Chapter 2. Latvia

Tower of the Dome Cathedral, Riga

Country Profile

Country

Formal Name: Republic of Latvia (Latvijas Republika).

Short Form: Latvia (Latvija).

Term for Citizen(s): Latvian(s).

Capital: Riga.

Date of Independence: During abortive Soviet coup, declared immediate full independence August 21, 1991; Soviet Union recognized it September 6, 1991. November 18, Independence Day, national holiday; on this day in 1918, independent Republic of Latvia proclaimed.

Geography

Size: 64,589 square kilometers, slightly larger than West Virginia.

Topography: Undulating plains cover 75 percent of country. Forest 42 percent; cultivable land 27 percent; meadows and pastureland 13 percent; peat bog, swamp, and marsh 10 percent; and other 8 percent. Highest elevation 300 meters.

Climate: Temperate, with mild winters and cool summers. Average January temperatures range from –2.8°C in Liepaja to –6.6°C in Daugavpils; average July temperatures range from 16.7°C in Liepaja to 17.6°C in Daugavpils. Frequent precipitation, averaging 180 days per year in Riga. Annual precipitation 500 to 700 millimeters.

Society

Population: 2,565,854 (1994 estimate). Population declined in early 1990s because of negative natural growth rates and net out-migration. Birth rate 9.5 births per 1,000 population; death

rate 16.3 deaths per 1,000 population (1994). Total fertility rate 2.0 children per woman (1993). Population density 39.7 persons per square kilometer. Average life expectancy estimated in 1994 at 69.4 years (64.4 years for males and 74.8 years for females).

Ethnic Groups: According to the 1989 census, Latvians 52.0 percent, Russians 34.0 percent, Belorussians 4.5 percent, Ukrainians 3.4 percent, Poles 2.3 percent, Lithuanians 1.3 percent, and others (including Jews, Germans, Estonians, Tatars, and Gypsies) 2.5 percent. In 1994 estimates of Latvian and Russian groups 54.2 percent and 33.1 percent, respectively.

Languages: Official language Latvian; Russian, Belarusian, Ukrainian, Polish, Lithuanian, and other languages also used.

Religion: Mostly Evangelical Lutheran; Roman Catholics, Orthodox Christians, Old Believers, Baptists, Pentecostals, Seventh-Day Adventists, Jews, and Methodists also represented.

Education: Latvian adopted as official state language in 1989, making its study compulsory for all students. Nine years of primary education compulsory; may be followed by three years of secondary education or one to six years in technical, vocational, or art schools. In 1993–94 school year, total of 76,619 students enrolled in primary schools, 242,677 in secondary schools, 27,881 in vocational schools, 19,476 in special secondary institutions, and 7,211 in special schools for physically and mentally handicapped. Literacy rate close to 100 percent.

Health and Welfare: In 1992 some 176 hospitals and 130 beds per 10,000 inhabitants. Most hospitals lacked modern facilities and were concentrated in urban areas. Forty-one physicians per 10,000 inhabitants, but too few nurses and other auxiliary staff. Retirement pensions LVL15 to LVL23.5 per month; many pensions awarded also to survivors and disabled persons.

Labor Force: 1,407,000 (August 1994); industry 30 percent; agriculture 16 percent; trade 9 percent; transportation and communications 9 percent; construction 10 percent; and financial services and other 27 percent. Distribution of

economic sectors began to shift away from industry and toward services in early 1990s.

Economy

Gross National Product (GNP): Estimated at US$5.1 billion in 1992; per capita income US$4,810 (1993 estimate). Gross domestic product (GDP) increased from LVL1.6 billion in 1993 to an estimated LVL2.2 billion in 1994. Real GDP fell 33.8 percent in 1992 and 11.7 percent in 1993, but grew an estimated 2.0 percent in 1994. Inflation rate averaged less than 3 percent per month in 1993 and less than 2.4 percent per month in 1994; annual inflation rate decreased from more than 958 percent in 1992 to 35 percent in 1993 and 28 percent in 1994.

Agriculture: Supplanted by industry as foremost economic sector in postwar era. Aggressive capital formation and forced labor movements under Soviet rule reduced agriculture's share of labor force from 66 percent in 1930 to about 16 percent in 1990. Accounted for 20 percent of GDP in 1990 and 15 percent of GDP in 1994. Livestock main subsector. Nearly 1.7 million hectares of arable land, used mainly for growing fodder crops and grain. Number of private farms increased from nearly 4,000 in 1989 to more than 57,500 in 1993.

Industry and Mining: Foremost economic sector during Soviet period; employed more than 30 percent of labor force in 1990. Supplanted by services subsequently; share of GDP declined from about 43 percent in 1990 to 22 percent in 1994. Production declined sharply in 1992 and 1993. Highly dependent on energy and raw material imports. Main industries engineering (including machine building and electronics), textiles, food, wood and paper, chemicals, and building materials.

Energy: Relies heavily on imports of fuels and electric power. Energy generated domestically by three hydroelectric power plants on Daugava River and two thermal power plants near Riga.

Exports: LVL701.6 million (1993 estimate). Major commodi-

ties oil products, wood and timber, food products, metals, and buses.

Imports: LVL647.4 million (1993 estimate). Major commodities oil, natural gas, machinery, electric power, and automobiles.

Major Trading Partners: Russia, Germany, Ukraine, Sweden, Belarus, Netherlands, Estonia, Finland, Lithuania, and Britain.

Currency and Exchange Rate: 1 lats (LVL) = 100 santims. Lats reintroduced in March 1993, replacing Latvian ruble in October 1993 at rate of 1 lats = 200 Latvian rubles. In March 1996, LVL0.55 = US$1.

Fiscal Year: Calendar year.

Transportation and Telecommunications

Roads: 64,693 kilometers total, of which 7,036 kilometers highways and 13,502 kilometers secondary roads (1994). Bus service between Riga and Warsaw. Urban centers also served by minibuses and taxis. Rental automobiles available.

Railroads: 2,406 kilometers of railroads, of which 270 kilometers electrified (1992). Train service available to Moscow, St. Petersburg, and Warsaw.

Civil Aviation: Main airport in Riga. Regular flights to many international destinations, including Amsterdam, Berlin, Copenhagen, Frankfurt, Kiev, Helsinki, London, Moscow, Oslo, St. Petersburg, and Stockholm. National carrier Latvian Airlines. Service also provided by Baltic International Airlines, Riga Airlines Express, Finnair, Lufthansa, SAS (Scandinavian Airlines), Estonian Air, and LOT (Polish Airlines).

Shipping: Main coastal ports Riga, Ventspils, and Liepaja, a former Soviet naval port. Main inland port Daugavpils. Most Russian petroleum exports pass through Ventspils (16.3 million tons in 1993). Total freight transported through Latvian ports in 1993 about 27.2 million tons. Shipping service exists between Riga and Western Europe.

Telecommunications: In 1992 about 700,000 telephone subscribers (more than 50 percent in Riga); nearly 1.4 million radio receivers and more than 1.1 million television receivers in use. In 1995 more than twenty-five radio stations and thirty television broadcasting companies.

Government and Politics

Government: Parliamentary democracy. Electoral system based on that existing before Soviet annexation; 1922 constitution restored in 1993. Saeima, supreme legislative body, composed of 100 members elected on basis of proportional representation. Saeima elects president (head of state), who appoints prime minister. Cabinet of Ministers, headed by prime minister, has executive power.

Judicial System: Inherited from Soviet regime; undergoing reorganization. Regional, district, and administrative courts, as well as Supreme Court. Final appeals in criminal and civil cases made to Supreme Court.

Politics: Parties include Latvia's Way (Latvijas Cels), centrist in orientation; Democratic Party Saimnieks, center-left; Latvian National Independence Movement; Popular Front of Latvia; For Latvia, far-right; Latvian Farmers Union; Christian Democratic Union; National Union of Economists; and Ravnopraviye (Equal Rights Movement), a Russophone group.

Administrative Divisions: Four provinces: Vidzeme, Latgale, Kurzeme, and Zemgale; subdivided into twenty-six districts, seven municipalities, fifty-six towns, and thirty-seven urban settlements.

Foreign Relations: Latvia joined United Nations (UN) in September 1991 and is a signatory to a number of UN organizations and other international agreements. Member of Organization for Security and Cooperation in Europe (until January 1995 known as Conference on Security and Cooperation in Europe), North Atlantic Cooperation Council, and Council of the Baltic Sea States. In February 1994, Latvia joined Partnership for Peace program of North Atlantic Treaty Organization. Some improvement in relations with Russia after

Russian troop withdrawal in August 1994.

National Security

Armed Forces: Based on Swedish-Finnish rapid response force model. In 1994 armed forces totaled 6,600, including 1,650 in army, 630 in navy, 180 in air force, and 4,140 in border guard. Plans call for 9,000 active members in armed forces. Additional forces include security service of Ministry of Interior and reserve Home Guard (Zemessardze), latter organization having an estimated 17,000 members. Mandatory one-year period of active duty for men at age nineteen. Alternative service available for conscientious objectors.

Military Budget: About US$48 million allocated to defense in 1993.

Figure 7. Latvia, 1995

AMONG THE BALTIC STATES, Latvia lies "in the middle," not merely geographically but also in a cultural sense. It has been suggested that average Estonians are cool, rational, and somewhat aloof, whereas Lithuanians are warm, emotional, and gregarious. Latvians incorporate a mixture of these traits. Although they have much in common with Estonians and Lithuanians, on most questions—whether in economics, politics, or social policies—the Latvian people have chosen a slightly different path of development.

There is a widespread perception that Latvia is a "tiny" country. Its actual size, however, surprises most first-time travelers. It is only slightly smaller than Ireland and is larger than many other European countries, such as the Netherlands, Switzerland, Belgium, and Denmark. Its significant contribution to history, especially in the dissolution of the tsarist and Soviet empires, belies its comparatively limited geographical dimensions beside its giant and unpredictable neighbor to the east.

Latvia was occupied by the Soviet Union for half a century. This occupation has left serious demographic, economic, and psychological legacies, whose burdens will be borne by the inhabitants of Latvia for the foreseeable future. In spite of these burdens, however, Latvia and the other two Baltic republics have made greater progress toward Westernization than any of the other former Soviet republics.

Historical Setting

Early History

Latvians have resided in their present geographical area for more than 2,000 years. Their closest ethnic relatives are the ancient Prussians, the Galinds, the Jatvings, and the Lithuanians. Only the Lithuanians have avoided extinction. All the other peoples were conquered or assimilated by their neighbors, demonstrating one of the realities of history—the ebb and flow of the creation and disappearance of nations. This aspect of history has been taken to heart by Latvians, who regularly use their experience of extinction as a tocsin of potential danger to the survival of their own group. Ironically, Latvians themselves have been in the position of having assimilated another group. The first settlers in the territory of Latvia were

Livonians, or "Libiesi." Whereas the Latvians originated from the Indo-European family, the Livonians were akin to the Estonians and the Finns and formed a part of the Finno-Ugric complex of nations. The Livonians were once heavily concentrated in the northern part of Latvia's present-day provinces of Kurzeme and Vidzeme, but today only about 100 individuals retain their ancient language. Livonians have also contributed to the development of a prominent Latvian dialect.

Until about 1300, the Latvian people lived within half a dozen or so independent and culturally distinct kingdoms.This lack of unity hastened their conquest by German-led crusaders, who brought with them more efficient weaponry, war experience, and technology, including stone and mortar fortifications. During the next 600 years, various parts of the territory of Latvia were taken over by a succession of foreign regimes, including those of Denmark, Prussia, the Polish-Lithuanian Commonwealth, Sweden, and Russia. In this maelstrom of changing rulers, the descendants of the German conquerors were able to maintain their autonomy and their title to feudal estates by adapting to new circumstances and by offering loyalty to whoever was the dominant power. These Baltic barons formed the bulk of the upper classes and set the tone of the Baltic establishment. Although their dominance over the Latvian serfs has often been justifiably criticized, their profound impact on Latvian cultural and social development can be observed even to this day.

Besides the Baltic barons and other Germans, the greatest impact on the formation of the Latvian nation came from Russia, the giant neighbor that began the conquest of Latvia in 1710 under Peter I (the Great) (r. 1682–1725) and completed the process eighty-five years later. For more than 200 years, Latvians had a unique mixture of elites. The German nobility was dominant in economic, cultural, social, and local political life, and the Russian bureaucracy was in charge of higher politics and administration. Some Latvians aspiring to higher status tried to emulate the Germans, but other Latvians thought that salvation was to be found with the Russians. Indeed, a large part of the Latvian intelligentsia was inspired by alumni of the higher educational institutes of St. Petersburg. Several prominent intellectual leaders agitated for the migration of Latvians to the interior of Russia, where free land was available. Some Latvians adopted the Orthodox faith, Russia's predominant religion.

During the second half of the nineteenth century, Latvians experienced a resurgence of national consciousness. There was an intense development of Latvian culture and a new stress on the need for protecting this culture against the inroads of both Germanization and Russification. A new Latvian-oriented elite appeared and began to press for a larger input by Latvians in the determination of their own local affairs. This period is known as the first Latvian awakening.

The favorable geographical position of Latvia alongside the Baltic Sea and on the outer frontier of a vast, mostly landlocked Russian Empire provided the impetus for an extremely rapid economic development of the region. The most rapid growth occurred between 1880 and World War I. Riga became the third largest port in the Russian Empire; in 1913 its port had a larger trade turnover than St. Petersburg's. Many huge factories were constructed, attracting great masses of new workers from the Latvian countryside and from the interior of Russia.

Working-class discontent and the spread of Marxism created a volatile situation in Latvia. This radicalism was exacerbated by the shooting of seventy peaceful demonstrators in Riga in January 1905. Massive strikes by workers and the uprising of peasants with the attendant burning of feudal manor houses resulted in a very vindictive reaction by authorities, who shot some 3,000 people and sent many into exile in Siberia. Others managed to flee abroad. In 1905 almost all segments of Latvian society were united in their anger against the Russian authorities and the German barons.

This legacy of 1905, together with the disruption of World War I, when half the Latvian population was forced to evacuate ahead of the invading Germans, created propitious conditions for the growth of Marxism and especially its radical variant, Bolshevism. Of the votes for the All-Russian Constitutional Assembly from Latvians in the Russian-controlled northeastern part of Latvia, the Bolsheviks received a majority (71.9 percent). By contrast, in the entire empire less than a quarter voted for the Bolsheviks.

This infatuation with Bolshevism suffered a severe jolt, and support plummeted dramatically, during the half-year of Bolshevik rule of Latvia, which ended in May 1919. Nevertheless, a significant contingent of Latvian Red Riflemen fled to Russia, where they formed an important part of the leadership and infrastructure of the Red Army. Many Latvians also became prominent in the top hierarchy of the first Soviet political

police, known as the Cheka (see Glossary), and the Russian Communist Party (Bolshevik). Their days of glory were cut short by the mass executions initiated by Joseph V. Stalin in the 1930s.

Independence, 1918–40

Latvian independence was proclaimed on November 18, 1918, but its real advent came only in 1920 after the cessation of hostilities between pro- and anti-Bolshevik forces and the withdrawal of all foreign armies from Latvian territory. The peace treaty signed with Soviet Russia on August 11, 1920, was a critical step. As stated in Article 2 of this treaty, "Russia unreservedly recognizes the independence and sovereignty of the Latvian State and voluntarily and forever renounces all sovereign rights over the Latvian people and territory." Latvia became a member of the League of Nations in 1921.

Latvia's ensuing period of independence lasted for twenty years and has become embedded in the Latvian consciousness as a golden era of progress and achievement, now referred to as the second awakening. The period of independence was characterized by both economic viability and political instability. The Latvian currency, the lats, became relatively stable. Farming and exports flourished. Inflation was low. Welfare provisions were generous. Foreign debt was minimal. One of the more important indexes of economic achievement was the volume of gold—10.6 tons—that the Latvian government placed for safekeeping in the United States, Britain, France, and Switzerland.This period is also important in understanding a significant thread of present-day Latvian political culture. The state intervened as a direct economic actor in many areas, including heavy industry, building materials, electricity, tobacco, brewing, confectionery, textiles, insurance, and food processing. The government also made a conscious attempt to provide stability and, even more important, to help expand Latvian control of the economy.

Until 1934 Latvia had a system of democracy similar to that in Weimar Germany (1919–33). The use of proportional elections and the absence of any dominant party encouraged participation by more than forty different political parties. The 1931 parliament (Saeima) had representatives from twenty-seven parties. It is not surprising, then, that Latvia had eighteen different parliamentary governments with new combinations of coalition partners in fewer than fourteen years. The

evident political instability and the threat of a coup d'état from both the left and the right encouraged Karlis Ulmanis, a centrist, to take the reins of power into his own hands in May 1934. Ulmanis had been one of the founders of independent Latvia and had also been prime minister several times. His acknowledged experience and the public's general disgust with politicking assured little protest against the "setting aside" of Latvia's constitution.

Ulmanis was a populist ruler who did not countenance opposition. He banned all parties and many press organs. It is important to note, however, that not a single person was executed during this period, although several hundred activists from the left and right were incarcerated for brief periods of time. Ulmanis tried to maintain a neutral stance between the Soviet Union and Nazi Germany, but his best efforts failed when these two totalitarian systems connived to carve out spheres of dominance in the heart of Europe.

Ulmanis was deported by the Soviet authorities and died in captivity in Russia in 1942, but his legacy remains alive in Latvia. Today, Ulmanis is a powerful symbol of selfless dedication to Latvia, and his memory is honored even by organizations with high concentrations of former communists. These groups realize that the once-vilified dictator has tremendous appeal among Latvians, especially in rural areas, and that their association with Ulmanis can provide long-term political dividends. At the same time, the historical experience of such a dictatorship, even if beneficial in some respects, has been used in debates as a warning against a repetition of dictatorial rule.

The fate of Latvia and the other Baltic republics was sealed on August 23, 1939, when the foreign ministers of the Soviet Union and Nazi Germany, Vyacheslav Molotov and Joachim von Ribbentrop, respectively, signed a secret protocol giving Estonia and Latvia to the Soviet Union and Lithuania to Germany. Within five weeks, however, Lithuania was added to the Soviet roster of potential possessions in exchange for other territories and sizable sums of gold.

The Nazi-Soviet Nonaggression Pact (also known as the Molotov-Ribbentrop Pact) was not acknowledged by the Soviet Union until it was forced to do so, fifty years later, by the Baltic delegation to the Congress of People's Deputies (see Glossary) in Moscow in 1989. The pact was seen by Latvian and other Baltic independence supporters as the Achilles' heel of the carefully constructed myth by Moscow propagandists of how the

Baltic countries had joyfully embraced the Soviet Union and had voted to become new Soviet republics. Indeed, the Latvian dissident group known as Helsinki '86 had organized demonstrations on August 23, 1987, to underscore the secret pact's existence. These demonstrations had reverberated throughout the world and had put Soviet leader Mikhail S. Gorbachev's regime on the defensive.

For the Baltic countries, the half-century following the 1939 pact was a particularly tragic time. During that period, hundreds of thousands of people perished, and much effort was expended to obliterate the memory of independence.

On October 5, 1939, soon after the Nazi-Soviet Nonagression Pact was signed, the Soviet Union coerced Latvia into signing the Pact of Defense and Mutual Assistance. It then forced Latvia to accept occupation by 30,000 Soviet troops. Similar treaties were imposed on Estonia and Lithuania, whose forces also were vastly outnumbered by Soviet forces. (The Baltic states' northern neighbor, Finland, refused to accept such a demand, however, and, after it was attacked on November 30, 1939, valiantly fought the Red Army in what became known as the Winter War. The Soviet Union was expelled from the League of Nations for this unprovoked attack on Finland.)

Stalin made his next move in the Baltics when world attention was riveted on the imminent surrender of France to the Nazis in June 1940. An ultimatum was sent to each one of the Baltic countries demanding replacement of their existing governments by those capable of ensuring the proper fulfillment of the previously signed pacts of mutual assistance. Moscow also demanded the free entry of unlimited troops to secure strategic centers. With no hope of external support, all three countries capitulated to these demands.

The Soviet Period

The new Soviet troops moved into Latvia, together with a special emissary, Andrey Vyshinskiy, who was entrusted with the details of mobilizing enthusiastic mass support for the Sovietization of Latvia. Vyshinskiy had learned political choreography well when he staged the infamous Moscow show trials against the theoretician Nikolay I. Bukharin and other enemies of Stalin.

A so-called "people's government" was assembled, and elections were held to help legitimate the changes in the eyes of the world. Only the communist slate of candidates was allowed

Flowers laid at base of Liberty Monument in Riga
Courtesy Linda Sudmalis

Candles line roads connecting the three Baltic capital cities on the anniversary of the Nazi-Soviet Nonaggression Pact (1939), Riga, 1991.
Courtesy Linda Sudmalis

on the ballot, and the improbable result of 97.6 percent in favor—with a more than 90 percent turnout—was never found to be credible by any of the Western governments. For the purposes of Soviet strategy and mythmaking, however, they sufficed. On July 21, 1940, the newly elected delegates proclaimed the Latvian Soviet Socialist Republic and voted to petition the Soviet Union to allow Latvia to join as a constituent republic. Not surprisingly, their wishes were granted. The process of Sovietizing Latvia was interrupted, however, when Stalin's ally and co-conspirator attacked the Soviet Union on June 22, 1941. One week before the Nazi attack, the Soviet regime had arrested and deported to Siberia, in sealed cattle cars, about 15,000 of the former Latvian elite, as well as suspected anticommunists, including 5,154 women and 3,225 children. In all, during the first year of occupation, Latvia lost 35,000 people to deportations or executions. Most deportees died in Siberia.

The equally brutal Nazi occupation lasted until May 8, 1945. Latvia's Jews and Gypsies were particularly subjected to mass annihilation, and only a small number of each group survived this holocaust. The Nazis had no intention of liberating Latvia or providing renewed independence. Even the bulk of nationalized property was not returned. They did, however, draft young men into the armed forces—an illegal move in occupied territories, according to international law. These young people fought against the Red Army in two divisions, suffering high casualties.

With the advance of the Red Army into Latvia, about 200,000 Latvian refugees fled in panic to the West. Many lost their lives in the Baltic Sea, and others were bombed, together with their horse-drawn wagons. A sizable group was captured and turned back to await punishment for their "disloyalty." About 150,000 refugees from Latvia settled in the West, where many of them continued a half-century-long struggle against the occupation of their homeland.

The reestablishment of Soviet control in the mid-1940s was not welcomed. Many Latvians joined the guerrilla movement, which fought the occupying power for close to a decade. To break this resistance and also to force peasants into collective farms, new deportations to Siberia, involving more than 40,000 people (10,590 of them children under sixteen years of age), were completed on March 25, 1949. This date was to become a focal point of demonstrations in 1988.

The leading positions in postwar Latvia's political, economic, and cultural life were filled by Russians or Russified Latvians, known as *latovichi*, who had spent much or all of their lives in the Soviet Union. Political power was concentrated in the Communist Party of Latvia (CPL), which numbered no more than 5,000 in 1945. The rapid growth of industry attracted migrant workers, primarily from Russia, further facilitating the processes of Russification and Sovietization. Net immigration from 1951 to 1989 has been estimated at more than 400,000.

After Stalin's death in 1953, conditions for greater local autonomy improved. In Latvia, beginning in 1957, a group of national communists under the leadership of Eduards Berklavs, deputy premier of the Latvian Council of Ministers, began a serious program of Latvianization. He and his supporters passed regulations restricting immigration, requested that party and government functionaries know the Latvian language, and planned to limit the growth of industry requiring large inputs of labor. Increased funding was planned for local requirements, such as agricultural machines, urban and rural housing, schools, hospitals, and social centers, rather than for Moscow-planned "truly grandiose projects."

These programs were not well received in Moscow, and a purge of about 2,000 national communists was initiated in July 1959. Many of the most gifted individuals in Latvia lost their positions and had to endure continuous harassment.

Berklavs himself was exiled from Latvia and expelled from the CPL. Later, upon returning to Latvia, he was one of the leaders of the Latvian underground opposition and coauthored a 1974 letter with seventeen Latvian communists, detailing the pace of Russification in Latvia. In 1988 Berklavs became one of the key founders of the Latvian National Independence Movement (Latvijas Nacionala neatkaribas kustiba—LNNK), and as an elected deputy in the Latvian parliament he vigorously defended Latvian interests.

After the purge of the national communists, Latvia experienced a particularly vindictive and staunchly pro-Moscow leadership. Under the iron fist of hard-liner Arvids Pelse (CPL first secretary, 1959–66), who later became a member of the Political Bureau (Politburo) of the Central Committee of the Communist Party of the Soviet Union (CPSU), Latvia suffered many restrictions and petty harassments in all fields of national culture and social development. Sovietization and Russification programs were of an intensity and dimension not found in

either Estonia or Lithuania. Pelse was replaced by Augusts Voss (CPL first secretary, 1966–84), who was equally insensitive to Latvian demands. With the advent of a new period of *glasnost* (see Glossary) and national awakening, Voss was transferred to Moscow to preside over the Supreme Soviet's Council of Nationalities and was replaced by Boris Pugo, a former chief of Latvia's Committee for State Security (Komitet gosudarstvennoy bezopasnosti—KGB). Pugo, who served as CPL first secretary until 1988, subsequently gained prominence as a participant in the abortive Soviet coup of August 1991.

The Pursuit of Independence, 1987–91

The national awakening came about in large measure as a result of Gorbachev's loosening of the reins of repression and his public stress on truth and freedom of expression. When open demonstrations started in 1987, Latvians were no longer lacking in social cohesion. The purpose of these "calendar" demonstrations was to publicly commemorate the events of June 13–14, 1941 (the mass deportations of Latvians to the Soviet Union); August 23, 1939 (the signing of the Nazi-Soviet Nonaggression Pact); and November 18, 1918 (the proclamation of Latvian independence). During the several years leading up to the first demonstrations by Helsinki '86 on June 14, 1987, several groups had labored with missionary zeal to inspire Latvians to work for a number of social and political causes.

One group that organized in 1976 committed itself to the revival of folk culture and, in spite of harassment, succeeded in rekindling interest in Latvian traditions and in awakening pride in being Latvian. Parallel to the folk culture group, another movement focused on the repair of old churches and monuments and the protection of the environment. The founder of this movement, the Environmental Protection Club (EPC), acknowledged that its primary goal was to raise the consciousness of the general public. Indeed, the EPC became the organization within which many individuals opposed to various aspects of Sovietization and Russification could unite. Under the seemingly nonpolitical umbrella of the EPC, they could organize far more radical bodies, such as the Latvian National Independence Movement.

A dynamic group of young theologians within Latvia's moribund Evangelical Lutheran Church also began a campaign to reactivate their congregations and the structure of the church

itself. The Rebirth and Renewal (Atdzimsana un Atjaunosana) group did not have many members, but its activism and confrontation with communist party officials and policies energized people within the growing religious communities as well as in the wider society. Indeed, several individuals from this group served as catalysts for the creation of the Popular Front of Latvia (Latvijas Tautas Fronte—LTF).

The mobilization of a larger constituency of Latvians occurred as a result of the successful campaign to stop the construction of a hydroelectric dam on the Daugava River in 1987. The initiator of this campaign, journalist Dainis Ivans, was later elected the first president of the LTF.

The "calendar" demonstrations, led by Helsinki '86 during 1987, electrified the Latvian population. Most people expected the authorities to mete out swift and ruthless retribution. When they did not, even more people joined in. In 1988 this grassroots protest was joined by the Latvian intelligentsia, whose demands for decentralization and democratization were forcefully articulated at the June 1–2 plenum of the Latvian Writers Union. Several months later, the idea of a popular front was brought to fruition, with a formal first congress organized on October 8–9, 1988.

The LTF had more than 100,000 dues-paying members and chapters in almost every locality in Latvia. These members slowly took the initiative in politics and became a de facto second government, pushing the Latvian Supreme Soviet to adopt a declaration of sovereignty and economic independence in July 1989. They also helped elect a majority of their approved candidates for the all-union Congress of People's Deputies in the spring of 1989; for the municipal local elections in December of that year; and for the critical parliamentary elections of March–April 1990. Slightly more than two-thirds of the delegates in the new parliament, now known as the Supreme Council, voted in favor of a transition to a democratic and independent Latvia on May 4, 1990. This process was marred by several instances of Soviet aggression, most notably in January 1991, when five people were killed during an attack on the Latvian Ministry of Interior in Riga by units of the Soviet Ministry of Internal Affairs Special Forces Detachment (Otryad militsii osobogo naznacheniya—OMON), commonly known as the Black Berets. The transition turned out to be much briefer than anyone could have expected, however, because of the failed Soviet coup of August 1991. Latvia declared indepen-

dence on August 21, 1991. Soon thereafter, the Soviet Union recognized Latvia's independence, and once again Latvia was able to join the world community of nations.

Physical Environment

Latvia is traditionally seen as a tiny country. In terms of its population of about 2.6 million, it deserves this designation. Geographically, however, Latvia encompasses 64,589 square kilometers, a size surpassing that of better-known European states such as Belgium, the Netherlands, Switzerland, and Denmark. Seen from the air, Latvia is an extension of the East European Plain. Its flat terrain differs little from that of its surrounding neighbors. Latvia's only distinct border is the Baltic Sea coast, which extends for 531 kilometers. Its neighbors include Estonia on the north (267 kilometers of common border), Lithuania on the south (453 kilometers), Belarus on the southeast (141 kilometers), and Russia on the east (217 kilometers). Prior to World War II, Latvia bordered eastern Poland, but as a result of boundary changes by the Soviet Union, this territory was attached to Belorussia. Also, in 1944 Russia annexed the northeastern border district of Latvia, known as Abrene, including the town of Pytalovo (see fig. 2).

Geographic Features

The physiography of Latvia and its neighboring areas was formed, to a large degree, during the Quartenary period and the Pleistocene ice age, when soil and debris were pushed by glaciers into mounds and hills. Undulating plains cover 75 percent of Latvia's territory and provide the main areas for farming; 25 percent of the territory lies in uplands of moderate-sized hills. About 27 percent of the total territory is cultivable, with the central Zemgale Plain south of Riga being the most fertile and profitable. The three main upland areas—in the provinces of Kurzeme (western Latvia), Vidzeme (central Latvia), and Latgale (eastern Latvia)—provide a picturesque pattern of fields interspersed with forests and numerous lakes and rivers. In this area, the extensive glacial moraines, eskers, and drumlins have limited the profitability of agriculture by fragmenting fields and presenting serious erosion problems.

About 10 percent of Latvian territory consists of peat bogs, swamps, and marshes, some of which are covered by stunted forest growth. Forests are the outstanding feature of Latvia,

claiming 42 percent of the territory. Lumber and wood products are among the country's most important exports. Two-thirds of the forests consist of Scotch pine or Norway spruce. Latvian forests differ from those of North America primarily because of their relatively brush-free understory. The forest floor, however, is far from a biological desert, as is often the case in tree plantations. Indeed, one of the most widespread pastimes of the population is picking blueberries, mushrooms, cranberries, and other bounties of the natural environment.

Few of the forests are fully mature because of previous overcutting and also because of several violent storms during the 1960s, which snapped or uprooted millions of trees. As a consequence, most of the wood today is derived from thinning and improvement cuts, forming 50 percent of the annual total growth increment of 8 million cubic meters of wood.

For a long time, wood has been a basic source of energy. The utilization of wood as fuel has increased dramatically in the 1990s, even in cities, because of the numbing price hikes on other forms of energy. Local wood is also an important resource for the pulp and paper industry and for specialized plywood and furniture manufacturers. A great concern today is the unregulated cutting of timber for the foreign market. Prices paid by European wood buyers are phenomenally high by local standards, and there is much pressure to utilize this opportunity for cash accumulation, even without legal permits. By 1992 the problem had become so serious that Latvian forestry officials were given the right to carry firearms.

Not all forests are productive. Many areas, especially abandoned, formerly private farms, have become overgrown with low-value alders and other scrub trees. With the return of private farming, these areas are once again being reclaimed for agriculture. In the process, however, there is a danger that these areas, which are ideal for wildlife, will become threatened. The decades-long neglect of extensive areas of marginal farmland was a boon for the establishment of unique ecological conditions favorable for the survival of animal species rarely found in other parts of Europe. According to a World Wildlife Fund study in 1992, Latvia has unusual populations of black storks, small eagles, otters, beaver, lynx, and wolves. There are also great concentrations of deer (86,000), wild boar (32,000), elk (25,000), moose (13,000), and fox (13,000). Many Latvians today are planning to exploit this resource by catering to foreign hunters.

The variegated and rapidly changing physiography of glacial moraines and lowlands has also allowed temperate flora, such as oaks, to grow within a few hundred meters of northern flora, such as bog cotton and cloudberries. This variety and the rapid change in natural ecosystems are among the unique features of the republic.

The Soviet system left behind another windfall for naturalists. The Latvian western seacoast was a carefully guarded border region. Almost all houses near the sea were razed or evacuated. As a result, about 300 kilometers of undeveloped seashore are graced only by forests of pine and spruce and ecologically unique sand dunes. The temptation for fast profit, however, may foster violation of laws that clearly forbid any construction within one kilometer of the sea. Unless the government takes vigorous action, one of the last remaining wild shorelines in Europe may become just a memory.

The seashore adjoining the population centers around Riga was a major focus of tourism during the Soviet era. Jurmala, with its many sanatoriums and tourist accommodations, its tall pines, sandy beaches, and antique architecture, is now experiencing a wrenching readjustment. East European tourists can no longer afford to come here, and Western tourists have not yet discovered the area and its relatively low prices. West Europeans may be loath to come, however, because excessive pollution has closed Jurmala beaches to swimming since 1988. Moreover, facilities and accommodations adequate for Soviet tastes fall far short of minimal standards expected in the West.

Latvia has an abundant network of rivers, contributing to the visual beauty and the economy of the country. The largest river is the Daugava, which has been an important route for several thousand years. It has been used by local tribes as well as by Vikings, Russians, and other Europeans for trade, war, and conquest. With a total length of 1,020 kilometers, the Daugava (or Zapadnaya Dvina in its upper reaches) originates in the Valday Hills in Russia's Tver' Oblast, meanders through northern Belarus, and then winds through Latvia for 370 kilometers before emptying into the Gulf of Riga. It is about 200 meters wide when it enters Latvia, increasing to between 650 and 750 meters at Riga and to 1.5 kilometers at its mouth.

The river carries an average annual flow of twenty-one cubic kilometers. Its total descent within Latvia of ninety-eight meters has made it an attractive source of hydroelectric power production. The first hydroelectric station, at Kegums, was built dur-

ing Latvia's independence period. The second dam, at Plavinas, aroused an unusual wave of protest in 1958. Most Latvians opposed the flooding of historical sites and a particularly scenic gorge with rare plants and natural features, such as the Staburags, a cliff comparable in cultural significance to the Lorelei in Germany. The construction of the dam was endorsed in 1959, however, after the purge of relatively liberal and nationally oriented leaders under Berklavs and their replacement by Moscow-oriented, ideologically conservative cadres led by Pelse. The third dam, just above Riga, did not provoke much protest because of the seeming hopelessness of the cause. The proposed fourth dam, at the town of Daugavpils on the Daugava River, became the rallying point for protest in 1986–87 by hundreds of thousands of Latvians. This dam was not constructed, in spite of the vast expenditures already poured into the project.

Smaller rivers include the Lielupe, in central Latvia, with an average annual flow of 3.6 cubic kilometers; the Venta, in the west, with 2.9 cubic kilometers; the Gauja, in the northeast, with 2.5 cubic kilometers; and the Aiviekste, in the east, with 2.1 cubic kilometers. Very little hydroelectric power is generated by their waters, although planners are now thinking of reactivating some of the abandoned older dams and turbines. The Gauja is one of Latvia's most attractive, relatively clean rivers and has an adjoining large national park along both of its banks as one of its notable features. Its cold waters attract trout and salmon, and its sandstone cliff and forest setting are increasingly a magnet for tourists interested in the environment.

More than 60 percent of the annual water volume of Latvia's six largest rivers comes from neighboring countries, mainly from Belarus and Lithuania. These adjoining resources create obvious needs for cooperation, especially in pollution control. The dangers from a lack of cooperation were brought home to Latvians in November 1990, when a polymer complex in Navapolatsk, Belarus, accidentally spilled 128 tons of cyanide derivatives into the Daugava River with no warning to downstream users in Latvia. Only the presence of numerous dead fish alerted Latvian inhabitants to the danger.

Climate

Latvia's northern location matches Labrador's latitude. In the summer, daylight hours are much longer and in the winter

much shorter than in New York City, for example. In December it is still pitch dark at 9:00 A.M., and daylight disappears before 4:00 P.M. This light deprivation may be an important ingredient in deciphering certain aspects of Latvian collective behavior. It may account for the general exuberance and joie de vivre in spring and summer, and the relative taciturnity and melancholy the rest of the year. The climate is far different from that of Labrador, however, because of the effect of the Gulf Stream flowing across the Atlantic Ocean from Mexico. Average temperatures in winter are reasonably mild, ranging in January from –2.8°C in Liepaja, on the western coast, to –6.6°C in the southeastern town of Daugavpils. July temperatures range from 16.7°C in Liepaja to 17.6°C in Daugavpils. Latvia's proximity to the sea brings high levels of humidity and precipitation, with average annual precipitation of 566 millimeters in Riga. There, an average of 180 days per year have precipitation, forty-four days have fog, and only seventy-two days are sunny. Continuous snow cover lasts eighty-two days, and the frost-free period lasts 177 days.

This precipitation has helped provide the abundant water for Latvia's many rivers and lakes, but it has created many problems as well. A large part of agricultural land requires drainage. Much money has been spent for amelioration projects involving the installation of drainage pipes, the straightening and deepening of natural streams, the digging of drainage ditches, and the construction of polder dams. During the 1960s and 1970s, drainage work absorbed about one-third of all agricultural investments in Latvia. Although accounting for only one-third of 1 percent of the territory, Latvia was responsible for 11 percent of all artificially drained land in the Soviet Union.

An additional problem associated with precipitation is the difficulty of early mechanized sowing and harvesting because of waterlogged fields. Heavy precipitation occurs, especially during harvest time in August and September, requiring heavy investment outlays in grain-drying structures and ventilation systems. In 1992, ironically, Latvia experienced the driest summer in recorded weather history, but unusually heavy rains in the preceding spring kept crop damage below the extent expected. The moist climate has been a major factor orienting Latvian agriculture toward animal husbandry and dairying. Even most of the field crops, such as barley, oats, and potatoes, are grown for animal feed.

View of Riga, with pavilions of the central market in center and the Daugava River in rear
Courtesy Roland Sudmalis
Street in Liepaja
Courtesy Linda Sudmalis

Natural Resources

Latvia cannot claim valuable natural resources. Nevertheless, the abundant presence of such materials as limestone for cement (6 billion cubic meters), gypsum (165 million cubic meters), high-quality clay (375 million cubic meters), dolomite (615 million cubic meters), peat (480 million tons), and construction materials, including gravel and sand, satisfy local needs. Fish from the Baltic Sea is another potential export resource export. Amber, million-year-old chunks of petrified pine pitch, is often found on the beaches of the Baltic Sea and is in high demand for jewelry. It has also had a symbolic impact on the country, which is often called Dzimtarzeme, or Amberland. The future may hold potentially more valuable resources if oil fields are discovered in Latvian territorial waters, as some geologists have predicted.

Society

Population

Latvia's population has been multiethnic for centuries. In 1897 the first official census in this area indicated that Latvians formed 68.3 percent of the total population of 1.93 million; Russians accounted for 12.0 percent, Jews for 7.4 percent, Germans for 6.2 percent, and Poles for 3.4 percent. The remainder were Lithuanians, Estonians, Gypsies, and various other nationalities.

World War I and the emergence of an independent Latvia led to shifts in ethnic composition. By 1935, when the total population was about 1.9 million, the proportion of Latvians had increased to 77.0 percent of the population, and the percentages for all other groups had decreased. In spite of heavy war casualties and the exodus of many Latvians to Russia, in absolute terms the number of Latvians had grown by 155,000 from 1897 to 1935, marking the highest historical level of Latvian presence in the republic. Other groups, however, declined, mostly as a result of emigration. The largest change occurred among Germans (from 121,000 to 62,100) and Jews (from 142,000 to 93,400). During World War II, most Germans in Latvia were forced by Adolf Hitler's government to leave for Germany as a result of the expected occupation of Latvia by Stalin's troops. The Jews suffered the greatest tragedy, however, when between 70,000 and 80,000 of them were executed by the

Nazi occupation forces between 1941 and 1944. Latvians also suffered population losses during this period as a result of deportations, executions, and the flight of refugees to the West. By 1959 there were 169,100 fewer Latvians in absolute terms than in 1935, in spite of the accumulated natural increase of twenty-four years and the return of many Latvians from other parts of the Soviet Union after 1945.

The balance of ethnic groups in 1959 reflected the vagaries of war and the interests of the occupying power. The Latvian share of the population had decreased to 62.0 percent, but that of the Russians had jumped from 8.8 percent to 26.6 percent. The other Slavic groups—Belorussians, Ukrainians, and Poles—together accounted for 7.2 percent, and the Jews formed 1.7 percent. Indeed, one of the greatest concerns Latvians had during the almost half-century under Soviet rule was the immigration of hundreds of non-Latvians, which drastically changed the ethnic complexion of the republic. Even more, with each successive census Latvians saw their share of the population diminish, from 56.8 percent in 1970 to 54.0 percent in 1979 and to 52.0 percent in 1989 (see table 15, Appendix). With each year, a net average of 11,000 to 15,000 non-Latvian settlers came to the republic, and such migration accounted for close to 60 percent of the annual population growth. The newcomers were generally younger, and hence their higher rates of natural increase helped to diminish the Latvian proportion even more.

The threat of becoming a minority in their own land was one of the most important elements animating the forces of political rebirth. There was a widespread feeling that once Latvians lost their majority status, they would be on the road to extinction. During the period of the national awakening in the late 1980s, this sentiment produced a pervasive mood of intense anxiety, perhaps best expressed by the popular slogan "Now or Never." It also came across very bluntly in "The Latvian Nation and the Genocide of Immigration," the title of a paper prepared by an official of the Popular Front of Latvia in 1990. By then, largely as a result of the great influx of new settlers encouraged by Soviet authorities, Latvians were a minority in six of the largest cities in Latvia (see table 16, Appendix). Even in the capital city of Riga, Latvians had shrunk to only about a third of the population. Thus, they were forced to adapt to a Russian-speaking majority, with all of its attendant cultural and social patterns. There was not a single city district in Riga

where Latvians could hope to transact business using only Latvian. This predominantly Russian atmosphere has proved difficult to change, in spite of the formal declaration of Latvian independence and the passing of several Latvianization laws.

Even in the countryside of certain regions, Latvians are under cultural and linguistic stress from their unilingual neighbors. The most multinational area outside of cities can be found in the province of Latgale in the southeastern part of Latvia. There the Daugavpils district (excluding the city) in 1989 was 35.9 percent Latvian, Kraslava district 43.1 percent, Rezekne district (excluding the city) 53.3 percent, and Ludza district 53.4 percent. For several decades, Latvians in these districts were forced to attend Russian-language schools because of the dearth or absence of Latvian schools. Not surprisingly, during the Soviet period there was a process of assimilation to the Russian-language group. With the advent of independence, Latgale has become a focal point for official and unofficial programs of Latvianization, which include the opening of new Latvian schools, the printing of new Latvian local newspapers, and the opening of a Latvian television station for Latgalians. A major thrust in Latvianization is also provided by the resurgent Roman Catholic Church and its clergy.

Most Latvians themselves are not aware that by 1989 they had become a minority of the population in the usually most active age-group of twenty to forty-four (see table 17, Appendix). In the age category of thirty-five to thirty-nine, Latvians were down to 43.0 percent of the total. The period spanning the years from the late teens to middle age usually provides the most important pool of people for innovation and entrepreneurship (see fig. 8). The relatively low Latvian demographic presence in this group could partly account for the much smaller visibility of Latvians in the privatization and business entrepreneurship process within the republic.

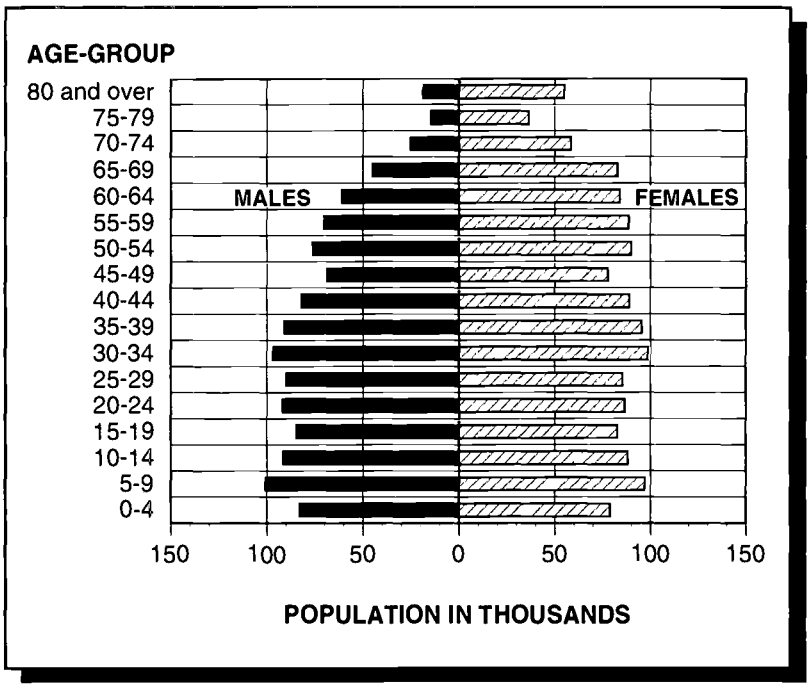
Population Changes since Independence

In 1994, according to official estimates, Latvia had a population of 2,565,854 people. This figure was smaller than for the 1989 census (2,666,567), reflecting a fundamental change in the demography of Latvia. The population in the republic decreased for the first time since 1945, except in 1949 when more than 40,000 Latvians were deported. Between January 1989 and January 1994, the total decrease was more than 100,000.

Two important factors have contributed to this change. During 1991, 1992, and 1993, the natural increase was negative; in other words, more people died than were born. The moving variable has been the number of births. In 1991 the total number born was only 34,633, which was 8.7 percent less than in the previous year and 18 percent less than in 1987 (see table 18, Appendix). The number of deaths remained about constant. For the first time since 1946, more deaths than births occurred in 1991—by a margin of 116. This gap increased significantly in 1992, when 3,851 more deaths than births were recorded. The death rate increased from 13.5 per 1,000 in 1992 to 16.3 per 1,000 in 1994, and the birth rate fell from 12.9 per 1,000 in 1992 to 9.5 per 1,000 in 1994. The postponement by many families of procreation is not surprising in view of the economic traumas suffered by most people and the general political and economic uncertainties prevailing in the country.

An even more important factor at work in the overall decrease of population has been the net out-migration of mostly nonindigenous individuals (see table 19, Appendix). The principal factors affecting the direction of migration included Latvia's declaration of independence and its laws checking uncontrolled immigration into the country. Independence brought a shift in political power to the Latvian group. Many individuals who could not adjust to living in a newly "foreign" country or who did not want to accommodate the new Latvian language requirements in certain categories of employment decided to leave.

A sociological poll published in November 1992 indicated that 55 percent of non-Latvians would not move east (that is, to other parts of the former Soviet Union) even if they were offered a job and living accommodations; 19 percent expressed a willingness to do so (3 percent only temporarily); and 26 percent said they did not know whether they would move. Only about 205,000 non-Latvians out of 1.3 million living in Latvia were willing to leave permanently if offered jobs and roofs over their heads. Aside from economic considerations, this surprisingly strong attachment to Latvia by non-Latvian ethnic groups is attributable to the fact that many of them were born in Latvia and have had little if any contact with their forebears' geographical areas of origin. According to the 1989 census, of the non-Latvian ethnic groups in the country, about 66 percent of Poles, 55 percent of Russians, 53 percent of Jews, 36 percent of



Source: Based on information from Latvia, Valsts Statistikas Komiteja, *Latvija Skaitlos, 1993* (*Latvia in Figures, 1993*), Riga, 1994, 16.

Figure 8. Population of Latvia by Age and Gender, 1993

Lithuanians, 31 percent of Belorussians, and 19 percent of Ukrainians had been born in Latvia (see table 20, Appendix).

Marriage and Divorce

In spite of Latvians' fears of becoming a minority and in spite of the strains caused by Russification and language inequities, a relatively high proportion of Latvians have married members of other ethnic groups. Some 30 percent of marriages involving Latvians were of mixed nationality in 1988 (although only 17 percent of all marrying Latvians in 1988 entered into mixed marriages). This rate of intermarriage was one of the highest of any titular nationality in the republics of the Soviet Union. Comparable rates were found in Belorussia (34.6 percent) and Ukraine (35.6 percent); a much lower rate was found in Estonia (16.1 percent). The marriage statistics of 1991 do not indicate any significant changes in this respect,

with just under 18 percent of all Latvians marrying members of other ethnic groups.

Latvia has an extremely high divorce rate, but there is no adequate explanation for it. In 1991 Latvia registered 22,337 weddings and 11,070 divorces, for a divorce rate of 49.6 percent. Among various ethnic groups, these rates vary: Latvian males, 39.1 percent, and females, 39.9 percent; Lithuanian males, 52.7 percent, and females, 45.0 percent; Polish males, 43.7 percent, and females, 54.5 percent; Russian males, 60.2 percent, and females, 58.3 percent; Belarusian males, 58.8 percent, and females, 61.0 percent; Ukrainian males, 64.4 percent, and females, 65.2 percent; Jewish males, 67.6 percent, and females, 65.9 percent; and males of other ethnic groups, 64.8 percent, and females, 70.0 percent. During the first nine months of 1992, as compared with the same period in 1991, marriages decreased by 10 percent, but divorces increased by 24 percent. For every 1,000 marriages, there were 683 divorces.

Perhaps the instability of marriage accounts for the relatively high percentage of births outside of marriage. In 1989 in Latvia, 15.9 percent of infants were born to women who were not married. In Lithuania the comparative rate was 6.5 percent, but in Estonia the rate was 25.2 percent. In the Soviet Union as a whole in 1988, the rate was 10.2 percent.

Urbanization, Employment, and Education

Latvia was one of the most urbanized republics of the former Soviet Union, reaching an urbanization rate of 71 percent in 1990. Subsequently, the rate of urbanization decreased and was estimated to be 69.5 percent in 1992. Part of the reason for the decline no doubt can be found in the out-migration of non-Latvians to other republics. It seems probable, as well, that a slight shift back to rural areas occurred as a result of the start-up of some 50,000 private farms.

The rapid economic changes of the early 1990s have brought about an employment reorientation by various ethnic groups. The division of labor between Latvians and non-Latvians that prevailed in 1987, the most recent year for which such data are available, offers a general indication of where the groups work. The Latvian share was above average in culture and art (74.6 percent), agriculture (69.5 percent), public education (58.8 percent), communications (56.7 percent), administration (56.4 percent), credit and state insurance (55.1 percent), and health care and social security (53.5 percent).

Latvians were significantly underrepresented in heavy industry (36.3 percent), light industry (33.6 percent), machine building (31.0 percent), the chemical industry (30.1 percent), railroad transport (26.5 percent), and water transport (11.5 percent). The work categories facing the greatest threat of unemployment are those with the fewest Latvians. This may create future strains and possible confrontations between Latvians and non-Latvians if solutions are not found.

In the long run, however, higher education might be an important variable in advancement and adjustment to new economic situations. In 1989 only ninety-six out of 1,000 Latvians completed higher education, compared with 115 out of 1,000 for the entire population. The most educated were Jews, with a rate of 407 per 1,000 completing higher education, followed by Ukrainians with 163 and Russians with 143. Belorussians, Poles, and Lithuanians had a rate below that of the Latvians. One of the key variables accounting for this spread in educational achievements is rural-urban location. Jews and Russians are much more urban than Latvians or Poles. It is difficult to compete in entrance examinations after attending schools in rural areas where there are regular official interruptions in the fall for harvesting and in the spring for planting. Distances and poor transportation networks provide another obstacle to completing secondary school. Most institutions of higher learning are located in Riga. Unless one has relatives or friends there, it is difficult to find living accommodations. Student residences can cater to only a small proportion of applicants.

One of the unique aspects of the Latvian education system was the introduction during the 1960s of schools with two languages of instruction, Latvian and Russian, in which each group held classes in its own language. About a third of all schoolchildren went to these schools, and the others attended the purely Latvian or Russian schools. Extracurricular activities and parent-teacher events were expected to be held together, and almost inevitably they were conducted in Russian because of the imbalance in language knowledge. These schools did not foster interethnic friendship, as originally hoped, and they were being phased out in post-Soviet Latvia. In the 1993–94 school year, sixty-nine out of 574 such primary schools remained.

All children, from about the age of six, must complete nine years of primary schooling, which may be followed by three years of secondary education or one to six years in technical,

Dinner preparations in households in Riga and Priekule, near Liepaja
Courtesy Linda Sudmalis

vocational, or art schools. In the 1993–94 school year, a total of 76,619 students were enrolled in primary schools, 242,677 in secondary schools, 27,881 in vocational schools, 19,476 in special secondary institutions, and 7,211 in special schools for the physically and mentally handicapped. There were eighteen universities and other institutions of higher education, with 36,428 students. The literacy rate approached 100 percent.

One of the innovations introduced with independence was the reestablishment of schools or programs for other ethnic groups. Before the Soviet occupation in 1940, Latvia had more than 300 state-supported schools offering instruction for different ethnic groups: 144 Russian, sixty Jewish, sixteen Polish, thirteen Lithuanian, four Estonian, one Belorussian, and eighty-five with several languages of instruction. All of these except the Russian schools were closed after 1945. After 1990 various ethnic groups were offered the opportunity of again maintaining schools in their own language of instruction, and by the 1993–94 school year some 210 schools were in operation: more than 200 Russian, four Polish, one Estonian, one Lithuanian, one Ukrainian, and one Jewish. Latvia had the first Jewish secondary school in the entire Soviet Union. It should be noted that most of the non-Latvian groups had largely assimilated with the Russians, and many of their members did not speak their native tongue.

Health and Welfare

In the early 1990s, the health care system that Latvia inherited from the Soviet regime had yet to meet Western standards. It continued to be hampered by shortages of basic medical supplies, including disposable needles, anesthetics, and antibiotics. In 1992 there were some 176 hospitals, with 130 beds per 10,000 inhabitants—more than in Estonia and Lithuania—but they were old, lacked modern facilities, and were concentrated in urban areas. The number of physicians, forty-one per 10,000 inhabitants, was high by international standards, but there were too few nurses and other paramedical personnel.

At a time when most of the modern world was experiencing rapid strides in the extension of average life span, the Soviet Union and Latvia were going backward. Between 1965 and 1990, the male life span in Latvia decreased 2.4 years, from 66.6 to 64.2 years. For females, there was a decrease between 1965 and 1979 from 74.4 to 73.9 years, but the average life span rose to 74.6 by 1990. In comparison, in 1989 the average life expect-

Polyclinic in Priekule, with ambulance in front
Courtesy Roland Sudmalis

ancy in the Soviet Union was 64.6 for males and 74.0 years for females. Overall, Latvia then ranked eighth among the Soviet republics. For males, however, Latvia was eleventh, ahead of three Soviet Central Asian republics and Russia. Among females, Latvia did better, sharing fourth ranking with Ukraine.

According to the calculations of a Latvian demographer in 1938–39, Latvia was about thirteen years ahead of the Soviet Union in life expectancy. No doubt, an important role in lessening the average life span statistics was played by the massive in-migration of people after 1945 from mostly rural and poverty-stricken parts of the Soviet Union. Even in 1988–89, within Latvia there was a difference of 0.8 year between Latvian and Russian life expectancy. Standardized rates that account for urban and rural differences show that Latvians live 1.7 years longer than Russians.

Perhaps no other index of the role of Sovietization is as indicative as the gap in life expectancy between Latvia and Finland, the Baltic states' northern neighbor. In 1988 Finland registered life span rates of 70.7 years for males and 78.7 for females, which were 6.5 and 4.1 years higher than the respective rates in Latvia. By 1994 life expectancy in Latvia had increased only marginally: 64.4 years for males and 74.8 years for females, compared with Finland's rates of 72.1 years for males and 79.9 years for females. During the 1930s, Latvia's rates had been higher than those in Finland and on a par with those of Austria, Belgium, France, and Scotland.

The infant mortality rate rose to 17.4 deaths per 1,000 live births in 1992, after a steady decline beginning in 1970 and an estimated eleven deaths per 1,000 live births in 1988. Its rate was higher than that of Estonia and Lithuania and almost three times the rate of infant mortality in Finland. In 1994 there were 16.3 deaths per 1,000 population in Latvia. The primary causes of infant deaths in Latvia are perinatal diseases; congenital anomalies; infectious, parasitic, or intestinal diseases; respiratory diseases; and accidents and poisonings. Environmental factors and alcoholism and drug abuse also contribute to infant mortality.

Latvia outpaced most of the other republics in the Soviet Union in deaths from accidents, poisonings, and traumas. In 1989 some 16 percent of males and 5.6 percent of females died from these causes. The suicide rate of 25.9 per 100,000 in 1990, or a total of 695, was more than twice that of the United States. In 1992 the number of suicides increased to 883. Other major causes of death include cancer, respiratory conditions, and such stress-related afflictions as heart disease and stroke. Although drug addiction and acquired immune deficiency syndrome (AIDS) are on the increase, their incidences are not yet close to those in many Western countries.

Traffic deaths in 1990 reached a rate of 43.5 per 100,000 population, or a total of 1,167. There were 245 homicides in 1990, a rate of 9.1 per 100,000. This increase represented a dramatic jump from 1988, when the rate was 5.8, and from 1985, when it was 5.2. The greater availability of weapons has been one cause. More important, Riga and other cities have been targeted by mafia-style criminal gangs intent on carving up and stabilizing their areas of operation against other gangs. Still another cause is the decrease in the efficiency of law enforcement organs because of low pay, rapid turnover of cadres, lack

of gasoline for automobiles, and language problems. The rise in criminal activity has increased Latvians' stress, interfered with their enjoyment of life, and impaired their well-being, health, and physical survival.

Another important ingredient affecting the survival of people in Latvia includes dangerous life-styles and substance abuse. Alcohol consumption rose from an average per capita rate of 1.9 liters per year in the 1920–34 period to 11.7 liters per year in 1985. This sixfold increase in alcohol consumption has had deleterious effects in many other areas of life and health and is one of the main causes of traffic deaths, drownings, fires, and crime.

Most Latvian males are inveterate smokers. A study of six cities in the mid-1980s discovered that 63 percent of men were active smokers, 13 percent had quit, and only 24 percent had never smoked. Smoking takes a particularly heavy toll in Latvia because the allowable tar content in cigarettes is high (three times as great as in Finland), most of the cheaper brands do not have a filter, and most men prefer to inhale deeply. There is a high incidence of illnesses related to smoking and environmental pollution, such as emphysema, lung cancer, bronchial asthma, and bronchitis.

Another habit dangerous to health is the preference for fatty diets and minimal attention to exercise. The economic hardships of recent years appear to have decreased the number of grossly overweight people. This may be one of the few unintended benefits of the reconstruction period.

The total number of pension recipients in Latvia grew from 603,600 in 1990 to 657,700 in 1993. Old-age pensions accounted for the largest number of awards (500,300), followed by disability pensions (104,200) and survivor's pensions (26,300). Old-age pensions remained very low, ranging from LVL15 to LVL23.5 (for value of the lats—see Glossary) per month, depending on the number of years of work.

Religion

In 1935, before Latvia's occupation, official statistics indicated a fairly broad spectrum of religious traditions. Evangelical Lutheranism was the single most widespread creed, claiming the attachment of 55.2 percent of the population and 68.3 percent of ethnic Latvians. Roman Catholicism was the second most popular choice, preferred by 24.5 percent of the population and 26.4 percent of ethnic Latvians. Because it was

especially entrenched in the economically less-developed southeastern province of Latgale (70 percent in this region) and was commonly seen as being regional rather than national, Roman Catholicism's impact on the secular world of politics and culture appeared muted in comparison with that of Lutheranism. The Orthodox Church of Latvia had a following of 9 percent of the population, with its greatest concentration among Russians and other Slavs but with 33 percent of its support also coming from ethnic Latvians. Old Believers (see Glossary), constituting 5.5 percent of the population, are a unique Russian fundamentalist sect whose forebears had fled persecution from the tsarist empire in the seventeenth century and had found refuge in then Swedish- and Polish-controlled Latvia. About 5 percent of Latvia's citizens were Jewish. The rest of the pre-World War II population was scattered among an array of Protestant denominations.

World War II and a half-century of Soviet occupation and persecution of believers fundamentally changed the religious spectrum. The Evangelical Lutheran Church, with an estimated 600,000 members in 1956, was affected most adversely. An internal document of March 18, 1987, spoke of an active membership that had shrunk to only 25,000. By 1994 religious congregations in Latvia numbered 819, of which 291 were Lutheran, 192 Roman Catholic, 100 Orthodox, fifty-six Old Believer, seventy Baptist, forty-nine Pentecostal, thirty-three Seventh-Day Adventist, five Jewish, three Methodist, and two Reformed.

Part of the explanation of the diminished status of Latvia's Lutheran Church is to be found in its relative weakness as an institution, unable to withstand the pressures of occupation as robustly as the Roman Catholic Church. For centuries Latvian attachment to Lutheranism was rather tepid, in part because this religion had been brought by the Baltic barons and German-speaking clergy. During Latvia's earlier independence period (1920–40), efforts were made to Latvianize this church. Original Latvian hymns were composed, Latvian clergy became predominant, and the New Testament was translated into modern Latvian. During the tribulations of World War II, Latvians intensified their religiosity, but at the same time the Lutheran Church suffered serious losses. Many of the most religious and talented individuals and clergy fled as refugees to the West or were deported to Siberia. A large number of church buildings were demolished by war action.

Day care center in Priekule
Courtesy Linda Sudmalis

The Roman Catholic Church had a much closer historical bonding with its flock. During the period of national revival through the latter part of the nineteenth century in Latgale, the clergy were among the leaders of enlightenment and an important bastion against Russification. They nurtured and were themselves members of the Latgalian intelligentsia. During the years of communist occupation, the greater commitment demanded by the Roman Catholic Church helped maintain a higher degree of solidarity against atheist incursions. For the church, the practice of confession was a useful method for monitoring the mood of the population and for organizing initiatives to counter or prevent serious cleavages or even surreptitious activities by the communist leadership. Direct guidance from Rome offered some protection against the manipulation of clergy by state functionaries. Finally, the population of Latgale did not have the same opportunity to flee from Latvia because it was cut off earlier from access to the seacoast by the Red Army. Roman Catholic clergy, who were unmarried, were also more inclined to remain with their religious charges, whereas Lutheran clergy had to take into account the safety of their families.

Most Latvian Jews were annihilated by the Nazis during World War II. After the war, a certain number of Jews from other parts of the Soviet Union settled in Latvia. Many of them had already endured antireligious campaigns under Stalin, and there were many obstacles placed in the way of reviving Jewish religious activity. Most former Latvian synagogues were confiscated by the state for other uses, and nowhere in the entire Soviet Union did there exist any centers for rabbinical education. After Latvia's independence in 1991, there was a resurgence of interest in religious affairs. Five Jewish congregations served the growth in demand for services.

The statistics for 1991 point to an interesting pattern (see table 21, Appendix). At that time, far more people were baptized than married in church. Part of the explanation can be found in the requirement by some religions, including Lutheranism, that people must be first baptized and confirmed before having a religious wedding. Another possible explanation for this phenomenon is that the communist state was quite successful in sowing doubts about religion among the young and the middle-aged. Many, especially former members of the Komsomol and the communist party, feel uncomfortable in their personal relationship with the church but also have a

desire to open more options for their offspring. Indeed, it is a common phenomenon to see nonreligious parents sending their children to Sunday school for the sake of "character building." In the process, however, some of the parents have become tied to a church and have joined the congregation.

During communist rule, every effort was made to curtail the influence of religion. All potential avenues of contact with the population were cut off. Schools, media, books, and workplaces were all off-limits to religious organizations. Even charity work was forbidden. Indeed, the family itself was not at liberty to guide children into active church work until the age of eighteen. Thus, no Sunday schools, religious choirs, or camps were open to young people. Religious publications, with a few exceptions, were limited to yearbooks and song sheets for Sunday services. Regular churchgoers were subject to various pressures, including harassment at work and comradely visits by local atheists. Anyone with career ambitions had to forgo visible links with religion. The state successfully preempted the most important church ceremonies of baptism, confirmation, weddings, and funerals by secular ceremonies. In 1986 the Lutheran Church registered 1,290 baptisms, 212 confirmations, 142 marriages, and 605 funerals—a fraction of the activity that was to occur in 1991. Evidently, a revolution in the status of the church occurred within that brief period.

Starting with 1987, the Lutheran Church experienced a revival pioneered by a group of young, rebellious, and very well-educated clergy who formed the organization Rebirth and Renewal (Atdzimsana un Atjaunosana). There were confrontations with communist authorities and with the ossified hierarchy of the Lutheran Church itself, which had become somnolent and very accommodating to the demands of secular powers. With the advent of political plurality, the Lutheran Church was able to expand its role and its activities. Church buildings were refurbished, demolished churches were renewed, Sunday schools were opened, religious education was provided in day schools, and the media reported sermons and religious discussions. For several years after the liberalization of church activities, religion became extremely fashionable. Part of this boom, as acknowledged by the Lutheran clergy, was a rebellion against authorities that coincided with the general political effervescence.

The Roman Catholic Church also went through a process of renewal, but its changes were not as marked because it had

been able to maintain a strong presence in the population even under the most adverse conditions. Thus, in 1985 the Roman Catholics performed 5,167 baptisms, about five times as many as the Lutherans. In 1991 the Roman Catholics performed 10,661 baptisms, more than double the number in 1985. Among the Roman Catholics baptized in 1991, only 40 percent had been born in families in which the parents had married in church.

A major change in the geography of the Roman Catholic Church also presented problems. Whereas in 1935 more than 70 percent of Roman Catholics resided in the southeastern province of Latgale, by 1990 only 42 percent lived there. Thus, many Roman Catholics lived throughout Latvia, where often no churches of their creed existed. There has been much ecumenical goodwill, and the more numerous Lutheran churches are being used by Roman Catholics and by other religious groups. Administratively, the Roman Catholic Church comprises the Archdiocese of Riga and the Diocese of Liepaja.

Latvia's Roman Catholic Church received a great moral boost in February 1983 when Bishop Julijans Vaivods was made a cardinal. This was the first such appointment in the history of Latvia and the first within the Soviet Union. No doubt part of the willingness of the communist party to accommodate the Roman Catholic Church in this way was the fact that Vaivods was eighty-seven years old in 1983. Yet, he confounded the communists by living until May 1990, thus providing more than seven years of leadership.

Vaivods, who studied theology in St. Petersburg and was an eyewitness to the Bolshevik Revolution, was also an extremely able tactician. His efforts on behalf of the Roman Catholic Church in the Soviet Union are a classic case of stubborn, low-key, but effective opposition to party pressure. The Soviet regime had decided to allow Roman Catholic congregations outside Latvia and Lithuania to die by not allowing them new clergy. Almost daily, delegations of Roman Catholic faithful from various parts of the Soviet Union came to Vaivods during the 1960s pleading for help. He sent Latvian priests to Leningrad (St. Petersburg), Tallinn, and other cities, in spite of local shortages. When pressed by the delegations to allow their own people to enroll in Latvia's Roman Catholic seminary, Vaivods made it clear that the obstacle was not the church but rather state authorities who had given him instructions to claim that the seminary was too small. Under pressure, the authorities

St. Gertrude's Church in Riga
Courtesy Debbie Horrell

relented and allowed a trickle of seminarians from outside Latvia, but as punishment they took away almost half of the seminary's rooms. The church skimped and struggled but did not change its policy. By 1978 the expropriated space was returned, and three years later permission was granted for the construction of a new seminary. Thereafter, seminarian numbers increased rapidly from eighteen in 1980 to 107 in 1989. Most of the students were non-Latvians slated for service in other areas of the Soviet Union.

Latvian Lutherans also provided help to their brethren in other Soviet republics. Lutheran clergy were trained in Latvia for Lithuania. More important, Bishop Haralds Kalnins singlehandedly took care of scattered German Lutherans outside the Baltic region. Besides ministering and preaching, he was empowered to ordain religious workers and to settle questions of theological education. In one six-day trip to Kazakhstan in 1976, the bishop held seven services in which 400 people received Holy Communion, twenty children were christened, thirty-five youths were confirmed, and ten couples were married. He was able to carry this load in spite of his advanced age.

The pre-World War II independent Orthodox Church of Latvia was subordinated to the Moscow Patriarchate after the war, and its new clergy were trained in seminaries in Russia. It remained a major religious organization in Latvia because of the heavy influx of Russians and other Orthodox Slavs after the war. Only in 1992 did the Orthodox Church of Latvia become administratively independent once again. Its cathedral in the center of Riga had been transformed by the communists into a planetarium with an adjoining coffee shop popularly dubbed "In God's Ear." The cathedral is now being restored to its original architecture and purpose.

With the advent of independence, several other changes were introduced as well. Potential Lutheran pastors could now receive their training through the Faculty of Theology, which is affiliated with the University of Latvia. The Roman Catholics acquired a modern new seminary, but they had problems recruiting able scholars and teachers as well as students. Most Roman Catholic seminarians from outside Latvia have returned to their respective republics, and new seminarians are being trained locally. The new freedoms have allowed many other religious groups to proselytize and recruit members. Under conditions of economic and political uncertainty, their efforts are bearing fruit. Such denominations as the Baptists,

Pentecostals, and Seventh-Day Adventists have made significant inroads. Charismatic movements, animists, Hare Krishna, and the Salvation Army have all attempted to fill a void in Latvia's spiritual life. Undoubtedly, there is great interest among Latvians in spiritual matters, but it is difficult to know how much of it is genuine and how much reflects the ebb and flow of fashion and will be replaced by other trends.

Language and Culture

The Latvian language, like Lithuanian, belongs to the Baltic branch of the Indo-European family of languages. Latvian is an inflective language, written in the Latin script and influenced syntactically by German. The oldest known examples of written Latvian are from catechisms published in 1585. Because of the heavy influx of ethnic Russians and other Slavs after World War II, nearly one-half of the country's population does not speak Latvian (see table 22, Appendix). Most ethnic Latvians speak Russian, however, and many also know German (see table 23, Appendix).

Latvian culture is strongly influenced by folklore and by the people's attachment to their land. Christian rituals often are intermingled with ancient customs, and pagan geometric symbols remain evident in the applied arts. Ancient folksongs, or *dainas*, that were first collected and published in the mid-nineteenth century, most notably by Krisjanis Barons, are a cultural treasure. In 1888 the great epic poem *Lacplesis* (Bear Slayer) by Andrejs Pumpurs was published, marking the dawn of modern Latvian literature. Janis Rainis (1865–1929) usually tops the list of Latvia's greatest writers. One of the most prominent figures in Latvian literature today is the poet Imants Ziedonis, who also has established a fund to promote the development of Latvian culture.

Latvia has a number of theaters (mostly in Riga), an opera, a symphony orchestra, and a permanent circus. Riga's Dome Cathedral houses one of the largest and most famous organs in the world. The works of many prominent Latvian artists are displayed at the National Fine Arts Museum and at the many art galleries in Riga. Other museums include the Museum of History and Navigation and the Museum of Natural History. There are 168 public libraries in the capital. Books and periodicals are published in Latvian and in other languages.

Economy

The Latvian economy, much like that of other former Soviet republics in the 1990s, is going through an extremely difficult period of adjustment and rapid change. Hence, all statistics and assessments are subject to dramatic change.

Historical Legacy

For Latvia and the other two Baltic republics, the period of development between 1920 and 1940 is regarded as a guide and a morale booster. Latvians know how wrenching the sudden changes were after World War I. Russia had removed almost all factory equipment, railroad rolling stock, raw materials, bank savings, and valuables to the interior. Almost none of these assets were returned. With the victory of Stalin and the sealing of the Soviet Union to the outside world, Latvia had to change its entire pattern of trade and resource buying. In other words, the Russian market, which had been the basis of the manufacturing industry, was no longer accessible. Moreover, the war had left deep demographic wounds and incalculable material damage. In six years of continuous war, with front lines changing from year to year and even month to month, more than one-quarter of all farm buildings had been devastated; most farm animals had been requisitioned for army supplies; and the land had been lacerated by trenches, barbed wire, and artillery craters. Even trees retained the legacy of war; Latvian timber was dangerous for sawmills because of the heavy concentration of bullets and shrapnel.

Independent Latvia received no foreign aid for rebuilding. On the contrary, it had to squeeze the low incomes of its population to repay war debts incurred by the troops fighting for Latvian independence. In spite of all these obstacles, the economic record of the twenty years is truly impressive. Latvia successfully effected agrarian reform and provided land for hundreds of thousands of the dispossessed. Many of these farmsteads pooled their resources through an extensive system of cooperatives that provided loans, marketing boards, and export credits. The currency was stabilized, inflation was low, unemployment was much better than in West European countries even during the Great Depression years, and foreign debt was not excessive. Perhaps the most objective index of Latvia's economic status is evident from the 10.6 tons of gold that it placed in foreign banks before the invasion of the Red Army.

Most Latvians who remember the period consider it a golden era. Many of its successful economic approaches are being raised in debates today.

The Soviet Period

The half-century of Soviet occupation started with the expropriation without compensation of almost all private property by the state. Within a few years, farms, which had not been nationalized immediately, were forced into collectives in the wake of the deportation of more than 40,000 mostly rural inhabitants in 1949. For many decades, in the struggle between rationality and ideological conformity, or between the so-called "expert" and "red," the latter consideration usually prevailed.

Between 1957 and 1959, a group of Latvian communist functionaries under Eduards Berklavs tried to reorient Latvia toward industries requiring less labor and fewer imports of raw materials. At this time, Pauls Dzerve, an economist and an academician, raised the idea of republican self-accounting and sovereignty. The purges of 1959 replaced these experimenters, and Latvia continued in the race to become the most industrialized republic in the Soviet Union, with a production profile that was almost wholly determined in Moscow. Latvia lost its ability to make economic decisions and to choose optimum directions for local needs. A broad-based division of labor, as seen by Moscow central planners, became the determining guide for production. This division of labor was highly extolled by the Soviet leadership of Latvia. For example, Augusts Voss, first secretary of the Communist Party of Latvia (CPL), summarized this common theme in 1978: "Today, nobody in the whole world, not even our opponents or enemies, can assert that the separate nations of our land working in isolation could have achieved such significant gains in economic and cultural development in the past few decades. The pooling of efforts is a powerful factor in increased development." The extolling of the virtues of a Soviet-style economy included an entire refrain of "self-evident truths," which were aimed at reinforcing the desire of Latvians not just to accept their participation in the division of labor within the Soviet Union but also to support it with enthusiasm.

People in the West often underestimated the effectiveness of the Soviet propaganda machine. The media reinforced the popular images of the decadent and crumbling capitalist economies by portraying scenes of poverty, bag ladies, racial ten-

sions, armies of the unemployed, and luxury dwellings in contrast to slums. The discovery by Russians, and especially by their elites, of the much more nuanced realities of the outer world were important incentives for change and even abandonment of communism. Before that discovery, though, the barrage of propaganda had considerable effect in Latvia. But other factors tended to mitigate or counter its impact. One of these was the collective memory of Latvia's economic achievements during its period of independence. Another was the credible information about the outside world that Latvians received from their many relatives abroad, who began to visit their homeland in the 1960s. Twenty years later, many visitors from Latvia, often going to stay with relatives in the West, were able to see firsthand the life-styles in capitalist countries. During this period of awakening, the argument was clearly made and understood: if Latvia had remained independent, its standard of living would have been similar to that of the Baltic states' northern neighbor, Finland, a standard that was obviously significantly higher than that of Latvia.

By the late 1980s, the virtues of a division of labor within the Soviet Union were no longer articulated even by the CPL leadership. Together with the communist leaders in the other Baltic republics, the CPL leaders desired to distance themselves from a relationship that they were beginning to see as exploitative. Thus, on July 27, 1989, Latvia passed a law on economic sovereignty that was somewhat nebulous but whose direction was clear—away from the centralizing embrace of Moscow.

The shift toward Latvian control of the economy can be seen from the changes in jurisdiction between 1987 and 1990. Although the percentage of the Latvian economy controlled exclusively by Moscow remained about the same (37 percent), the share of the economy controlled jointly declined from 46 to 21 percent, and the share exclusively under Latvia's jurisdiction increased from 17 to 42 percent during this period.

The Soviet division of labor entailed, in the Latvian case, significant imports of raw materials, energy, and workers, as well as exports of finished products. Exports as a proportion of the gross national product (GNP—see Glossary) accounted for 50 percent in 1988, a level similar to that of ten of the other republics but not Russia, which had only a 15 percent export dependency. After the disintegration of the Soviet Union, rising energy prices and the lifting of price controls on many Latvian goods often made them too expensive for the markets

of the former Soviet Union, but the technological inferiority of these goods limited their marketability in the West (see Postindependence Economic Difficulties, this ch.).

Economic Sectors

During the postwar era, industry supplanted agriculture as the foremost economic sector. By 1990 industry accounted for almost 43 percent of the gross domestic product (GDP—see Glossary) and for more than 30 percent of the labor force (see table 24, Appendix). Aggressive industrialization and forced relocation of labor, particularly in the 1950s and 1960s, reduced agriculture's share of the labor force from 66 percent in 1930 to about 16 percent in 1990. Agriculture accounted for 20 percent of GDP in 1990; transportation and communications, about 8 percent; construction, less than 6 percent; and trade, services, and other branches, about 20 percent.

Industry

In 1990, 38.9 percent of all industrial personnel in Latvia were employed by the engineering industry (including machine building and electronics) and 17 percent by the textile industry. Other important industries included food (12.7 percent), wood and paper (9.6 percent), chemicals (5.7 percent), and building materials (4.6 percent). Latvia, the most industrialized Baltic state, accounted for all electric and diesel trains produced in the Soviet Union, more than one-half of the telephones, and more than 20 percent of the automatic telephone exchanges, refrigeration systems, and buses.

Because of its deficiency in natural resources, Latvia relies heavily on imports of fuels, electric power, and industrial raw materials. Energy is generated domestically by three hydroelectric power plants on the Daugava River, which have a total capacity of 1,500 megawatts, and by two thermal power plants near Riga, which have a total capacity of 500 megawatts (see fig. 9). In 1991 about 43 percent of total electricity consumed was imported from neighboring states. The country's natural resources are primarily raw construction materials, including dolomite, limestone, clay, gravel, and sand.

Agriculture

In 1990 Latvia had 2,567,000 hectares of agricultural land, 32 percent less than in 1935. More than 1 million hectares of agricultural land, much of it abandoned, were converted to for-

Figure 9. Economic Activity in Latvia, 1995

est under Soviet rule. Of its nearly 1.7 million hectares of arable land, about one-half was used for growing fodder crops, more than 40 percent for grain, 5 percent for potatoes, and approximately 2 percent for flax and sugar beets together.

The Soviet authorities socialized agriculture, permitting only small private plots and animal holdings on the vast state and collective farms. By 1991, when Latvia regained its independence, a network of more than 400 collective farms, with an

average size of almost 6,000 hectares, and more than 200 state farms, averaging about 7,300 hectares in size, had been created. Private household plots, despite their small size (0.5 hectare, maximum), played a significant role in the agricultural sector by supplementing the output of the notoriously inefficient state and collective farms. In 1991 some 87 percent of all sheep and goats were held on private plots, as were approximately 33 percent of dairy cows and more than 25 percent of cattle.

Under Soviet rule, Latvia became a major supplier of meat and dairy products to the Soviet Union. From 1940 to 1990, livestock production nearly doubled; by contrast, crop cultivation increased by only 14 percent, despite major investments in soil drainage and fertilization projects. In 1990 Latvia exported 10 percent of its meat and 20 percent of its dairy products to other Soviet republics, in return for which it obtained agricultural equipment, fuel, feed grains, and fertilizer. As the centralized Soviet system collapsed, however, a shortage of feed and the rising costs of farm equipment took a toll. From 1990 to 1991, the number of animals on state and collective farms in Latvia fell by up to 23 percent. Consequently, the output of meat, milk products, and eggs from these farms declined by 6 to 7 percent (see table 25, Appendix).

Transportation and Telecommunications

Transportation is a relatively small but important branch of Latvia's economy. The infrastructure is geared heavily toward foreign trade, which is conducted mainly by rail and water. Roads are used for most domestic freight transport.

In 1992 Latvia had 2,406 kilometers of railroads, of which 270 kilometers were electrified. The railroads carried 31.8 million tons of freight and 83.1 million passengers. Most railcars are old, with some having been in service for twenty or more years. Train service is available to Moscow, St. Petersburg, and Warsaw.

Of the 64,693 kilometers of public roads, 7,036 kilometers were highways or national roads and 13,502 kilometers were secondary or regional roads in 1994. Latvia had a fleet of 60,454 trucks and 11,604 buses; private passenger automobiles numbered 367,475. Many, if not most, trucks were more than ten years old. Despite the growing number of automobiles, commuters continued to rely mainly on trains and buses, each of which accounted for 5 billion to 6 billion passenger-kilome-

Figure 10. Transportation System of Latvia, 1995

ters per year in the early 1990s. Bus service was provided between Riga and Warsaw.

Latvia's location on the Baltic Sea has provided the country with one of its major economic moneymakers for the future. The three large seaports of Riga, Ventspils, and Liepaja are particularly promising for future trade because they can be used during all seasons and because a dense network of railroads and roads links them with many of the landlocked regions of neighboring countries (see fig. 10). For many years, Riga was the end point for Japanese container traffic originating in the Russian Far East, primarily the port of Nakhodka. This traffic was mostly unidirectional from east to west. With the expected opening up of Japan to incoming world trade, however, European exporters may find that Riga is the best route for their containers bound for Japan or even China.

Ventspils is the end terminal for a Volga Urals crude oil pipeline built in 1968. Its port has the capacity to service three large ocean tankers simultaneously. The American Occidental Petroleum Company constructed an industrial chemical complex there providing for the processing and export of raw materials coming from Russia and Belarus.

The port of Liepaja has not yet been involved in major economic activity because until May 1992 it was still in the hands of the Russian armed forces. The port, which ranks as one of the Baltic Sea's deepest, was restricted for many decades because of its military orientation. Much capital investment will be required to adapt this port for commercial use. With careful development, Liepaja could become an active commercial port. A dozen or so smaller ports that have been used mainly for fishing vessels could also be exploited for the distribution of commercial products.

Riga, Ventspils, and Liepaja together handled about 27.2 million tons of cargo in 1993. That year 16.3 million tons of petroleum exports from Russia passed through Ventspils, one of the former Soviet Union's most important ports. Grain imports account for most of the freight turnover at the port of Riga, also a Baltic terminus of the petroleum pipeline network of the former Soviet Union. Liepaja, a former Soviet naval port, became a trade port in the early 1990s. Also during this period, steps were taken to privatize the Latvian Shipping Company, formally separated from the former Soviet Union's Ministry of the Maritime Fleet. The Maras Line, a joint venture with British interests, began to operate between Riga and Western Europe. Latvia's fleet consisted of ninety-six ships, totaling nearly 1.2 million deadweight tons: fourteen cargo, twenty-seven refrigerated cargo, two container, nine roll-on/roll-off, and forty-four oil tanker vessels.

The country's main airport is in Riga. Latvian Airlines, the national carrier, provides service to Copenhagen, Düsseldorf, Frankfurt, Helsinki, Kiev, Minsk, Moscow, St. Petersburg, and Stockholm. Baltic International Airlines, a joint Latvian-United States company, operates flights to Frankfurt and London. Service to Oslo, Berlin, and Amsterdam is offered by Riga Airlines Express, a joint venture between two Latvian joint-stock companies and a Swiss enterprise. Other carriers include Finnair, Lufthansa, SAS (Scandinavian Airlines), LOT (Polish Airlines), and Estonian Air.

The country's telecommunications network is undergoing reconstruction as a result of the privatization of the telecommunications system in 1993 and the sale of a 49 percent share to a British-Finnish telecommunications consortium in 1994. A new international automatic telephone exchange was installed in Riga, and improved telephone and telegraph services became available at standard international rates. The long-term development plan of Lattelcom, the privatized telecommunications company, calls for the creation of a fully digitized network by the year 2012. In 1992 Lattelcom had about 700,000 telephone subscribers, over half of whom were in Riga. Unmet demand because of a shortage of lines was officially 190,000. The unofficial figure, that of potential customers not on the waiting list, was believed to be much larger. There were an estimated 1.4 million radio receivers and 1.1 million television receivers in use in 1992. By early 1995, Latvia had more than twenty-five radio stations and thirty television broadcasting companies. Radio programs are broadcast in Russian, Ukrainian, Estonian, Lithuanian, German, Hebrew, and other foreign languages.

Foreign Trade

In the early 1990s, Latvia succeeded only partially in reorienting foreign trade to the West. Russia continued to be its main trading partner, accounting for nearly 30 percent of the country's exports and more than 33 percent of its imports in 1993 and for about 28 percent of its exports and nearly 24 percent of its imports in 1994. Overall, more than 45 percent of Latvia's exports were destined for the former Soviet republics (mainly Russia, Ukraine, and Belarus), and about 38 percent of its imports came from the former Soviet Union in 1993. Among Western countries, the Netherlands received the largest volume of Latvia's exports (8.2 percent), followed by Germany (6.6 percent) and Sweden (6.5 percent). The primary sources of imports from the West were Germany (11.6 percent) and Sweden (6.2 percent).

The main import was oil, followed by natural gas, machinery, electric power, and automobiles. Oil products, wood and timber, food products, metals, and buses were the main exports (or, in the case of oil products and metals, reexports). In 1994, according to Western estimates, Latvia's foreign trade deficit was LVL141.1 million, about three times higher than that in 1993. The balance of trade deteriorated in 1994, particularly

because the strength of the lats made Latvia's exports too expensive.

A total of about US$73 million in humanitarian aid was received in 1992. (Reliable estimates of total aid flows in 1993 were unavailable.) In 1993 Latvia received aid in the amount of ECU18 million (for value of the European currency unit—see Glossary) from the European Union (see Glossary) through its Poland/Hungary Aid for Restructuring of Economies (PHARE) program. Of a US$45 million import rehabilitation loan from the World Bank (see Glossary), about US$21 million had been used in 1993. In 1994 the European Investment Bank (EIB) granted loans of US$6.4 million for financing small- and medium-sized companies. For this purpose Latvia also received a US$10 million loan from Taiwan. In addition, Latvia obtained a US$100 million joint financing credit from the European Bank for Reconstruction and Development (EBRD) and the Export-Import Bank of Japan.

Postindependence Economic Difficulties

The Latvian economy began to falter in 1991 and took a nosedive in 1992. Industrial production declined by 31 percent in 1993, a relative improvement compared with the previous year's decline of 35 percent. Especially hard hit was the engineering industry, which was not able to sell most of its production. By January 1994, the official unemployment rate had reached a high of 5.9 percent. (The actual rate of unemployment, including the long-term unemployed, approached 14 percent.)

International trade also plummeted. Most of the trade with the former Soviet republics is conducted using world prices. One of the key areas of change is in the price of energy, which increased seventy-five times between 1990 and 1992. The average prices of imports in these two years increased forty-five times, whereas prices of exports increased only about thirty-three times. With such price hikes and the general economic chaos prevailing in the whole post-Soviet region, exports in the 1990–92 period decreased by 44 percent, imports by 59 percent, and energy imports by 52 percent. Despite moderate improvement in 1993, Latvia continued to face the challenge of modernizing its production equipment and improving the quality and qualifications of its work force. To do that, it needed international credit and investment. Foreign investment, estimated to be about US$130 million in November

1993, was still small, mainly because of political uncertainty. The greatest influx of foreign investment was from Germany (US$31 million), followed by the United States, Sweden, Russia, Switzerland, and Austria.

There is, nonetheless, evidence of considerable progress in economic reform. In 1991 most, or 88.2 percent, of Latvian exports went to the former Soviet Union, and 3.2 percent went to Western countries. One year later, more than 20 percent of exports went to the West. In 1993 West European countries accounted for about 25 percent of Latvia's exports and 17 percent of its imports. Moreover, there has been a positive shift in the distribution of economic sectors, away from industry and toward services. By 1994 the services sector accounted for more than 50 percent of Latvia's GDP; industry, about 22 percent; and agriculture, 15 percent. Another major achievement has been in the stabilization of the Latvian currency. Latvia used the Russian ruble as legal tender until May 7, 1992, when it introduced the Latvian ruble as a coequal currency. On July 20, it made the Latvian ruble the sole official mode of payment. On March 5, 1993, the new Latvian currency, the lats, was introduced to be used with the Latvian ruble. The lats became the sole legal tender in October 1993. The Bank of Latvia has scrupulously followed the directions of the International Monetary Fund (IMF—see Glossary) by restricting the printing of money and credits. By strictly controlling the money supply, it was able to wrestle inflation down to 2.6 percent in December 1992 and to keep it at an average of less than 3 percent a month through December 1993. The annual inflation rate was reduced from more than 958 percent in 1992 to 35 percent in 1993 and 28 percent in 1994.

In Latvia, as in Russia, managers of state-owned production plants pressed the government through early 1992 to increase credits, but failed. The strength of the Latvian currency has contributed to price increases, making it difficult to export Latvian products to the former Soviet Union. Exporters called for a devaluation of the currency and a lowering of interest rates. Despite low inflation and a strong currency, annual interest rates exceeded 100 percent, making it difficult for enterprises to obtain loans.

It is indicative of the struggles waged by different sectors of the economy, state structures, and other institutions that the 1993 state budget was introduced and accepted only in February 1993. At almost 29 percent, the biggest item in the pro-

Traffic in downtown Riga
Courtesy Chester Pavlovski

jected budget was pensions. Unpaid taxes and unanticipated expenditures on pensions and other social benefits that year contributed to a deficit of LVL54 to LVL55 million (3.2 percent of GDP). To raise additional revenue, the value-added tax (VAT—see Glossary) was increased from 12 percent to 18 percent in November. In December the government also began to issue short-term promissory notes. The budget crisis abated in 1994, with an estimated deficit of LVL36.7 million (1.6 percent of estimated GDP). According to the Economist Intelligence Unit, with a projected revenue of LVL476 million and expenditures of LVL516 million the 1995 budget would run a deficit of about LVL40 million (1.5 percent of estimated GDP).

Privatization

One of the most difficult aspects of economic reform in Latvia is the process of privatization. By the end of 1992, only six out of the more than 2,000 state-run enterprises had been privatized. Of the 703 enterprises slated for privatization in 1993, only nineteen had been privatized by mid-October. An agency charged with the privatization of enterprises was not established until November 1993. By January 1994, about thirty state-owned firms had been sold. It had been widely assumed that Latvia would be one of the leaders in privatization because of its experience with a market economy as an independent state from 1920 to 1940 and because of a latent antipathy to communism. Many factors have hindered the privatization process, however.

Until the early 1990s, no major initiatives in this realm could be made because of unclear jurisdiction. As early as 1990, Moscow had prepared a privatization plan for Latvia, which assigned 51 percent of the shares of industries to their workers, with the remainder to be divided between Latvia and the rest of the Soviet Union. Such a move was vetoed by Latvia. One of the primary reasons for the slow pace of privatization was the attempt to honor the claims of previous owners or their descendants. The right to make such claims was extended to the end of 1993. By January 1, 1993, there had been 14,958 requests for buildings, of which only 2,614 had been reviewed. In addition, more than 10,000 apartments had been denationalized, and more than 50,000 claims to city land had been received. A number of owners have been reluctant to make early claims because they would be liable for large costs, especially in buildings with high tax, heating, lighting, and repair bills. Mean-

Riga Airport
Courtesy Juris Ubans
Coal-loading area at the port in Riga

while, rents have been strictly controlled, and tenants cannot be evicted for seven years unless an equivalent apartment is provided elsewhere.

Potential private owners reclaiming their rightful properties face other obstacles as well. There are legal confrontations between previous owners and a variety of squatters or other claimants. Before independence, many properties were leased or sold to cooperatives. Property law in Latvia has a curious clause that allows so-called "jurisdictional persons" to keep their contracts or properties if the acquisitions were made out of ignorance or "goodwill." In most of these cases, the former owner is then granted compensation by the state, which is usually a small fraction of the worth of a property.

An important psychological aspect of privatization is that many Latvian citizens are afraid of selling off Latvia for a pittance. On the one hand, a belief widely held by leftists—former communists—is that the IMF is trying to wreck the Latvian economy in order to lower purchase prices for foreign firms. On the other hand, rightists charge that the old managers are sabotaging production to lower the value of firms and allow themselves and their Moscow-based mafia allies to once again dominate the Latvian economy. Of particular note is the widespread belief among ethnic Latvians that the main beneficiaries of privatization will be non-Latvians. There is a common perception that about 80 percent of private economic activity is in the hands of other ethnic groups. In private interviews, many reasons are given for this economic breakdown: other groups are more active and willing to take risks; they have better contacts in the old party *nomenklatura* (see Glossary); they have more links with organized crime; they live mostly in cities where the economic action is; and business has not traditionally been highly regarded in Latvian culture. The predominantly Latvian state bureaucracy, which can affect the rate of privatization, is afraid of losing its power and the concomitant benefits involved in the control of industries.

As in other formerly socialist states, there has been an innate difficulty in estimating the value of industries or buildings. An auction could help overcome this problem, but other considerations, such as job retention and the ability of different bidders to compete in future markets, have become important. In effect, only 9.5 percent of the 295 privatization sales held in Latvia by January 1, 1993, had been accomplished through auction. Most of the privatization undertakings were bids to lease

commercial sales establishments for up to five years. In most cases, the leasing of commercial sales establishments requires that the newly private entrepreneurs continue the same line of business as before. Even this kind of relatively mundane transaction was plagued by jurisdictional squabbles. For example, in the lease of the Minsk, one of the largest department stores in Riga, it was discovered after the contract had been signed that the city district that organized the lease had no right to do so because the Minsk is actually under the jurisdiction of the city of Riga. This case illustrates just one problem such initiatives can engender. There were also public charges about favoritism, the involvement of family members of the Cabinet of Ministers, the undervaluation of existing stock, and so on.

A few foreign investors had started up new firms or enterprises, but initial investments were cautiously small—in most cases well below US$1 million. In 1992, for example, total capital investments involving United States enterprises amounted to less than US$13 million. The many problems slowing down foreign investment include the limited title to land (at best a ninety-nine-year lease); the unreliability of contracts with government representatives or ministries, which can be broken; the expectation in some instances of favors or bribes by government contracting or signing parties; the presence of organized crime and, in some localities, its demands for protection money; the widely reported stealing and pillaging of private property; and the variable quality of workers. Other problems involve communications difficulties, a dearth of adequate housing for Western staff, the deficit in knowledge of foreign business language, the lack of Western-trained management, and even the question of safety in the streets. These problems are also reflected in other former Soviet republics. Latvia appears to be tackling them with vigor and determination, however, and major improvements in the investment climate have already been achieved.

Until 1993 one of the key variables blocking a resurgence in economic activity was the erratic and unstable local banking and financing system. More than forty banks in Latvia had an average capitalization of less than US$1 million. Interest rates varied considerably, and services had yet to meet Western standards. The Bank of Latvia, which is the country's central bank, operated forty-eight branches and a specialized foreign branch.

Although much remains to be done, some progress has been made in reforming the financial sector, particularly in privatizing commercial operations. Twenty-one former branches of the Bank of Latvia were merged in 1993 to establish the Universal Bank of Latvia, the privatization of which was to be completed in 1995. The Latvian Savings Bank also was to be restructured and privatized by the end of 1995. As the central bank, the Bank of Latvia assumed a supervisory role, guiding and monitoring the country's banks. To facilitate payments, many banks have joined the Society of Worldwide Interbank Telecommunication (SWIFT), the international fund transfer system, and some have begun to offer credit cards, cash advances, and other services.

Progress toward privatization has been made in agriculture as well. By January 1, 1993, some 50,200 farmsteads encompassing 21 percent of farmland had been given over to individual ownership. By late 1993, the number of private farms had grown to 57,510, compared with 3,931 at the end of 1989 (see table 26, Appendix). At the same time, another 99,400 families were assigned private plots averaging 4.4 hectares, which provided a significant buttress to their economic survival. The major thrust for this privatization came from the program of denationalization, which returned farms and land to former owners or their relatives. Aspects of this privatization could cause problems in the future, however. Although imbued with idealistic expectations, the new farmers have little equipment and inadequate housing for themselves and their animals. Also, many of them have never farmed before. Their farms are usually small, averaging seventeen hectares each. Not all collective farms were dismembered, but where they did split up, the leadership of these farms was able in many instances to buy out equipment and animals at preinflation prices. This apparent unfairness has left a legacy of bitterness.

In November 1992, a law providing vouchers for privatization was passed. The law came into effect on May 1, 1993, and the distribution of vouchers began in September. The law provides for the distribution of vouchers according to one's length of residence in Latvia, with one year worth one voucher, or about US$42. Other factors are also taken into account. For example, those who can lay claim to Latvian citizenship prior to the Soviet occupation in June 1940 and their progeny are entitled to an additional fifteen vouchers as compensation for so-called "ancestral investments." Refugees who left Latvia

because of World War II may also obtain one voucher for each year lived in Latvia before December 31, 1944. Those forcibly deported from Latvia in the past receive a differentiated number for each year of confinement in prison camps or in exile. Finally, people are allotted vouchers on those occasions where private claims on property cannot be realized because of conflicts with squatters or because compensation is chosen in lieu of property. An estimated 87 percent of vouchers are to be granted to Latvian citizens. Of the total of 113 million vouchers in circulation, an estimated 2 million are expected to be used for purchasing farmland, 40 million for city land, 43 million for apartments, and 28 million for state enterprises.

Public opinion is an important consideration in policy making. Popular attitudes toward privatization differ somewhat between Latvians and others but not between men and women or between urban and rural areas. A random poll revealed the greatest split between individuals thirty-four years and younger and those thirty-five and older, and this difference may portend increased support for privatization.

Consumption Patterns

One of the main effects of the 1991–92 economic changes and dislocations has been a change in the pattern of consumption. According to family budget studies, food claimed only 29.4 percent of expenditures in 1990 but rose to 37.8 percent in 1991 and to 48.8 percent in 1992 (January–September). (In the United States, an average of 15 percent of income goes to food purchases.) The share of other commodities in the budget decreased from 37.6 percent in 1990 to 24.1 percent in 1992. Services, taxes, and other expenses declined only marginally as a proportion of total spending.

In the third quarter of 1992, the average monthly wage was 5,054 Latvian rubles, and the minimum wage was set at 1,500. According to the calculations of the Ministry of Welfare, the minimum "crisis survival basket" was determined to cost 3,010 Latvian rubles, and a minimum noncrisis basket of food and services cost 4,120 Latvian rubles. To purchase one kilogram of beef in September 1992, a person employed in the state sector had to work 180 minutes; for one kilogram of pork, 309 minutes; one liter of milk, thirty-six minutes; ten eggs, 110 minutes; one kilogram of sugar, 159 minutes; a man's suit, ninety-four hours; a man's shirt, 520 minutes; one pair of men's socks, fifty-two minutes; one pair of pantyhose, 110 minutes; and a pair of

women's shoes, twenty-four hours. The price of one kilogram of bread was equivalent to 15 percent of a day's wages.

The decrease in real wages and the increase in the cost of goods resulted in a decrease of 45 percent in retail sales between January and September 1991. The volume of purchases of many items decreased by well over 50 percent.

However, retail sales do not reflect total consumption. Many individuals started their own garden patches; relatives availed themselves of their farm connections; and farmers, of course, grew their own food and exchanged it for other goods and services. A survey of family budgets found that in comparing the first nine months of 1991 and 1992, meat consumption decreased by 13 percent, milk and milk products by 18 percent, fish and fish products by 24 percent, and sugar by 19 percent. Bread products consumption increased by more than 10 percent, however. Total calorie intake decreased by 5.9 percent, and fat intake fell by 11 percent.

Although the purchase of new manufactured goods decreased significantly, there is still a considerable availability of household goods likely to last well into the 1990s. In 1991, for example, for every 100 families there were 143 radios, 110 televisions, ninety-nine refrigerators, eighty-nine washing machines, seventy vacuum cleaners, and thirty-seven automobiles.

Government and Politics

Transition to Independence

The decision of the Latvian Supreme Soviet in December 1989 to end the communist party's monopoly on political power in Latvia cleared the way for the rise of independent political parties and for the country's first free parliamentary elections since 1940. Of the 201 deputies elected to the new Supreme Council, the transitional parliament, in March and April 1990, only fifteen had served in any of the previous Soviet Latvian legislative assemblies, and about two-thirds belonged to the proindependence Popular Front of Latvia (see Historical Setting, this ch.).

On May 4, 1990, a declaration renewing the independence of the Republic of Latvia was adopted by the Supreme Council. A de facto transition period for the renewal of independence was to culminate in elections to a restored Saeima (Latvia's pre-1940 legislature). The Supreme Council declared the Soviet annexation of Latvia illegal and restored certain articles of the

constitution of February 15, 1922, pertaining to the election of the Saeima and to Latvia's status as an independent and democratic state whose sovereign power rests with the Latvian people.

To pass this declaration, according to Soviet Latvian law, it was necessary to have at least a two-thirds majority of the total number of deputies—134 out of 201. The vote was close, but the declaration passed with 138 votes. The Russophone Ravnopraviye (Equal Rights Movement) boycotted this resolution by walking out of parliament.

On August 21, 1991, in an emergency session following the Soviet coup in Moscow, the Supreme Council declared Latvia's full independence, ending the transition period. Several parts of the May 4, 1990, declaration, however, were not affected. Of particular importance was the inaction on the creation of a revised constitution to reflect "new" realities. A particularly vigorous opposition to this clause was mounted by the Latvian Citizens' Committee (Latvijas Pilsonu Komiteja), which was opposed to the legitimacy of the newly elected Supreme Council and did not see how an illegitimate body could create a legitimate new constitution. The committee fought to retain the entire package of the 1922 constitution without any amendments. Its initiative was endorsed by numerous deputies within the Popular Front of Latvia, who were so opposed to any compromises on this issue that they created a separate parliamentary faction called Satversme (Constitution). Their reluctance to tamper with the 1922 constitution and the basics of the 1918 republic extended to a refusal to change Latvia's electoral law, which technically was not even part of the constitution. Minor changes in the electoral law were accepted, however, including the right to vote at age eighteen.

In view of the fact that elections to the Supreme Council were competitive and democratic, why was there so much opposition to the right of this council to deal with constitutional questions? The elections in 1990, critics said, were still held in occupied Latvia in accordance with the rules agreed upon by the communist-led Supreme Soviet of Latvia. One of the greatest points of contention was participation by the Soviet army, which refused to provide for any valid enumeration of voters and was allowed to vote using different rules from the rest of the population. Many of the opponents also contended that, according to international law, people who were resettled in an occupied territory had no automatic right

to citizenship or the right to vote. Thus, only those with Latvian citizenship prior to Soviet occupation on June 17, 1940, and their progeny were entitled to determine Latvia's future. This point of view prevailed in the determination of the electorate for the June 5–6, 1993, elections to the restored Saeima. About 25 percent of the permanent residents of Latvia, mainly ethnic Russians, were not allowed to vote in those elections.

Political System

The current electoral system is based on that which existed in Latvia before its annexation by the Soviet Union. One hundred representatives are elected by all citizens at least eighteen years of age, on the basis of proportional representation, for a period of three years. The Saeima elects a board, consisting of a chairman, two deputies, and two secretaries. The chairman or a deputy acts as speaker of the legislature. By secret ballot, the Saeima also elects the president, who must be at least forty years of age and have an absolute majority of votes. The president then appoints the prime minister, who nominates the other cabinet ministers. The entire Cabinet of Ministers must resign if the Saeima votes to express no confidence in the prime minister.

The Saeima has ten permanent committees with a total of 100 positions, so every deputy may sit on one committee. There are five other committees with a total of thirty-four positions. Committee chairmen, elected by committee members, often belong to minority parties not represented in the Saeima's ruling coalition. Draft laws for consideration by the Saeima may be submitted by its committees, by no fewer than five representatives, by the Cabinet of Ministers, by the president, or, in rare instances, by one-tenth of all citizens eligible to vote.

The president is elected for a period of three years and may not serve for more than two consecutive terms. As head of state and head of the armed forces, the president implements the Saeima's decisions regarding the ratification of international treaties; appoints Latvia's representatives to foreign states and receives representatives of foreign states in Latvia; may declare war, in accordance with the Saeima's decisions; and appoints a commander in chief in time of war. The president has the right to convene extraordinary meetings of the Cabinet of Ministers, to return draft laws to the Saeima for reconsideration, and to propose the dissolution of the Saeima.

Latvia's judicial system, inherited from the Soviet regime, is being reorganized. There are regional, district, and administrative courts as well as a Supreme Court. Final appeals in criminal and civil cases are made to the Supreme Court, which sits in Riga.

Latvia's four provinces (Vidzeme, Latgale, Kurzeme, and Zemgale) are subdivided into twenty-six districts, seven municipalities, fifty-six towns, and thirty-seven urban settlements. The highest decision-making body at the local level of government is the council, elected directly by the locality's permanent population for five-year terms and consisting of fifteen to 120 members. Members elect a board, which serves as the council's executive organ and is headed by the council chairman. In May 1994, in their first local elections since regaining independence, Latvian citizens elected more than 3,500 representatives, most belonging to right-of-center, pro-Latvian-rights parties and organizations. Candidates from the Latvian National Independence Movement were the most successful, and those from organizations succeeding the once-dominant Communist Party of Latvia fared worst.

Current Politics

More than twenty political parties or coalitions contended for seats in the June 1993 general elections, including Latvia's Way (Latvijas Cels), the Popular Front of Latvia, the Latvian National Independence Movement, Harmony for Latvia, the Latvian Democratic Labor Party, the Latvian Farmers Union, the Latvian Social Democratic Workers' Party, the Green Party, and Ravnopraviye. Latvians who fled as refugees to the West during World War II were granted the right to vote, even if they had become citizens of other countries. Of the estimated 120,000 such émigrés, however, barely 10,000 had bothered to register by May 1993.

With 32.4 percent of the vote, Latvia's Way, a centrist coalition founded three months before the election, won the largest number of seats—thirty-six. It succeeded in uniting a wide range of prominent advocates of democratization, a free-market economy, and closer cooperation among the Baltic states. The Latvian National Independence Movement, which was further to the right on the political spectrum, won fifteen seats; the moderate-left Harmony for Latvia, which took a liberal stance toward the issue of citizenship, won thirteen seats; and the center-right Latvian Farmers Union won twelve seats. Four

smaller groups—Ravnopraviye, the Fatherland and Freedom Union, the Christian Democratic Union, and the Democratic Center Party (subsequently renamed the Democratic Party)—won fewer than ten seats each. The Popular Front of Latvia, despite its large following before independence, fell short of the 4 percent threshold required for representation.

At the start of its first session in July 1993, the Saeima's major acts included election of Anatolijs Gorbunovs of Latvia's Way as its chairman, full restoration of the 1922 constitution, and election of a president. Three candidates ran for president: Gunars Meirovics of Latvia's Way, Aivars Jerumanis of the Christian Democratic Union, and Guntis Ulmanis of the Latvian Farmers Union. Ulmanis succeeded in gaining the necessary majority vote on the third ballot and was inaugurated as president on July 8, 1993. He appointed Valdis Birkavs, a leader of Latvia's Way, as prime minister and asked him to form a government. The Cabinet of Ministers approved by the Saeima on July 20, 1993, was a coalition of members of Latvia's Way, the Latvian Farmers Union, and the Christian Democratic Union.

In July 1994, as a result of a dispute regarding tariffs on agricultural imports, the Latvian Farmers Union withdrew from the ruling coalition, and the Birkavs government resigned. Andrejs Krastins, deputy chairman of the Saeima and chairman of the Latvian National Independence Movement, failed to form a new government. Then Maris Gailis of Latvia's Way engineered a coalition with two groups that emerged from a split in the Harmony for Latvia movement—the National Union of Economists, which advocates an expanded economic role for the state and greater concessions on citizenship rights for the Russians and other ethnic minorities, and Harmony for the People. In September the Gailis government, including Birkavs as foreign minister, was confirmed.

One of the most important issues facing the Saeima was citizenship. Proposals concerning a citizenship bill ranged from retaining the citizenship criteria used for the purposes of the 1993 general elections to granting automatic citizenship to all residents of Latvia. A citizenship bill was passed in June 1994, despite its controversial quota restricting naturalization to fewer than 2,000 people per year. Under heavy domestic and international pressure, however, the Saeima relented, and another citizenship bill, without the quota provision, was passed in July and signed into law by President Ulmanis in August. It requires that applicants have a minimum of five years

of continuous residence (in contrast to a December 1991 draft law's sixteen-year residency requirement); a rudimentary knowledge of the Latvian language, history, and constitution; and a legal source of income. Applicants must also take an oath of loyalty to Latvia and renounce any other citizenship.

Mass Media

Beginning in 1985, Gorbachev's policy of *glasnost* gave newspaper and magazine editors in Latvia and other republics of the Soviet Union unprecedented opportunities to publish information on a wide range of formerly proscribed subjects, including crime, illegal drugs, occupational injuries, and environmental issues. Thus, an article published in October 1986 in the Latvian literary journal *Literatura un Maksla,* discussing the environmental impact of a new hydroelectric station that was to be built on the Daugava River, helped to arouse so much public opposition that a decision was made by the Soviet government in 1987 to abandon the project (see Natural Resources, this ch.). Subsequently, after the pivotal June 1988 plenum of the Latvian Writers Union, the speeches delivered at this plenum, denouncing the Soviet Latvian status quo and demanding greater autonomy for the Latvian republic, received nationwide attention when they were published in four successive issues of *Literatura un Maksla* (see The Pursuit of Independence, 1987–91, this ch.).

In the early 1990s, as the transition to a market-oriented economy began and competition intensified, both the circulation and the content of newspapers and magazines changed. Rising production costs caused subscription rates and newsstand prices to increase, and sales declined steadily. Nevertheless, in 1995 Latvia had a daily newspaper circulation rate of 1,377 per 1,000 population, compared with 524 per 1,000 population in Finland, 402 per 1,000 population in Germany, and 250 per 1,000 population in the United States. More than 200 newspapers and 180 magazines were in circulation.

Foreign Relations

Establishing Foreign Relations

Prior to the declaration of renewal of Latvia's independence on May 4, 1990, several individuals were responsible for foreign affairs. Their presence in this field was wholly symbolic, however, because all decisions on foreign policy were made by gov-

ernment administrators and party officials in Moscow. After the May 4 declaration, a new Ministry of Foreign Affairs was established, headed by Janis Jurkans, chairman of the Foreign Affairs Committee of the Popular Front of Latvia. Initially, the entire ministry, composed of a few dozen workers, was squeezed into a single house in the medieval center of Riga and had antiquated amenities and limited space.

The ministry had to start from the very beginning. Some of its personnel were sent abroad to learn the essentials of diplomatic protocol. Even the most prosaic of office equipment had to be scavenged. Initially, Jurkans was forced to deal with some holdover personnel with links to the KGB, but several of them were eased out of their jobs for incompetence and other overt transgressions. On June 19, 1990, the KGB created a furor in the republic when it arrested and expelled from Latvia (presumably with Moscow's blessing) a young Latvian-American volunteer who had provided English-language translations and other services for the ministry in dealing with foreign countries.

During this period of transition, Latvia received much help from the Latvian embassy in Washington. This embassy had been maintained as an independent outpost representing free Latvia throughout the years of Soviet occupation. It had been financed from the investments and gold deposited in the United States by the government of independent Latvia before World War II. Similar offices throughout the world offered advice and contacts with local governments. Indeed, the embassy in Washington was able to provide Minister Jurkans with about US$60,000 to further the cause of Latvia's independence, which was then the main thrust of Latvian foreign policy.

Until August 21, 1991, and the end of the Moscow putsch, Latvia was not able to convince any Western country to locate an embassy in the republic. The countries feared offending the Soviet Union and could not answer the logistical question of how to settle in Riga when all border guards at the airports and seaports were still under Soviet command. Most Western countries had not abrogated the de jure status of independent Latvia; the issue concerned purely de facto recognition. Several countries, such as Denmark, opened cultural offices in Riga, and, more important, many countries invited Minister Jurkans and Prime Minister Ivars Godmanis abroad to meet their heads of state and government and to present their arguments for

Latvia's independence. Several meetings with President George H.W. Bush and other world dignitaries received wide media coverage.

An invaluable diplomat during this period of transition was the highly respected Latvian poet Janis Peters, who had been sent to Moscow to represent Latvia's interests. Peters also had many contacts and was highly regarded by the Russian intelligentsia. He was based in the prewar Latvian embassy, which had already been returned to Latvia several years earlier. A modern hotel, the Talava, had been built within its compound by Latvian communist dignitaries seeking trouble-free accommodations on their various sojourns in Moscow. The embassy building and the hotel became convenient locations for a multitude of contacts by economic, cultural, and political emissaries from Latvia.

Before August 21, 1991, Latvia's attempts to join international organizations were unsuccessful in spite of efforts by France and other countries to allow it to participate as an observer. Only at the regional level was some success achieved with the signing by Latvia, Estonia, and Lithuania of the Baltic Agreement on Economic Cooperation in April 1990 and the renewal in May 1990 of the 1934 Baltic Treaty on Unity and Cooperation. At the bilateral level, Latvia and Russia under Boris N. Yeltsin signed a treaty of mutual recognition in January 1991, but this treaty was not ratified by the Russian Supreme Soviet.

After the failed Moscow putsch, Latvian independence was recognized by the Soviet Union and most countries of the world, and Latvia became a member of the UN. These events were exhilarating for Latvians, who had been under Moscow's domination for almost half a century. However, new responsibilities of representation entailed a totally new set of problems. Setting up new embassies and consulates in major Western countries required the choosing of suitable personnel from among people without previous diplomatic experience. A considerable number of ambassadors were selected from diaspora Latvians in the United States, Britain, Denmark, France, and Germany.

Financing was another major constraint. Initiatives were taken to reclaim the embassy buildings that had once belonged to independent Latvia but had been appropriated by the Soviet Union or by host governments. In some instances, cash settlements and building exchanges became the only solution.

Problems were also experienced in the opposite direction. Foreign countries wanting to establish embassies in Riga often had to scramble for suitable sites at a time when ownership and jurisdictional questions over property presented an interminable maze of inconsistent decrees and agreements. At times the Latvian cabinet had to step in to provide locations. Some of the major Western countries were able to settle into their prewar buildings. Others found new quarters or set up their offices in temporary shelters in hotels and other buildings. A great controversy erupted over the restitution of the prewar Russian embassy building, which for decades had been used for Latvian cultural and educational purposes.

Minister Jurkans spent much time traveling abroad. His distinctly liberal ideology ingratiated him with his Western hosts. In the process of representing Latvia, however, many Latvians began to feel that he was becoming too independent and did not reflect Latvia's real demands. After Jurkans's resignation in the spring of 1993, his replacement as interim minister was Georgs Andrejevs, a surgeon of Russian descent. Andrejevs joined the Latvia's Way movement and was reappointed minister of foreign affairs after the June 1993 elections. According to polling data, Andrejevs became one of the most popular politicians among ethnic Latvians, but ironically he did not find much resonance among non-Latvians living in the republic.

In June 1993, the Latvian Ministry of Foreign Affairs employed 160 people, a relatively low number, reflecting the limitations of government financing. Prewar Latvia had had 700 employees in the same ministry, and countries comparable in size to Latvia employ about 1,000 people on average.

Foreign Policy Directions

Latvian foreign policy has of necessity been preoccupied with its eastern neighbor, Russia. The lack of stability and the seemingly contradictory signals coming from Russia created strains in this relationship. A primary point of contention in the early 1990s concerned the evacuation of the armed forces, which were formerly Soviet but now Russian. Another major issue involved citizenship limitations on Russian-speaking settlers whose ties with Latvia began only after June 1940 and the occupation by the Red Army.

In late August 1993, the Russian armed forces were withdrawn from neighboring Lithuania, which has a relatively small native Russian population. In Latvia the timetable for the

departure of the remaining 16,000 to 18,000 troops took longer to negotiate. Russia tried to connect the withdrawal to the issue of citizenship rights for Latvia's large Russian minority, but it failed to receive international support for such linkage. Another issue was the status of a radar base at Skrunda, which Russia considers an integral part of its antimissile early warning system.

Nervous about Russia's intentions, the Latvians could not forget that in 1940 a pretext for the takeover and annexation of Latvia was to protect Soviet bases established there in 1939. On January 18, 1994, Russian foreign minister Andrey Kozyrev explicitly claimed Russia's right to maintain troops in the Baltic states to avoid a security vacuum and to preempt the establishment of forces hostile to Russia. Similar statements had been enunciated earlier by the Russian defense minister and other officials.

Russia's continued military presence became a major bargaining chip for Russian internal politics and foreign policy. Along with Russia's claims about the strategic importance of the radar base at Skrunda, the Russian government said there was no room in which to lodge incoming officers from Latvia. Some Russian generals and governmental officials broached the possibility of tying their troop withdrawals to North Atlantic Treaty Organization (NATO) troop reductions. Others asked for large grants to build living quarters back in Russia. Yeltsin declared that the troop withdrawals were tied to the human rights question in Latvia, especially as it pertained to residents of Russian origin. Many Latvians attributed the delay to the hope of some Russian military and political leaders that political changes might occur in Moscow and the status quo ante reestablished.

Under such circumstances, the Latvian leadership concluded that the best hope for security would be membership in NATO rather than neutrality. NATO, however, demonstrated a willingness to assist Latvia and the other Baltic states only in an advisory capacity. Much to their disappointment, Latvian leaders determined that joining NATO was an elusive goal.

Ultimately, in exchange for the withdrawal of the Russian troops, Latvia consented to lease the Skrunda facility to Russia for five years. The accord, signed in Moscow in April 1994, stipulates that the radar base must cease operation by August 31, 1998, and be dismantled by February 29, 2000. Agreements were also signed on social security and welfare for active and

retired Russian military personnel and their families in Latvia. With the exception of several hundred military specialists at Skrunda, all active-duty Russian troops were withdrawn from Latvia by August 31, 1994, leaving behind a hodge-podge of toxic chemicals and buried, undetonated ordnance.

Latvia and Estonia received much help from Scandinavia, the United States, and other Western countries in pressuring Russia to remove its troops. To counter the argument that these troops would have no accommodations in Russia, several countries, including Norway and the United States, provided funding to construct new housing for Russian officers.

Other issues between Latvia and Russia included Russia's annexation of the northeastern border district of Abrene in 1944. Latvia's transitional parliament, the Supreme Council, reaffirmed the validity of the pre-Soviet borders in its Decree on the Nonrecognition of the Annexation of the Town of Abrene and the District of Abrene, adopted in January 1992. Although the withdrawal of Russian troops figured much more prominently than the border issue in Latvian-Russian negotiations in the early 1990s, it could resurface in the context of wider negotiations of claims and reparations.

The ongoing pressures from Russia have given impetus for Latvia to strengthen its ties with international institutions. As a member of the UN, Latvia was able to refute Russian charges on the abuse of human rights in Latvia. Latvia also has joined many of the subsidiary bodies of the UN, such as the World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Latvia has also joined NATO's Partnership for Peace, a program of cooperation with the newly independent states.

Although Estonia and Lithuania were accepted as members of the Council of Europe (see Glossary) in early 1993, in spite of strong Russian objections, Latvia had only the status of an observer. Full membership for Latvia, precluded earlier by the unresolved issue of citizenship rights, was granted in early 1995.

In the early 1990s, the Council of the Baltic Sea States (CBSS) became a particularly useful forum for foreign policy contacts. This council was proposed on October 22, 1991, during a meeting of the German and Danish foreign ministers, Hans-Dietrich Genscher and Elleman Jensen, respectively. Its first directions were set by the ten countries bordering the Baltic Sea, including Russia, when representatives met on March

5–6, 1992. Concrete proposals for Latvia have included the coordination of an international highway project, Via Baltica, from Tallinn to Warsaw.

The Scandinavian countries and Germany are among Latvia's most active international supporters. Mutually friendly bilateral relations are maintained with members of the Visegrád Group (consisting of Poland, the Czech Republic, Slovakia, and Hungary). Latvia also has been able to develop advantageous relations with Belarus and Ukraine. A generally good and cooperative relationship exists with neighboring Estonia and Lithuania. At the economic level, these states have signed free-trade agreements. They are also cooperating at the military level. Military cooperation among the Baltic states included an agreement in October 1994 to form, with Western assistance, a Baltic peacekeeping battalion, headquartered in Latvia.

Together with the other Baltic countries, Latvia has many more adjustments to make in its evolution from "cause to country," as noted by Paul Goble in Tallinn's *Baltic Independent*, May 21–27, 1993: "The peoples and governments of the Baltics must cope with the difficult challenge of being taken seriously as countries . . . The Balts must find their way in the world as three relatively small countries on the edge of Europe—and for many people, on the edge of consciousness—rather than figure as central players in a titanic struggle between East and West."

National Security

Defense

One of the important debates after independence stemmed from the issue of whether Latvia requires its own armed forces. According to one argument against a national armed forces, the most likely aggressor is Russia, and if this state wants to violate Latvia's sovereignty by force, even the best equipped and most dedicated Latvian army could slow down such an assault only for a brief period of time. Those supporting a national armed forces pointed to their possible contribution in establishing law and order within the republic, in coping with emergencies, in controlling borders, and in providing a symbol of statehood and a source of pride. Those with a knowledge of Latvian history explained that in June 1940 when the Soviet Union presented Latvia with an ultimatum, the lack of any mil-

itary resistance helped to dupe many in the world into accepting the myth of Latvia's voluntarily joining the Soviet Union. Any new ultimatum from Russia would very likely include a serious consideration of armed resistance by the Latvian forces, even if only to prove a point to the rest of the world. Former Minister of Defense Talavs Jundzis provided exactly such a rationale: "Sometimes I am asked: 'How can you with your 9,000-man defense forces stand up against a 300,000 or up to 3 million-man aggressor force?' The answer is simple. Our resistance by itself will generate an international reaction. It will be clear to everyone as to what is happening and even if we are again occupied, international public opinion will not accept such a regime and it would not last long." Jundzis provided another reason for Latvia's armed forces, which is based on Latvian historical experience: "Aggressive announcements from the Organization of Russian Army Officers about their disobedience to their commanders and their readiness to use weapons to defend themselves remind us of our struggle for independence in 1919, when after the end of World War I, the abandoned soldiers from Russian and German armies united under the leadership of the adventurer Bermont to attack and occupy the newly born state of Latvia."

Latvia was able to create a Ministry of Defense only after September 1991, when Latvia was formally recognized as an independent state by the Soviet Union. Before independence, the Soviet armed forces were in charge of defense and with increasing difficulty attempted to force the young men of Latvia to register for the draft. In November 1991, after the creation of the new Latvian ministry, Jundzis, a Popular Front of Latvia deputy and chairman of the Latvian Supreme Council's Committee on Defense and Internal Affairs, became the first minister of defense in Latvia since June 1940.

The Latvian Ministry of Defense, unlike that of Ukraine and other former Soviet republics, did not receive or appropriate any of the armaments existing on its territory. All armaments were for sale, but only at world market prices. The Latvian armed forces, however, were successful in obtaining their headquarters and several other abandoned buildings.

Latvia's defense concept is based on the Swedish-Finnish rapid response force model. In 1994 the armed forces totaled 6,600, including 1,650 in the army, 630 in the navy, 180 in the air force, and 4,140 in the border guard. Plans call for 9,000 active members in the armed forces. Latvia also has the security

Barricade erected in Riga's old town in January 1991 to defend strategic buildings from attack by Soviet troops
Courtesy Linda Sudmalis

service of the Ministry of Interior and the reserve Home Guard (Zemessardze). In addition to serving as a national guard, the Home Guard, with an estimated 17,000 members, assists the border guard and the police. When they reach the age of nineteen, men serve a mandatory one-year period of active military duty, but men and women at least eighteen years of age may volunteer for military service. Alternative service for conscientious objectors is available.

The armed forces are poorly equipped. In the early 1990s, donations of jeeps and field kitchens came from Germany, patrol boats from Germany and Sweden, and uniforms from Norway. The army's equipment includes two BRDM–2 reconnaissance vehicles and thirteen M–43 armored personnel carri-

ers. The navy has about six coast guard vessels, three patrol craft, two minesweepers, one special-purpose vessel, and one tugboat. The air force's equipment includes two Soviet An–2 and two Czechoslovak L–410 aircraft and several Soviet Mi–2 and Mi–8 helicopters.

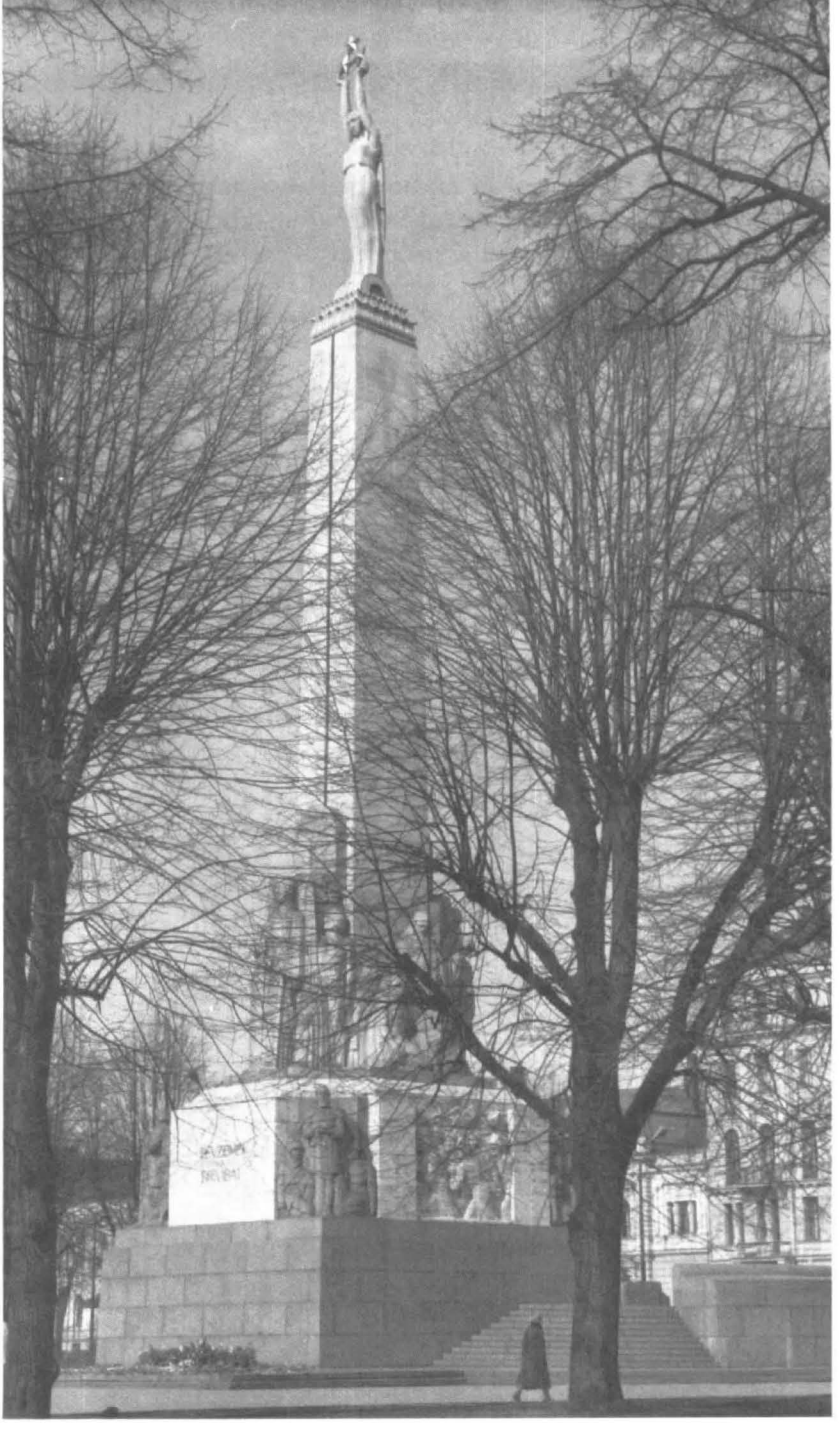
Many officers are ethnic Latvians from the former Soviet armed forces, who, according to critics, are set in their ways and are difficult to retrain. Such reformers as former Minister of Defense Valdis Pavlovskis, a retired United States Marine Corps officer and instructor, attempted to remedy this situation through the establishment of local military institutes, including the Latvian Military Academy, and through enrollment in programs at Western military institutes. Ongoing correspondence and part-time training programs also were introduced.

The Ministry of Defense provides extremely low remuneration because it is short of funds. The 1993 state budget allotted only 2.9 percent of its expenditures for national security, which includes the Ministry of Defense, the security service of the Ministy of Interior, and the Home Guard. This sum is claimed to be only one-tenth of what would be required for normal functioning of the forces. In the second half of 1992, only 40.5 million Latvian rubles were allotted for food, 42 million rubles for clothing, and 79.8 million rubles for equipment purchases, but 59.3 million rubles were allotted for capital construction. In 1993 about US$48 million was allocated to defense.

Crime and Law Enforcement

Crime was a serious problem in Latvia in the early 1990s, as it was in the other Baltic states and elsewhere in the former Soviet Union. The total number of reported crimes increased from 34,686 in 1990 to 61,871 in 1992 and then dropped to 52,835 in 1993. The number of convictions rose from 7,159 in 1990 to 11,280 in 1993. Theft accounted for more than three-quarters of all crimes, although the number of reported cases declined from 51,639 in 1992 to 41,211 in 1993. The incidence of murder or attempted murder was 2.6 times higher in 1993 than in 1990. Drug-related offenses more than tripled in this period. Drugs as well as alcohol, weapons, scrap metals, and consumer products were often smuggled into the country.

Subjected to the spread of organized crime from Russia, Latvia cooperated with neighboring Estonia and Lithuania and other countries via the International Criminal Police Organiza-



Liberty Monument in Riga
Courtesy Chester Pavlovski

tion (Interpol). The Latvian authorities were gradually replacing the Soviet-trained police, although allegations of corruption in the law enforcement community persisted. Political corruption and white-collar crime also posed significant problems. The lack of funding for remuneration, equipment, and even gasoline for police vehicles hampered law enforcement operations. The Home Guard assisted in police patrols but had no power to make arrests.

Latvia's penal code includes the death penalty. One person, sentenced to death in July 1992 for premeditated murder under aggravated circumstances, was executed in 1993. Two death sentences were commuted, leaving no prisoners on death row at the end of 1993. There were no known instances of political or other extrajudicial killings, of political abductions, of torture, of arbitrary arrest or exile, or of denial of a fair public trial. The government welcomed visits by human rights organizations and received delegations from the Organization for Security and Cooperation in Europe, the Council of Europe, and the UN, among others.

Outlook

Latvia was the first Baltic republic to begin the process of public empowerment and disentanglement from the legacy of a half-century of Soviet rule, initiating the 1987 "calendar" demonstrations, which commemorated long-suppressed critical turning points in Latvian history. Thereafter, Estonia and then Lithuania picked up the torch in a unique historical relay race whose end point was independence.

With independence, however, Latvia had to adjust to totally new circumstances. New rules of the game had to be introduced and accepted. Democratic structures and practices had to be formed or revived. The initial rigors of a market economy and of privatization had to be endured. A new orientation to the rule of law and to the public clash of many voices had to be sanctioned and supported.

Much progress has been made in all these areas; much still remains to be done. The pressure of nationality relations, citizenship issues, economic strategies and priorities, and political confrontations between radical and moderate factions will no doubt remain for some time. These internal problems, however, do not surpass the coping capacity of Latvian political and social structures. The major threat lies in the potential actions

of neighboring Russia, where forces of imperial irredentism are finding many political allies.

Ideally, Latvia's future would be best assured by a stable and peaceful Russia. This is a goal supported by most Latvian politicians. If such a goal becomes unattainable, however, Latvia would be compelled to rely on external protection provided by its Western neighbors. It remains to be seen if Latvia will be granted the same protective status as that enjoyed by Denmark, Belgium, the Netherlands, and other European countries under the NATO umbrella.

* * *

Among the best works on Latvian history are Arnolds Spekke's *History of Latvia: An Outline* and Alfreds Bilmanis's *A History of Latvia.* The interwar period is described well in Georg Von Rauch's *The Baltic States: The Years of Independence, 1917–1940* and the Soviet period in Romuald J. Misiunas and Rein Taagepera's *The Baltic States: Years of Dependence, 1940–1990.* The period of national awakening is analyzed and described by Juris Dreifelds in "Latvian National Rebirth," *Problems of Communism,* July–August 1989, and by Anatol Lieven in *The Baltic Revolution.* An unsurpassed classic on Latvian geography is *Latvia: Country and People* by J. Rutkis. The *National Report of Latvia to UNCED, 1992,* prepared for the Rio de Janeiro World Conference by the Environmental Protection Committee of Latvia, is a very good summary of post-Soviet Latvia and its environmental problems. A good source of statistical data is *Latvija Skaitlos* (*Latvia in Figures*), the annual report of Latvia's State Committee for Statistics (Valsts Statistikas Komiteja). Invaluable and current information on Latvia's economy is provided by the monthly *Baltic Business Report.* Very good analytical articles on various aspects of government and politics in Latvia can be found in the *RFE/RL Research Report.* A most useful compendium of articles on foreign policy has been published in *New Actors on the International Arena: The Foreign Policies of the Baltic Countries,* edited by Pertti Joenniemi and Peeter Vares, and on national security in *Comprehensive Security for the Baltics: An Environmental Approach,* edited by Arthur H. Westing. (For further information and complete citations, see Bibliography.)

Chapter 3. Lithuania

Wayside wooden sculpture near Druskininkai

Country Profile

Country

Formal Name: Republic of Lithuania (Lietuvos Respublika).

Short Form: Lithuania (Lietuva).

Term for Citizen(s): Lithuanian(s).

Capital: Vilnius.

Date of Independence: On March 11, 1990, newly elected Lithuanian Supreme Soviet proclaimed independence; Soviet Union granted recognition September 6, 1991. February 16, Independence Day, national holiday; on this day in 1918, independent Republic of Lithuania proclaimed.

Geography

Size: 65,200 square kilometers, approximately size of West Virginia.

Topography: Alternating lowlands and highlands; many lakes, particularly in east, and rivers. Fertile soil. Forest and woodlands 28 percent; mainly pine, spruce, and birch. Arable land 49 percent; meadows and pastureland 22 percent. Highest elevation 297 meters.

Climate: Maritime position moderates otherwise continental climate. Average January temperature 1.6°C on coast and 2.1°C in Vilnius; average July temperature 17.8°C on coast and 18.1°C in Vilnius. Average annual precipitation 717 millimeters on coast and 490 millimeters in east.

Society

Population: 3,717,000 (1995 estimate). Population declined in early 1990s because of low natural growth rates and net outmigration. In 1994 birth rate 12.0 per 1,000 population; death

rate 12.8 per 1,000 population.Total fertility rate 2.1 children per woman in 1991. Population density 57.0 persons per square kilometer. Life expectancy 69.1 years in 1993 (63.3 years for males and 75.0 years for females).

Ethnic Groups: According to 1994 official estimate, Lithuanians 81.1 percent, Russians 8.5 percent, Poles 7.0 percent, Belarusians 1.5 percent, Ukrainians 1.0 percent, and others (including Latvians, Tatars, Gypsies, Germans, Estonians, and Jews) 0.9 percent.

Languages: Official language Lithuanian; Russian, Polish, Belarusian, Ukrainian, and other languages also used.

Religion: Predominantly Roman Catholic. Other denominations include Evangelical Reformed, Evangelical Lutheran, Russian Orthodox, Uniate, and Jewish.

Education: According to 1992 constitution, education compulsory from age six to sixteen and free at all levels. In 1993–94 some 510,500 students in 2,317 primary and secondary schools, 45,200 students in 108 secondary specialized institutions, and 53,000 students in fifteen higher education institutions (including universities). Optional religious instruction introduced in schools in 1991. Literacy rate 99 percent in 1994.

Health and Welfare: Sufficient facilities to guarantee free medical care. In 1990 forty-six physicians and dentists, 127 paramedical personnel, and 124 hospital beds per 10,000 inhabitants. Private health care practice legalized in late 1980s, but health care system remains mostly state owned and state run. Medical care does not meet Western standards; hindered by shortages of medical equipment, supplies, and drugs. National social security system provides cradle-to-grave social insurance and social benefits.

Labor Force: 1.9 million (1994 estimate); industry 32 percent; construction 12 percent; agriculture 18 percent; science, education, and culture 14 percent; health care 7 percent; transportation and communications 7 percent; and trade and government 10 percent.

Economy

Gross National Product (GNP): Estimated at US$4.9 billion in 1993; per capita income US$1,310. Gross domestic product (GDP) estimated at 20 billion litai in 1994; real GDP fell by 13.4 percent in 1991, by 35.0 percent in 1992, and by 16.5 percent in 1993, but grew by 2.0 percent in 1994. Inflation rate in 1994 estimated at 45 percent.

Agriculture: 24.0 percent of GDP in 1992. Significant reforms introduced in 1990s; 83 percent of agricultural privatization program completed by mid-1993. Large farms broken up into small holdings, often too small to be economically viable. Agricultural output fell by 50 percent from 1989 to 1994. Principal crops wheat, feed grains, flax, rye, barley, sugar beets, legumes, potatoes, and vegetables.

Industry: 33.9 percent of GDP in 1992. Industry provided 33 percent of employment in 1994. Industrial production declined by more than 50 percent in 1993.

Energy: Receives most of its electricity from Ignalina nuclear power plant, but highly dependent on fuels imported from Russia.

Exports: US$1 billion (1994 estimate). Major commodities machinery, electronics, textiles, light industrial products, and food products.

Imports: US$1.3 billion (1994 estimate). Major commodities natural gas, oil, coal, machinery, chemicals, and light industrial products.

Major Trading Partners: Russia, Germany, Ukraine, Belarus, Latvia, Poland, France, Italy, and United States.

Currency and Exchange Rate: Litas (pl., litai) introduced June 1993 and became sole legal tender August 1993. 1 litas = 100 centas. In October 1992, Russian ruble replaced by provisional coupon currency, the talonas (pl., talonai), pegged at parity with ruble; talonas had been circulating parallel with ruble since May 1992. In March 1996, 4.0 litai = US$1.

Fiscal year: Calendar year.

Transportation and Telecommunications

Roads: In 1994 about 55,603 kilometers total, of which 42,209 kilometers asphalted.

Railroads: In 1994 about 2,000 kilometers of railroads (1,524-millimeter gauge), of which 122 kilometers electrified. Train service available to Daugavpils in Latvia and to Poland and Belarus.

Civil Aviation: International airports at Vilnius and Siauliai. State-owned Lithuanian Airlines operates flights to Amsterdam, London, Paris, Copenhagen, Berlin, Frankfurt, and forty-three cities in former Soviet Union. Service also provided by Aeroflot, Austrian Airlines, Drakk Air Lines, Hamburg Airlines, LOT (Polish Airlines), Lufthansa, Malév, SAS (Scandinavian Airlines), and Swissair.

Shipping: 600 kilometers of inland waterways navigable year round. Inland port Kaunas; maritime port Klaipeda. During Soviet period, 90 percent of Klaipeda's traffic went to other Soviet republics.

Telecommunications: 900,000 telephone subscriber circuits, or 240 per 1,000 persons, among most advanced of former Soviet republics. In 1993 an estimated 1.4 million television sets and more than 1.4 million radios in use, or one per 2.7 persons.

Government and Politics

Government: Independent democratic republic. President, elected for term of five years and a maximum of two consecutive terms, is head of state. Seimas, a unicameral legislative body, holds supreme legislative authority. Its 141 members are elected for four-year terms. It initiates and approves legislation sponsored by prime minister. Cabinet, known as Council of Ministers, is headed by prime minister, who is appointed by president with approval of Seimas.

Judicial System: Based on civil law system, with no judicial

review of legislative acts. Independent of authority of legislative and executive branches of government, but subject to their influence. Judicial power held by Supreme Court; Seimas appoints and dismisses its judges on recommendation of head of state. Other courts include Constitutional Court, Court of Appeals, and district, local, and special courts.

Politics: Two main political organizations: Lithuanian Democratic Labor Party (LDLP; successor to Communist Party of Lithuania), which won more than half of seats in Seimas elected October 1992; and Fatherland Union, main opposition grouping and successor to Sajudis independence movement. Numerous overlapping factions, coalitions, and smaller parties.

Administrative Divisions: Forty-four regions (*rajonai*; sing. *rajonas*—rural districts) and eleven municipalities, divided into twenty-two urban districts and ninety-two towns.

Foreign Relations: Member of United Nations and its specialized agencies, World Bank, and International Monetary Fund, and a number of European economic and security organizations. Since independence, cornerstone of Lithuanian foreign policy has been integration with European security institutions: Organization for Security and Cooperation in Europe (OSCE), Council of Europe (COE), European Union (EU), North Atlantic Cooperation Council (NACC), World Trade Organization (WTO), and, ultimately, North Atlantic Treaty Organization (NATO). Member of OSCE, COE, and NACC, and associate member of EU. Concluded Baltic Agreement on Economic Cooperation April 12, 1990, with Latvia and Estonia. Member of Council of the Baltic Sea States. Agreements on economic cooperation signed with Russia in November 1993; with Ukraine, February 1994; and with Poland, April 1994. On July 18, 1994, free-trade agreement signed with European Union effective January 1, 1995, to eliminate tariff barriers during six-year transition period.

National Security

Armed Forces: In 1994 armed forces totaled 8,900, including army (4,300), navy (350), air force (250), and border guard

(4,000). Mandatory draft period of one year in active-duty status; alternative service for conscientious objectors available. Also, 12,000-member Home Guard force. In February 1993, some 14,000 Russian troops remained in Lithuania; last Russian troops withdrawn August 1993.

Military Budget: About 1 percent of government expenditures allocated for defense in 1993.