



## LATVIAN ASSOCIATION OF LOCAL AND REGIONAL GOVERNMENTS



**The theme of the conference – political marketing – is very important. Political marketing implements scientific approach to politics. Such approach could become dominant in this century, when the exchange of information is becoming more and more diverse.**

The Latvian Association of Local and Regional Governments, which I have been chairing for a quarter of a century, was established in December 1991 with the aim to defend the common interests of local governments and to facilitate efficiency of each separate municipality. For the first fifteen years we were focused primarily on establishing the dialogue with the central government and society. Over the last ten years, we have intensified the local government capacity-building role of our Association – especially in promoting entrepreneurship and preventing depopulation.

I will describe some experience of our organization in this field.

Local government marketing is one component of the political marketing. In order to recognize this, it is necessary to recognize the rights of a local government to have its own autonomous policy. Although joining the European Charter of Local Self-Governments in 1996 Latvia has legally recognized 29 of the 30 principles of local democracy, a large part of society still does not admit that there is legal ground for existence of 120 autonomous policies in Latvia expressing the will of voters in 120 democratic elections. The state policy reflects the results of the national elections, 119 municipal policies – the results of local elections. The extent of the rights of local governments on autonomy is determined by law. The laws should respect the principle of subsidiarity – the state should not regulate issues that are independently and successfully regulated by the respective territorial community. The state does not have to provide services that are successfully implemented by the local government.

Marketing and competition are two manifestations of one phenomenon. Local governments compete with each other and compete with state sectors. The subjects of competition are financial resources and central investments. The subjects of competition are inhabitants and workforce from other territories. The subjects of competition are the location of state institutions and private companies.

Consequently, each local government implements the strategic management process. This process may have a different degree of formalization. The Latvian Association of Local and Regional Governments is involved in promotion and facilitation of modern strategic management methods.

The term "local government marketing" in Latvia is interpreted in two ways.

In a broad sense, it is permanent management process that includes all four components – analysis of the situation, planning, implementation of plans and measuring the achieved results. This understanding of the term is used in the Master's degree study course "Strategic management of the public sector" offered at the University of Latvia and developed by professor Māris Pūķis, Senior Advisor of our Association. This kind of strategic management process in Latvia has been implemented by City of Ventspils for 15 years, several other local governments operate in this direction as well.

In a narrower sense, the local government marketing refers to one component of the strategy implementation – the communication strategy for implementation. Classical marketing consists of four steps – creating local government's product, choosing the place of implementation, determining its price and promoting the product in the market. In the narrower sense, the marketing strategy is understood as the promotion of the municipality's product.

This second interpretation of the term is more popular among local governments in Latvia. Municipal administration planners and public relations experts are dealing with it, rather than politicians. When our Association implemented a project encouraging local governments to introduce strategic management, most of network members chose the second option. This means that it is not yet time to recognize open competition in the public sector.

A state is strong when it is based on citizen participation. One of the conditions of a strong state is strong local governments implementing diversity. We can become wealthy only if we reveal the comparative advantage of each territory and encourage wisdom of our inhabitants to find other niches of local or international markets. Each local government should promote efforts to produce internationally competitive goods and services.

In order to promote diversity and innovative solutions, we implemented a project “Smart governance and performance improvement of Latvian municipalities”. Four networks of local governments were established and more than half of our local governments applied to participate. One of the networks was specifically devoted to strategic marketing methods, the other networks promoted marketing methods in specific areas of local government activity.

Some conclusions from our many years of experience:

1. In parallel with the positive process – efforts to improve the living conditions of the population, there is struggle among interest groups, including political parties. Due to this struggle, the local government marketing encounters internal difficulties. With the initiative of internal opposition, any true information can be distorted and directed against those, who implement good actions. Due to this struggle, political parties represented in the Saeima try to prevent the publication of any positive information if it relates to the success of competitors. Both these conditions could prevent local government leaders from developing and publishing effective marketing strategies.
2. Strategies can turn from demonstrative documents into realistic ones only if each event is ensured by an entry in the budget. It would be rational, if the medium-term budgets consist of programs and projects and performance indicators would describe success and failure. Unfortunately, the budget reporting system and statistics do not allow to obtain the required indicators, resources are needed to get each individual indicator.
3. Desire to develop territory of a municipality contradicts with many stereotypes, which are incorporated not only in national but also in the EU legislation. Both the controlling authorities and the community at large are oriented towards simplistic notions of how to stimulate competition by prohibiting municipalities from promoting development. We are over-struggling with the support of the municipality to sectors or individual strategically important businesses.

We intend to continue supporting the use of political marketing methods. We will encourage more active involvement of local governments in explaining their decisions and plans. We have set up our database to accumulate the data which is not aggregated by official statistics yet would characterize not only the socio-economic situation of local governments, but also success and failure within the internal territorial division of the municipalities. Both local governments and community at large will gain from measuring the development results.

The conference program for today is very intense. We look forward to hear interesting reports on the role of advertising in political campaigns, role of populism in conflict situations and about political decision-making procedures and communication methods. All these issues have a great theoretical and practical importance

I wish good luck to speakers and participants of discussions!

**MR ANDRIS JAUNSLEINIS**

The Chairman of Latvian Association of Local and Regional Governments