Small regions are classified according to their access to metropolitan areas (see <https://doi.org/10.1787/b902cc00-en>).
- **Functional urban areas** consists of cities – defined as densely populated local units with at least 50 000 inhabitants – and adjacent local units connected to the city (commuting zones) in terms of commuting flows (see <https://doi.org/10.1787/d58cb34d-en>). Metropolitan areas refer to functional urban areas above 250 000 inhabitants.

## The potential for remote working in Latvia is above the OECD average

### A1. Share of jobs amenable to remote working, 2018

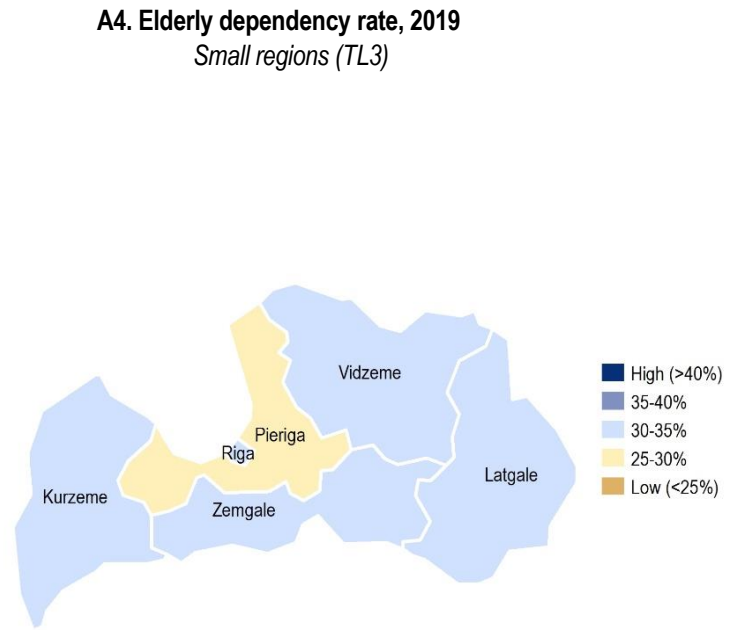
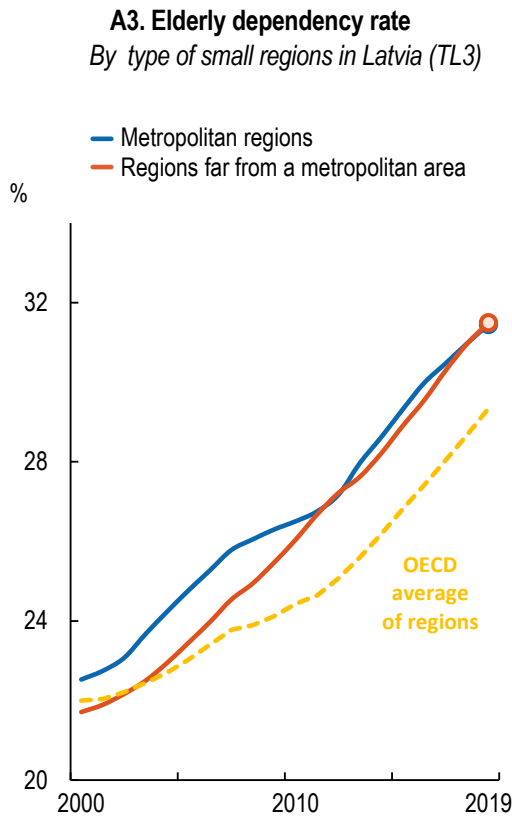
Large regions (TL2, map)



The shares of jobs amenable to remote working is close to 36% as an average in Latvia (Figure A1). Such value depend on the task content of the occupations in the country, which can be amenable to remote working to different extents.

## Ageing challenges the Pieriga region less strongly than other places

The elderly dependency rate – the ratio between elderly people and working age population – in Latvian regions is above the OECD average. Metropolitan regions and regions far from metropolitan areas had an elderly dependency rate of 32% in 2019 (Figure A3). The region of Pieriga had the lowest dependency rate with 28 elderly for every 100 persons in their working-age in 2019 (Figure A4). Since 2000, such rate has increased in all types of regions in Latvia.



## The number hospital beds per capita in Latvia has decreased significantly since 2000

In 2018 Latvia had more hospital beds per capita compared to the OECD average, although the availability of hospital beds per inhabitants has declined by one third since 2000 (Figure A5).

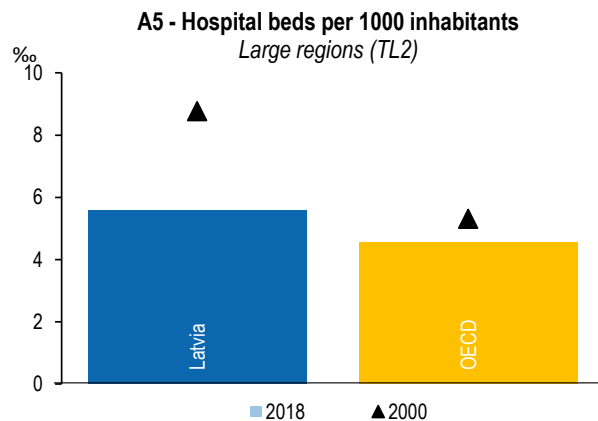


Figure notes. [A3]: OECD (2019), Classification of small (TL3) regions based on metropolitan population, low density and remoteness <https://doi.org/10.1787/b902cc00-en>. Two-year moving averages. [A4]: Small (TL3) regions contained in large regions. TL3 regions in Latvia are composed by 6 Statistical regions.

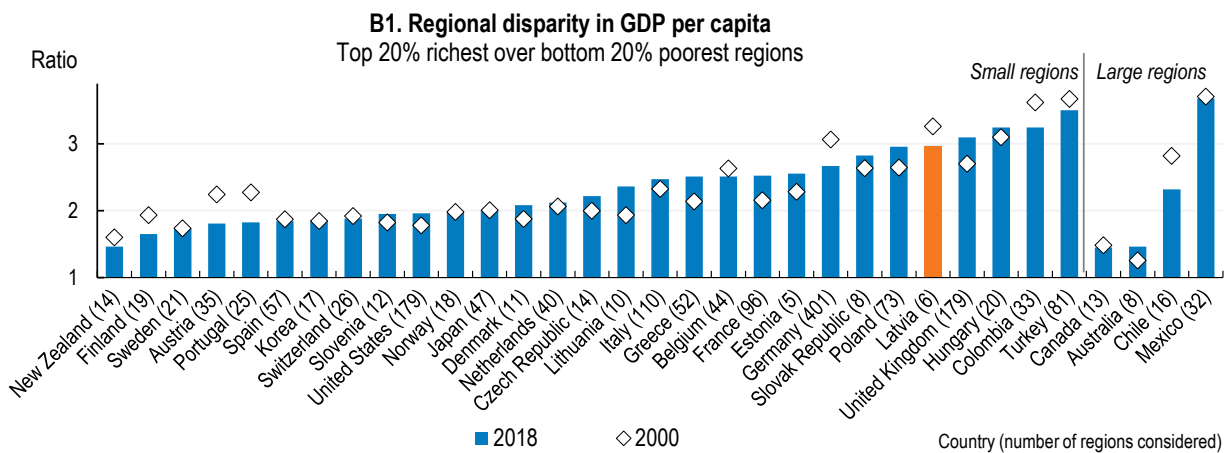
**B. Regional economic disparities and trends in productivity**

**Economic disparities across small regions have declined since 2000, although they remain among the starkest in the OECD area**

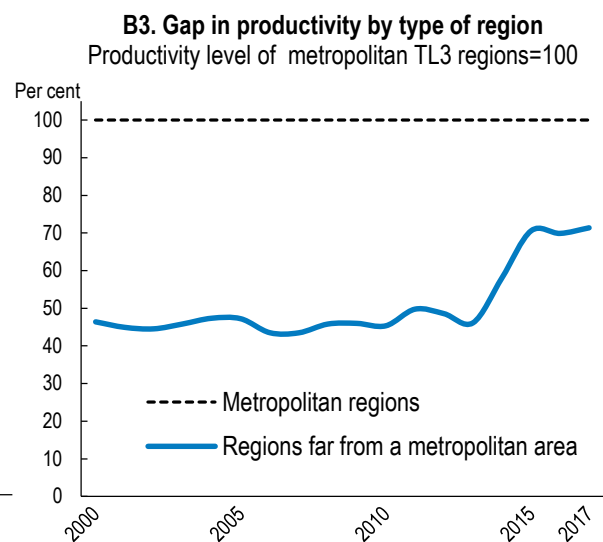
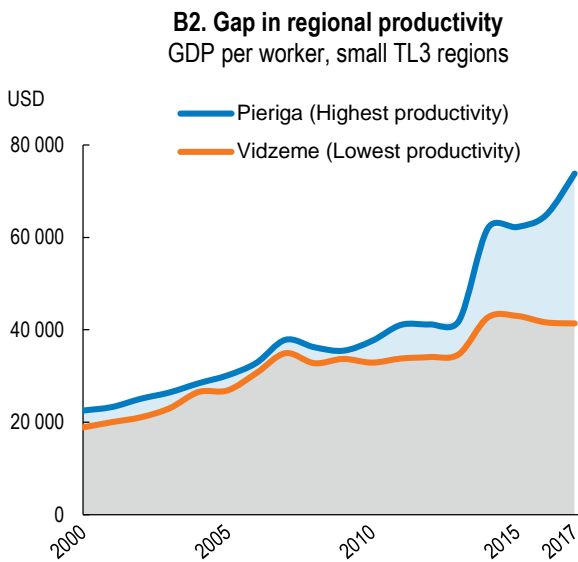
The gap in GDP per capita between the richest (Riga) and the poorest (Latgale) Latvian regions (TL3) has slightly declined since 2000. The faster GDP per capita growth in Latgale between 2000 and 2017 compared to that in Riga (5.1% vs. 4.6% per year, respectively, over the same period) partially explains such decline. However, the level of GDP per capita Riga is three times that in Latgale. As a result, Latvia remains the country with the 5th starkest regional economic disparities among 29 OECD countries with comparable data (Figure B1).

With a sustained productivity growth of 4.7% per year over the period 2000-17, Vidzeme, the region with the lowest productivity level, experienced the second highest productivity growth after Pierīga, the frontier region in terms of productivity in Latvia (Figure B2).

Since 2014, after a period of relative stagnation of their productivity, regions far from a metropolitan area of at least 250 000 inhabitants have narrowed their gap to Riga, the only metropolitan region (Figure B3).

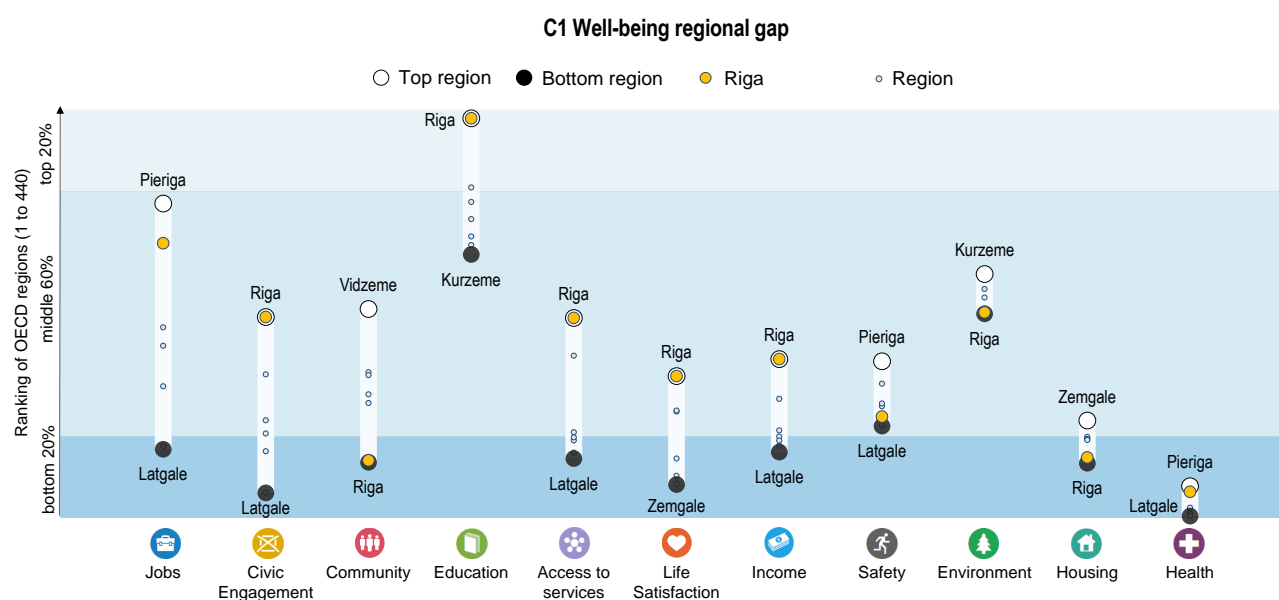


Note: A ratio with a value equal to 2 means that the GDP of the most developed regions accounting for 20% of the national population is twice as high as the GDP of the poorest regions accounting for 20% of the national population.



## C. Well-being in regions

Well-being conditions in Latvian regions can be significantly different, especially in terms of jobs and civic engagement.



Note: Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 440 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.

While all Latvian regions are in the bottom 20% of OECD regions in health-related outcomes, Riga and Pieriga are in the top 20% of OECD regions in the dimension of education. Outcomes across Latvian regions are very unequal in the job dimension. While Pieriga ranks in the top 25% of OECD regions in this dimension, Latgale falls in the bottom 20% of OECD regions.

### C2. How do the top and bottom regions fare on the well-being indicators?

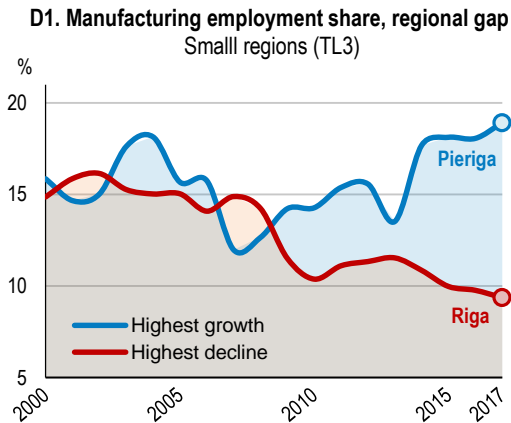
	Country Average	OECD Top 20% regions	Latvian regions	
			Top 20%	Bottom 20%
<b>Jobs</b>				
Employment rate 15 to 64 years old (%), 2019	72.3	76.0	76.6	65.5
Unemployment rate 15 to 64 years old (%), 2019	6.6	3.3	4.1	10.1
<b>Civic engagement</b>				
Voters in last national election (%), 2019 or latest year	58.8	84.2	69.7	49.4
<b>Community</b>				
Perceived social network support (%), 2014-18	86.3	94.1	89.2	82.8
<b>Education</b>				
Population with at least upper secondary education, 25-64 year-olds (%), 2019	91.2	90.3	95.1	86.4
<b>Access to services</b>				
Households with broadband access (%), 2019	79.3	91.3	82.7	71.2
<b>Life Satisfaction</b>				
Life satisfaction (scale from 0 to 10), 2014-18	5.9	7.3	6.2	5.4
<b>Income</b>				
Disposable income per capita (in USD PPP), 2018	13 546	26 617	16 627	9 816
<b>Safety</b>				
Homicide Rate (per 100 000 people), 2016-18	4.1	0.7	2.3	5.0
<b>Environment</b>				
Level of air pollution in PM2.5 (µg/m³), 2019	10.4	7.0	10.8	12.2
<b>Housing</b>				
Rooms per person, 2018	1.2	2.3	1.2	1.2
<b>Health</b>				
Life Expectancy at birth (years), 2018	74.9	82.6	76.0	73.1
Age adjusted mortality rate (per 1 000 people), 2018	11.5	6.6	10.8	12.9

Note: OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2), in the well-being figures for Latvia, small regions (TL3) are represented. Latvia is composed of six small regions (Territorial Level 3). Visualisation: <https://www.oecdregionalwellbeing.org>.



## D. Industrial transition in regions

Since 2008, the decline in the share of manufacturing employment of Riga has occurred in parallel with an increasing share of manufacturing employment in Pieriga



Since 2008, the manufacturing employment share in Riga has declined by 5.5 percentage points while it has increased by 3 percentage points in Pieriga between 2000 and 2017. Overall, three of the six small regions in Latvia experienced a decline in the share of employment in manufacturing (Figure D1).

All small regions in Latvia recorded a reduction of more than 2 percentage points in the share of manufacturing gross value added between 2000 and 2017, except Latgale, which experienced a smaller decline (Figure D2).

**D2. Manufacturing trends, 2000-17**  
Small regions (TL3)



Note figure D.2. : Regions are ordered by regional employment as a share of national employment. Colour of the bubbles represents the evolution of the share over the period 2000-18 in percentage points: red: below -2 pp; orange: between -2 pp and -1 pp; yellow: between -1 pp and 0; light blue: between 0 and +1 pp; medium blue: between +1 pp and +2 pp; dark blue: above +2 pp over the period.

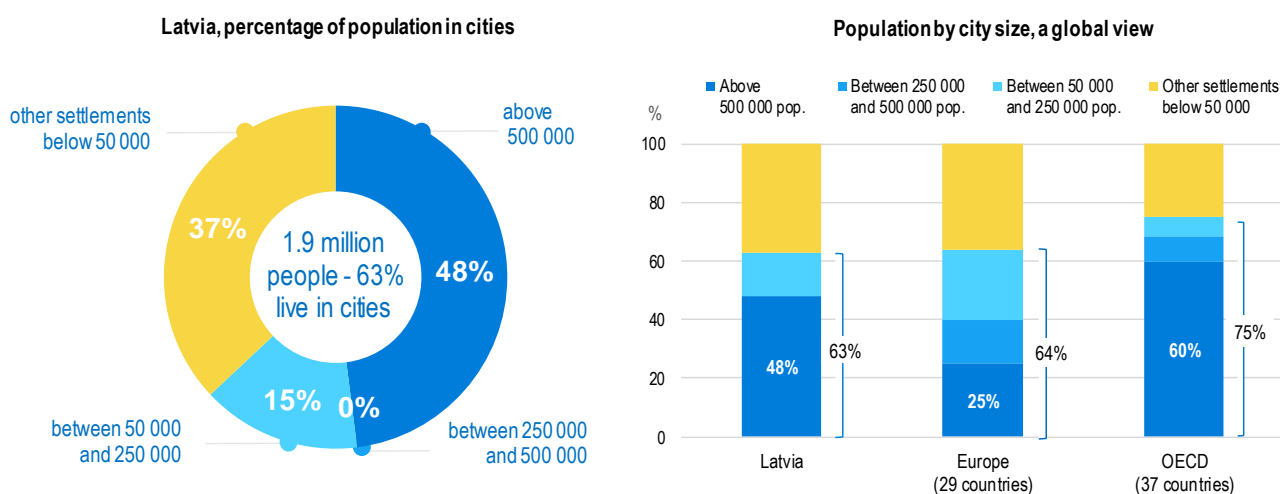


## E. Metropolitan trends in growth and sustainability

### Over 60% of Latvian population lives in cities of at least 50,000 inhabitants and their commuting zones, in line with the European average

In Latvia, 63% of the population lives in functional urban areas (FUAs) of 50,000 inhabitants or more, in line with the European average. The share of population in FUAs with more than 500 000 people is 48%, significantly lower than the OECD average of 60% (Figure E1).

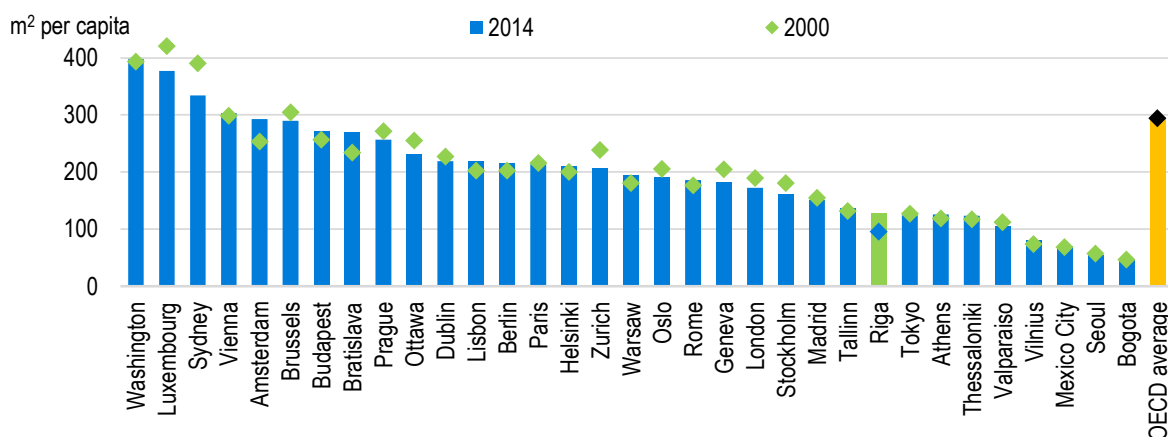
**E1. Distribution of population in cities by city size**  
Functional urban areas, 2018



### Built-up areas have increased faster than population in the metropolitan area of Riga

In the metropolitan area of Riga, the amount of built-up area per capita is much lower than in the average of OECD metropolitan areas. Between 2000 and 2014, built-up area per capita in the metropolitan area of Riga increased in part due to a population decline. In 2014, built-up area per capita levels in Riga were close to those in Tallinn, Estonia in 2014 (Figure E2).

**E2. Built-up area per capita**  
Capital functional urban areas with more than 500 000 inhabitants



Source: OECD Metropolitan Database. OECD average of 349 functional metropolitan areas with a population of over 500 000.

## The metropolitan area of Riga ranks in the top 5% of OECD metropolitan areas in terms of GDP per capita growth between 2000 and 2018.

GDP per capita in Riga is lower than in the OECD median metropolitan area of more than 500 000 inhabitants and is similar to GDP per capita in Osaka (Japan) and Cracow (Poland). However, GDP per capita in Riga has grown more than four times faster than the median growth of OECD metropolitan areas.

### E3. Trends in GDP per capita in metropolitan areas

Functional urban areas above 500 000 people, Latvia and surrounding OECD countries

