

# The programme of the Social Democratic Party Concord

*Adopted by the SDPC Congress on 19 November 2011*

## Social democratic values and principles

### The idea of social justice

Since the beginning of its existence mankind has been pursuing justice. People have a natural desire for equality. The ideals of social justice had ve been established already in the ancient civilizations – at in those times, the appointment of certain legal and social regulators, the task of whichwhose task was to protect people and ensure themavailability of public support in case of social risks, were had already been in place. The very purpose of the formation of state was to ensure and provide security to a certain community of people.

The opportunities to implement social justice in the ancient agrarian societies faced limited material resources of the community and low labor productivity, as well as distancing of the elite from the grassroots by the barriers of origin. Since the end of the 18th century by advancing of the slogan "Liberty, Equality, Fraternity", the criterion of aristocratic origin for public distribution of wealth was removed, whereas the first industrial revolution created economic conditions for dynamic social progress of the community. Legal equality, which was defined as the basic principle by the Great French Revolution, began the progression towards approximation of the quality of life between the rich and the poor strata.

### The classical social democracy and its development

This progress was stimulated by social democratic ideas, which emerged in the era of the industrial revolution. Initially, attempts were made by the utopian socialist thinkers to resolve the social conflict between the basic classes of the new mode of production; by conjuring up scenes of ideal society, where people, having discarded private property and personal interest, lived in wealth created by equalized distribution of the public consumption funds.

The real change in the society of the 19th century society was marked by the social democratic ideology, which was formed on the basis of the phenomenon of labor movement establishing protection of workers' interests as their task. Social democracy sought to terminate the excessive and unfair labour exploitation, as well as to ensure the living standards of the workers, to improve their quality of life and to create a proper social security system. The social democratic movement achieved some success. StrongThe established national trade unions were recognized by the state developed, and at the end of the 19th century and the beginning of the 20th century they started to negotiate bargain collectively with their employers' confederations.

Starting from the second half of the 19th century, social legislation was developed in the European countries, sickness health insurance funds were founded and social security benefits and old-age pension system were developed.

Starting from the end of the 19th century, social democracy began to split into two ideological political lines 1) radical or revolutionary and 2) reformist or evolutionary lines.

The radical direction, the founder of which was Karl Marx, denied the progressive development of society through social reforms, believing that the capitalist logic of industrial development would inevitably cause a socialist revolution, leading to the establishment of a proletariat dictatorship state. The radical direction emphasized revolutionary violence as a driving force for social progress and absolutized class struggle.

The founder of the reformist line in the turn of the 19th and 20th century was a German social democrat Eduard Bernstein, who saw recognized the opportunities potential of a democratic political system for to enhancing the social progress of the working class and in the development of the social partnership development.

In Latvia, the origins of the social democratic movement are related to the nineties of the 19th century. At the beginning of the 20th century the first social democratic parties were developed, and in the twenties, two lines of social democracy were formed – the Bolsheviks (radical) and Mensheviks (reformists), which ultimately separated in 1918.

Historical evidence suggests that the reformist line has been more efficient than the radical one in defending the social interests of broad segments of society.

Since the revolution of 1917 in Russia the so-called communist line, which despite some achievements in industrialization, education and science, had subjected the individual to the dictate of government, demolished the civil society and strangled the creative initiative of the nation in the grip of dictatorship. As a result, countries in which the Communist Party dictatorship was established and democratic freedoms and human rights were denied, suffered economic stagnation, decline in the quality of life, popular discontent. This resulted in dismantling of the Soviet regime in the nineties of the 20th century, mostly by way of peaceful revolutions with some episodes of violence (in the USSR and Eastern Europe). During the eighties of the 20th century Communist China was also compelled to resort to economic liberalization by way of legalization of private economic initiative. Similar processes developed in Vietnam. These changes at the beginning of the 21st century weakened the global ideological positions of the communist line.

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The reformist line maintains the concept of social democracy, because contrary to the communist line it had not abandoned the democratic principle of exercising power in order to implement social justice. This has contributed to the implementation of the social welfare state model, development of by developing a general education system funded by the state, effective public health care and, reliable social protection. This direction has ideologically evolved by gradually moving away from Marxism as the proletarian ideology and by rejecting the

concept of socialist revolution. Today, social democracy is an ideology that advocates the development of a socially just society by reforming the liberal market system using democratic political methods.

Since the beginning of the 20th century the social democratic parties have become a significant phenomenon in the political life of the European countries. During the parliamentary period between the wars, strong social democracy functioned in Latvia as well. Together with other democratic political parties, social democrats it participated in the Act of Establishing of the State on November 18, 1918, and it had an active role in the development and adoption of the Constitution of the Republic of Latvia on February 16, 1922.

In the twenties, the social democratic parties began to increasingly participate in the exercising of political power in the countries of Europe and displayed recognized success. From 1926 to 1928 the Latvian government was leftist (Mārgēris Skujenieks Cabinet), which worked well and successfully prevented a threat to democracy - Oliņš putsch. Special contribution to the development of cultural autonomy was provided by the Minister of Education of the government poet Jānis Rainis. The authoritarian coup in the 1934 put the end to the legal operation of the social democrats -, they could not longer work legally also during the German and Soviet totalitarian regimes. However, they continued to work in emigration until the restoration of sovereignty and democracy restoration of the Republic of Latvia at the beginning of the nineties of the 20th century.

#### The European Union as a social democratic project

The establishment of the European Union (EU) was the response of democracy to the terrible devastating consequences of the Second World War. Initially, the task of the EU was to avoid possibility of military confrontation in Europe in the future. However, with the development of European economic integration, the basic principles of social democracy such as fair distribution of resources, solidarity, equal opportunities for all become increasingly manifested in the fundamental principles and structure of the EU. The post-war Europe ideas of social justice, which became the basis for the European social model and were implemented to the largest extent. This model optimally balanced the free trade and business, free movement of money, goods, services and people across borders, with the ideas of liberal political philosophy, namely, democracy, human rights and the rule of law, as well as principles of social security (old-age

pensions, benefits, family and child protection, employee and trade union rights, universal access to education and health care). After the end of the "Cold War" and the fall of the Iron Curtain, a crisis of the European social model emerged. It was caused by demographic problems (low birth rate, aging population), globalization and the related respective changes in the redistribution of functions and increased competition in the global economy, as well as in the increasing migration. Modern European social democracy has to seek appropriate responses to new challenges by modernizing and developing specific solutions in the context of general principles of justice and solidarity.

### Modern principles of social democracy

Today, social democratic ideology occupies the left-wing center niche in the political spectrum of society. It is ready for political dialogue and cooperation with all democratic parties, keeping in mind the implementation of fundamental ideological positions, such as those of social justice. Modern social democracy seeks to reform capitalism, filling it with the ethical ideals of social justice. It upholds freedom, equality, social justice, solidarity and humanitarian principles. Solidarity is not charity; it is an investment in the future. Social democracy is in favor of protection of human rights, consistent implementation of the principle of equal rights and opportunities, it counters all forms of discrimination and supports political and ideological pluralism. In economics, it advocates promotion of socially oriented market economy with the presence of elements of planning, allowing state regulation of the economy, as well as establishment of an effective mechanism required for protection of the interests of small businesses and employees. After the Second World War, it has gradually abandoned the classic position of social democracy on the nationalization of basic industries, and had begun to effectively apply and implements the ideas of effective application of Keynesianism ideas for stimulating economic development. It strongly advocates equality and protection of all forms of property, and supports the principles of fair trade.

In accordance with the view of social democrats, the cornerstone of social progress of the society according to the view of social democrats is the principle of social partnership in the development of economic democracy development. In the social sphere, the social democrats are in favour of reducing social differentiation between individuals with high and low income, by determining progressive individual income tax, in favor of building of a strong middle-class and respecting of the solidarity principle in the relations between

generations. An important prerequisite for implementation of these principles is building the establishment of a sound robust social security system that includes state aid for childcare and upbringing, as well as creation of a high-quality health care system available to all.

In the field of education and culture, the social democrats advocate availability of educational and cultural values for broad strata of the nation, providing free general education, as well as facilitating peaceful co-existence and harmonious development of different cultures and civilizations. In the field of environmental protection, social democracy seeks to balance community needs with environmental protection, so that people can exist in harmony with nature, rather than in opposition to it.

In the field of foreign policy, the social democracy advocates cutting of military spending, reduction of international tension and settling resolution of disputes by peaceful means. Special emphasis is being placed on the principle of multilateralism in foreign policy, which corresponds to the development of cooperation in international organizations.

A very important task today is the development of cooperation with social democratic and other democratic left-wing parties on the internationally level in order to cope with the risks of globalization, which are experienced to the full extent in our country, as well as in being faced with the global financial and economic crisis.

After the restoration of the independence of Latvia, high hopes rose in the society for the principles of liberalism in the economy, which form the basis for the development of public welfare, rose in the society. During this time the ideas of social democracy were not demanded in the community because people were indoctrinated with an expectation that the "market will put everything in place". However, deep global financial and economic crisis provided convincing proof to the people of the fragility of prosperity without proper safeguarding mechanisms. At the present, the social democratic ideas are regaining interest and willingness to develop the state political regulators in order to ensure social stability. Furthermore, Also the popularity of social democratic forces is growing in Latvia, as evidenced by the Saeima (the Parliament), the local government and the European Parliament elections.

The social base of "Concord" are the strata of Latvian society receiving income from their work - self-employed and salaried paid employees, as well as vulnerable social groups whose welfare depends on public assistance - among them the unemployed, the elderly, the young families and single mothers, persons with special needs, orphans.

"Concord" also stimulates business as it creates jobs and provides state tax and fee payments, contributes to the development of society and increase improvement of in the quality of life of the population. Latvian Social Democratic Party "Concord" (hereinafter - "Concord") is ready to respond to the challenges of the era, countering them by a modern welfare state model and social justice principle.

### Democracy and Rule of Law

Democracy, the rule of law and human rights are the major policy principles of "Concord", which it is consistently putting into practice.

Latvia is a democratic country where the power belongs to the Latvian people, that is, to the community of citizens. The task of the State of Latvia is to serve its citizens by securing their economic, social and cultural needs. The interests of the people of Latvia are to be determined using the mechanisms of democracy.

There are no historical imperatives limiting the choice of the people of Latvia to live happily and be free. "Concord" will make every effort to ensure opportunities to the people to express their true will, in order to expand opportunities for democratic participation and limit the opportunities of political and economic groups to manipulate the expressions of popular will.

The State of Latvia is part of the European Union. "Concord" is convinced that Europe should not be a merely economic union. Europe is a common space with shared values: prosperity, cultural diversity, quality of life, environmental protection, universal human rights and partnership. It is therefore necessary not only to develop the common market, but also to build a closer political union.

The main value of "Concord" is the person. This means equal respect for all people, regardless of their financial status, gender, age, ethnic origin, religion, language or political opinion. Human rights are a key mechanism for implementation of this principle in practice, therefore "Concord" will make

every effort both on the national and international levels to ensure effective protection of human rights in Latvia.

The prerequisite of implementation of the rights is effective operation of judicial and law enforcement institutions, implementation of the principle of good governance and combating corruption in all areas of public administration.

Activisation of civil society is essential for the revival of democracy. "Concord" particularly supports participation of those groups of the society which have not been so far involved much or not at all in such activities, so that they could use their democratic opportunities more effectively.

"Concord" believes that trade unions, being the representatives of the interests of employees, play an important role in defending the rights to work and in restructuring and development of economics and working environment. It is not possible to implement positive change in society without active participation of and solidarity with trade unions.

#### Referenda and elections

"Concord" supports enhancing popular initiatives and opportunities for popular participation in decision-making and referenda at both national and local levels. "Concord" advocates clear and rigorous referenda conditions, including their cost optimization and modernization of procedure, introduction of electronic voting or signature as well as responsibility of the initiators, sufficiently high quorum and clearly defined decision alternatives.

"Concord" advocates introduction of adjudicating referenda in municipalities.

At the times of growing labour mobility and economic emigration it is important for the Republic of Latvia to maintain political bonds with its citizens. Therefore "Concord" advocates an electronic voting system. The electronic voting system has to meet the highest safety standards and must be assessed by independent auditors. According to the new technologies the institute of election observers has to be improved to ensure public confidence in the electoral process.

"Concord" supports simplification of the possibility to dissolve the Saeima.

"Concord" advocates improvement of the electoral system of the Saeima, which would provide



opportunities for early withdrawal of the Members of Saeima who have lost the trust of the voters.

"Concord" supports electoral reform of local governments by way of transition to direct City Municipality (Council) Chairman (Mayor) elections, as well as permitting not only the political parties but also groups of residents to nominate lists or individual candidates.

### Local governments

"Concord" advocates strengthening and extension of authority of local governments, the closest democratic institutions to the residents, by delegating more power to them for resolving social issues in the fields of public health, secondary education, culture, sports, public order and safety.

Proportionality between the functions delegated to local governments and funding available to them has to be ensured. "Concord" supports formation and development of regions.

"Concord" advocates the improvement of local government funding by redistributing tax revenues to the benefit of local governments.

"Concord" supports free access of local governments to capital market, simultaneously ensuring strict control over the use of loans.

It has to be ensured that allocation of state budget means to local governments is exercised in accordance with clear and transparent criteria, that it is linked to the needs of the region and not to party affiliation of the local government.

"Concord" supports authorizing of the local governments to submit legislative initiatives.

### Civil rights and participation

The goal of "Concord" is to increase the civil rights of the residents, in particular, to ensure to Latvian non-citizens and permanent residents, having lived in Latvia for at least three years, the right to elect local governments, to involve local residents more actively in budgeting (citizens vote directly on the spending of part

of the local government budget in order to ensure participation of residents and also responsibility for the use of the local government funds), to introduce a convenient and secure electronic voting.

"Concord" supports formation of advisory councils at all levels, providing them a status and rights that would allow the views of the civil society not only to be heard but also taken into account. The councils have to become more representative, there should be fair criteria known in advance for selection and participation of members. Expert panels and advisory boards have to be separated.

Critical discussion culture and ability to reconcile different points of view has to be developed.

#### Public administration

"Concord" considers it necessary to revise the functions of the state and respectively to create small and efficient state government.

Convenient, secure and efficient electronic government has to be developed.

Availability of information on state and local government services has to be ensured.

It is necessary to restore confidence in state tax, social insurance and health care systems. Therefore people must be honestly informed about the challenges ahead and long-term strategic planning has to be carried out. "Concord" is convinced that the residents will support unpopular decisions as well, provided the state authority clearly indicates and professionally substantiates how they will improve the situation and the individual human life in the long term.

#### Privacy protection

"Concord" believes that in the contemporary information society personal freedom and integrity is not possible without secure and sustainable personal data protection. Up to now the State has failed to provide it on a highly professional and technical level. Thus, with the introduction of electronic government an urgent task is to establish a reliable personal data

protection system. State must protect individuals from arbitrary interference by public authorities, including phone tapping when carrying out operational investigative activities.

#### The judicial system

"Concord" believes that ensuring the rule of law requires a quick and fair judicial process.

Fair competition and self-regulation among the representatives of the free legal professions has to be promoted. The situation, where the representatives of the legal profession are more concerned about their privileges and comfort rather than carrying out their functions for the public good and high professional standards, has to be prevented.

A new system of economic arbitration courts has to be established, so that in Latvia there is a small number of highly professional and independent arbitration courts to relieve the state court system.

Legal education and professional standards have to be developed, as well as the qualifications of judges and prosecutors on economic issues have to be improved in order to effectively combat corruption and economic crimes.

Free legal assistance provided by the state has to be ensured, through the establishment of the state institution of lawyers who defend the low-income persons both in the courts and in state and municipal institutions.

#### Institutions of confinement

"Concord" emphasizes that human rights have to be respected not only in the open part of society, but also in closed institutions. Civilized enforcement of the sentence has to be ensured, so that there is no reason for complaints and Latvia would not lose in the European Court of Human Rights.

#### Combating corruption

"Concord" advocates strengthening of the independence of institutions preventing and combating corruption by averting the opportunities of the government to influence their work.

"Concord" considers that "zero declarations" should be implemented immediately and supports the adoption of relevant legislation.

"Concord" supports the introduction of the principle of praesumptio juris and its consistent implementation in the area of certification of the income legitimacy and tax payment.

### Integration and inclusive society

Historically emerged cultural, religious and linguistic diversity of Latvia is a value of our country, an important resource and a prerequisite for social cohesion. The building of political nation of Latvia is only possible on the basis of mutual respect and trust, cooperation, tolerance and participation.

Social integration means consolidation of society based on the recognition of common democratic values, Latvian patriotism, efficient, friendly and supportive language policy, and equal participation in political, economic and social life of all people of Latvia.

"Concord" advocates establishing of a society in Latvia, where all Latvian residents, regardless of their social status, ethnic origin, mother tongue, gender or age have equal opportunities.

"Concord" believes that all Latvian residents belong to Latvia and are its value. National identity is a personal choice and self-determination, reflected in a decision to permanently reside, work and raise children in Latvia. The highest expression of identity is an active civil position.

Social integration is like a road with two-way traffic. The cultural diversity of the society has to be taken into account in the system of state administration.

### The policy of concord

The age-old coexistence and cooperation traditions of different ethnic, linguistic and religious groups are the advantage of Latvia. There have never been inter-ethnic conflicts in our country. However, the tragic events of history continue to cause controversial understanding by the residents of Latvia belonging to different ethnic groups.

In order to strengthen their influence, the majority of political parties use or even stimulate the emotional moods created from historically developed resentment and prejudice . "Concord" considers this kind of policy immoral and dangerous to Latvia.

"Concord" believes that mutual trust of people belonging to different groups is a precondition for the effective social integration policy. To achieve this, "Concord" will implement policy of reconciliation. The task of this policy is to overcome both xenophobia and self-segregation and refusal to take into account the interests and needs of people of Latvia belonging to various groups. Attention to the needs of all people of Latvia has to be a policy instrument for uniting the society. Only this approach will reduce mutual suspicion and prejudice and create respect between the residents of Latvia speaking different languages. Without this integration is impossible. Reconciliation policy is based on respect for the interests, peculiarities and historical experience of different ethnic groups.

"Concord" believes that strengthening of the principle of multicultural education in schools is a precondition of society integration and creates natural and friendly environment for it. Daily communication between young people belonging to different ethnic groups has to be encouraged.

Public integration policies can be considered successful only if ethnic Latvians do not feel that development of the Latvian culture is endangered and the Latvian language is recognized as the only official language and, in the meantime, if the minorities are aware of the care taken by the government of Latvia to preserve their languages and cultures. Such guarantees will serve to create mutual respect between the people of Latvia and help to strengthen the national identity of Latvia.

#### Citizenship and the status of non-citizens

"Concord" believes that at the time when Latvia's independence has been irreversibly established, retaining of a large number of permanent residents with the non-citizen status does not correspond to the interests of Latvia. Exclusion of a significant part of permanent residents from democratic processes increases alienation of the society from the state.

"Concord" believes that the community of Latvian citizens has to be expanded by actively involving people who are loyal to Latvia and willing to act in the interests of Latvia. "Concord" advocates consistent promotion of naturalization, as well as more active involvement of non-citizens into public life, particularly on local level. Motivation for naturalization should be based on a sense of belonging to the state and willingness to participate.

"Concord" advocates granting of Latvian citizenship by registration procedure to all born in Latvia. The newborn child whose both parents are non-citizens may not be registered as a Latvian citizen only if the parents submit documentary proof that the child will receive citizenship of another country.

"Concord" advocates granting Latvian citizenship by registration procedure to all young non-citizens who have successfully graduated from the secondary or basic education establishments of the Republic of Latvia, as well as facilitation of naturalization for elderly persons and persons with disabilities.

"Concord" stands for recognition of double citizenship, regardless of the second citizenship countries.

"Concord" believes that granting the right to vote to non-citizens in municipal elections will facilitate their participation in society and therefore integration as well.

"Concord" advocates careful review of limitations for professions and positions as well as other non- political restrictions for non-citizens. Non-citizens have to be granted equal rights with citizens as regards old-age pension, as well as rights to receive the status of politically repressed persons.

#### Language policy

"Concord" believes that all Latvian citizens have to undertake the responsibility for preservation and development of the single state language, i.e., the Latvian language. Language proficiency and usage is one of the most important unifying factors of the society of Latvia.

"Concord" believes that language proficiency has to be considered not only the responsibility of the people in Latvian, but also their right. Therefore, "Concord"

advocates creation of an efficient free public language learning system, available to everybody who needs it.

"Concord" believes that all residents of Latvia need proficiency in several languages, and the education system, including lifelong learning, should be aimed at achieving this goal.

"Concord" advocates effective learning of the EU languages, as well as traditional Latvia's minority languages within the education system.

"Concord" advocates full implementation of the provisions of the Framework Convention for the protection of minorities and withdrawal of reservations (declarations) made upon ratification of this Convention. "Concord" advocates using of minority languages in communication with state and local authorities in areas where minorities live traditionally or in substantial numbers. This will ensure better compliance with the interests of citizens and increase efficiency of services provided by local governments.

"Concord" advocates wider opportunities to use foreign languages and minority languages at all levels of education making full use of the positive experience of bilingual education and balancing several tasks, such as ensuring efficient learning of the state language, the preservation of ethnic identity of all citizens, education of tolerance, as well as acquisition of skills that are needed to live in modern open Europe.

"Concord" advocates more substantial rights for primary, secondary and higher educational establishments to offer programs in different languages, for state funding for training teachers who are able to teach in minority languages, for promotion of export of education in different languages.

"Concord" considers Latgalian language to be a unique cultural heritage of Latvia and advocates its official recognition, support and use alongside with the official language in municipalities where the demand and opportunities to do so are present.

#### Ensuring equality

"Concord" emphasizes in particular that all the rights are to be exercised without discrimination of any

kind. "Concord" advocates consistent and comprehensive implementation of European anti-

discrimination provisions in all areas.

Equality must be not only formal but also effective; environment and viable options for

implementation of equal rights have to exist. It has to be ensured that law enforcement agencies,

judiciary and government departments comply without any duplicity with the principle of equality and turn against each case of discrimination.

"Concord" advocates wider powers for the institution of Ombudsman as the authority responsible for

prevention of discrimination, providing for the Ombudsman a broader access to the courts, as well as a

right to propose punishment of state officials for violations of the principle of equality, delayed

provision of information requested by the Ombudsman and other irregularities.

"Concord" believes that gender equality must be granted not only at the level of statements, but also in

practice, primarily with regard to equal payment to men and women for equal work. "Concord"

supports active participation of women in the political life of Latvia.

"Concord" believes that international instruments and mechanisms have to be considered a powerful

tool for improving anti-discrimination legislation and ensuring equality. "Concord" advocates

ratification of the Protocol No. 12 on general prohibition of discrimination to the European



Convention of Human Rights, as well as ratification of the Revised European Social Charter and

granting the right to the residents of Latvia to submit collective complaints on the violations of the

Charter.

"Concord" defends opportunities for people with disabilities to fully participate in all spheres of public

life.

Economic Policy

Goals of the economic policy

"Concord" advocates socially responsible, knowledge-based and environmentally friendly market economy. The goal of the economic policy of "Concord" is to create a socially responsible economic system, which would ensure long-term sustainable society development and welfare of all residents by steadily following the social-democratic values under any external conditions.

"Concord" believes that the task of economic growth is to provide the basis for the life of a person, to improve living and working conditions, to reduce dependency and promote self-capacity, to provide protection of life and health, safety, to increase the prospects for life and better future, to encourage creativity and initiative. Everything that destroys the natural foundations of life, decreases the quality of life and threatens prospects for better future has to be prevented.

"Concord" believes that political choice must not be based exclusively on the growth of the gross domestic product (GDP), as GDP itself may be a sign both of societal progress and resigning from it.

"Concord" believes that social contract is needed for ensuring development. We are in favour of development in the interests of the majority, not the minority.

"Concord" believes that the key features of well-being and quality of life are distribution of income, life expectancy and level of education. Such indicators make it possible to politically associate certain activities with measurable objectives, thereby increasing public confidence and policy support.

"Concord" believes that the major factor promoting growth is innovation, rather than increase of the resource utilization.

People working in Latvia have to receive internationally competitive wages and have humane working conditions. Good work stimulates participation in the community and enhances self-esteem.

"Concord" advocates social and fair development. Socially just communities are more stable, more successful, happier and more democratic than divided society in which inequality prevails. Chances of human life cannot depend on age, gender or ethnicity. Financialization of society has to be limited.

Individualization of risks should be discontinued. Property and wealth imposes obligations, including the obligation to display solidarity with the weakest.

Basic principles of the economic policy

"Concord" envisages the development of Latvian economy on the basis of following principles: - An important role of the state in the management of economy in order to ensure real economic competitiveness. Globalization at the current phase means such an economic world in which all countries are open to foreign investment and transnational corporations, thus reducing competitiveness of the developing countries. Developing countries, including Latvia, without a strong private sector in such circumstances have to ensure active and effective economic management. The role of the state in the management of economy of Latvia will be critical until the domestic private sector will become an active partner in the economic development.

- Import substitution as a means of reducing dependence of Latvia on imports of goods and services, as well as progress towards the highest possible level of economic self-sufficiency (particularly in those sectors where Latvia has all the necessary natural and human resources such as food industry or renewable energy). This principle is closely linked to promoting internal market development.

- Export promotion with progressive and targeted increase in added value, aiming to maximize the degree of domestic resource processing locally to the highest degree, as well as promoting of export service quality and increase of scientific capacity.

- Utilizing the full potential of geopolitical advantages, this unique Latvian competitive edge, in particular, in the field of transport and logistics, as well as an investment platform for small and medium-size EU enterprises to enter CIS markets.
- Responsible attraction of foreign investment as a means of injection of capital, technology and knowledge to industries, optimal development of which is impossible by utilizing only domestic resources and knowledge.
- Basing the fiscal and monetary policy on the principle of countering recurrence, establishing sustainable rate of growth and commitment to full employment as overarching objectives (as opposed to the uncompromising stability of national currency, financial sector stabilization and fiscal consolidation).

#### Tasks of the economic policy

"Concord" considers it necessary to ensure lasting high economic growth rate for Latvia to become a country with an advanced industrial economy and high per capita income. The task of this economic policy is topical for any developing country, whereas for contemporary Latvia it has become a prerequisite for the survival of the state.

Under the conditions of economic crisis, GDP has shrunk and unemployment has risen, whereas the financial stabilization policies of the right-wing parties have compelled and is compelling a huge number of working-age residents to leave Latvia. Only when population decline of Latvia due to emigration, which presents a threat of extinction to the nation, will stop, it will be fair to say that the country is saved.

Rapid industrial growth and creation of jobs will provide impetus to the domestic market demand, will contribute to the improvement of demographic situation (formation of new families, child birth and upbringing), will stop the population drift from rural to urban areas as well as stimulate the residents of Latvia to return home.

#### Means of the economic policy

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#### Means of the economic policy

The economy of Latvia can grow mainly by way of selling goods and services with high added value abroad, because the internal market is very small. In order to produce such goods, Latvia needs industrialization.

Developed countries became rich by promoting the industrialization of their economies, while maintaining the internal market closed, and only when they became competitive, they expressed support for open markets, taking the stairs, which enabled them to get to the top of wealth, away.

After Latvia joined the World Trade Organization and the EU, as well as introduced a practically constant rate of the Lat against Euro, it now cannot use the customs duties for regulation of the flow of imports, subsidize, implement other protectionism policy instruments, as well as make use of the exchange rate of the national currency to promote export.

The instruments that remain available to the State are state aid for the development of real economy, including direct government investments into the equity capital of the enterprises, tax policy and financial market regulation.

#### State support for economic development

"Concord" believes that the state should actively participate in promoting economic growth, industrialization, job creation, attraction of private investments, development of infrastructure. To this end, businesses, which are already state controlled, should be retained under state management and new companies have to be created, increasing the share of the state in the total capital of Latvian companies.

Companies, which private investors refuse funding because they are considered risky, although viable in the long term, have to be retained in the public sector. The State may establish "model companies" in order to provide initial impetus to the development of the industry, as well as industries, where the existence of a single supplier is the best way to serve the market, or the main production costs are related to development of the distribution network.

State-owned enterprises have to be subject to market competition. State-owned company is to be run the same way as a successful private enterprise. Politicians and ministry officials must not be included on the state-owned company boards, only specialists have to be appointed to ensure the company meets the established goal. If the company does not achieve the expected results and the management is unable to offer solutions, it has to be replaced.

#### State support mechanisms:

–Establishing of a National Development Bank: (a) by capitalization from direct budgetary grants, investments from 2nd level pension funds (taking over the management of these funds back from the private sector) and by state means of payment (by transferring of all public accounts and settlements to this bank); (b) providing loans and guarantees to priority businesses, as well as a special small and medium size enterprise development programme (e.g. in cooperation with the government and universities under the supervision of established business

incubators); (c) combining loans with private funding and EU co-financing (ensuring the principle of financial leverage), (d) state co-funding of strategic projects, such as a Latvian company investing in the acquisition of EU or CIS manufacturing companies, thus providing transfer of production facilities to Latvia (i.e., directly contributing to technology transfer and employment),

- –Creating of appropriate regulatory framework and incentive mechanisms to ensure private sector funding for the real economy,
- –Channeling EU co-funding for economic development priorities,
- –Priority R & D sector funding,
- –Development of infrastructure (port lead infrastructure and terminals, railways, roads, energy infrastructure and heat supply infrastructure),
- –Internal marketing and state support to priority businesses in entering new markets, including
- optimization of the institutional framework necessary for the performing of these functions,
- –Tax incentives for strategic economic activities,
- –Higher and vocational education and research policy and funding adapted to sectoral priorities.

## Taxes

"Concord" believes that the goal of improvement of the tax system in addition to preservation of the solvency of the state is also to ensure development of high motivation economy, to reduce the temptation for tax evasion and increase tax revenue. To this end, the tax burden has to be transferred within reasonable period of time from the labour force and profits of real economy and productive consumption to land and unproductive resources, including:

- - Reduction of taxation on labour as well as production results which includes the costs of production (income taxes, value added tax),
- - Carrying out revaluation of land according to use and basing of the tax system on indicators related to land,
- - Relieving small size living accommodation from taxes,
- - Introduction of progressive income tax for natural persons,
- - Introduction or increase of taxes on unproductive resources (such as luxury items),
- - Determining of a real progressive rate for real estate tax,
- - Introduction of increased and progressive tax rate for trading of real estate, the size of which will depend on the market, instead of the cadastral value of property,
- - Retaining of reduced value added tax on books and teaching aids,
- - Gradual reduction of the value-added tax on essential foodstuffs and pharmaceuticals.

"Concord" believes that companies that invest in the real economy have to be granted tax incentives.

"Concord" advocates:

- - Total exemption from taxes of reinvested profit;
- - State co-funding for companies that invest in the real economy, including with the aim to increase the availability of EU structural funds,
- - Easing of administrative burden, including reduction of number of tax payments during the year,
- - Choice for small and new businesses of taxation forms - single tax or fee,
- - Tax incentives to innovative companies,
- - "Tax holidays" for new businesses, especially those established and operating in economically depressive areas.
- "Concord" advocates tax incentives:

- - For families with children – reduction of both real estate and personal income tax for every child in the family as well as significant increase in the non-taxable minimum of the income tax for dependent children. Eligible expenditure of income tax for the education of children has to be approximated to the actual costs,
- - For entrepreneurs employing young people up to 25 years of age.

## Financial market regulation

"Concord" advocates establishing of a state guarantee system for the lending to real economy.

"Concord" supports a higher capitalization of the banking system.

"Concord" supports stronger regulation for highly speculative financial products including derivatives.

"Concord" believes that the European Union must undertake commitments in relation to more efficient supervision of rating agencies. It is necessary to ensure that the judges are not also the interested parties. The opportunity to introduce monitoring of the rating agencies by the public sector has to be considered.

"Concord" supports the introduction of the financial transaction tax.

"Concord" supports stimulation of the long-term savings programs for the population of Latvia, including tax exemption for long-term bank deposits without the right of withdrawal of the residents of Latvia.

## Priorities in the sectors of economy

### Industrial Policy

"Concord" advocates active strategy of the state industrial policy through strict adherence to its principles of economic policy, determining comprehensive state aid for the four strategic sectors as the practical basis of industrial policy: forestry and timber industry, agriculture and its related industrial sectors, transport and



logistics, energy, as well as industry-leading or new and promising enterprises (the so-called "national champions") in the other sectors.

Forestry and timber industry - import substitution and development of the missing capacities (paper / pulp industry, the development of cogeneration of wood, domestic wood utilization in construction, furniture manufacturing development); support for the existing flagships of the industry exporting products with relatively high added value; minimizing exports of pristine wood or wood with primary treatment (including a critical review of the activities of foreign investors working in the sector and motivating these companies to invest in higher value-added process development). Short-term exports of basic resources have to be permitted only provided the earned foreign currency assets are invested in wood processing technologies on the basis of which the missing advanced industrial capacity is developed.

Agriculture and the allied industrial sectors - encouraging agro-industrial cooperation on all stages of the value chain (machinery-processing-sales and savings and loan function), promoting of food self-sufficiency, balancing of the volume of the EU direct payments at least with the EU average level, promoting of energy independence and import substitution by developing cultivation of biofuel raw material, support to prospective niche products (e.g. wheat cultivation, biological food, ecotourism, etc.); retail network reform by promoting the specific weight of products made in Latvia.

Transport and Logistics - Latvia as a transit platform for the flow of goods to / from Russia, CIS and Central Asia, as well as China and South East Asia; development of the added value of the handled cargo, particularly promotion of container and automotive product handling and logistics in the ports of Latvia and inland logistics centers and attraction of domestic and foreign strategic investors in this area; special emphasis to attracting cargoes in the direction West-East, by actively developing cooperation with West European and Nordic partners; active involvement of the state in the development of infrastructure, including joint ventures with foreign investors.

Energy – under the conditions of fossil energy amount reduction and increasing cost of conventional fuel, gradual partial substitution with alternative renewable energy resources; transferring of the real economy to new technologies, products and production processes based on energy and resource efficiency; industrial

environmental policy in Latvia to strengthen the positions for attracting investments; large employment opportunities.

Tourism and Resorts - to develop tourism and to promote Latvia as a tourist destination with beautiful and ecologically clean nature, outstanding architecture and other historical and cultural heritage. To develop both rural tourism and tourism in big cities, as well as health resorts. "Concord" believes that the status of a health resort has to be returned to Jurmala. The possibility of granting the status of health resorts to other cities should be considered. To promote the revival and preservation of sanatoriums.

### Agricultural Policy

The development of the countryside of Latvia is burdened by a number of factors, including:

- - Critically low population density, which continues to decline, threatening with depopulation of the rural areas and increasing of the costs of social and economic infrastructure,
- - Low productivity and efficiency, low income in agriculture, related to additional costs incurred by agro-climatic conditions, outdated equipment and technology,
- - Insufficient utilization of food processing capacity, lack of capacity for manufacturing agricultural raw materials,
- - Too low income of enterprises which does not allow investments and increasing well-being in rural areas,
- - Insufficient experience and lack of knowledge in agricultural and non-agricultural entrepreneurship and business management,
- - Violation of environmental protection, animal welfare and hygiene rules in many farms, which limits the competitiveness of farmers or causes suspension of agricultural production,
- - High unemployment rate and limited employment opportunities outside of agricultural activities, resulting in rural incomes and rural landscape maintenance to be associated to a large extent with agricultural production,

- - Lack of a sustainable, strategic view on the development of Latvian countryside.

"Concord" advocates development of agricultural strategy of Latvia, based on the following main

principles:

- - Discontinuing of rural depopulation by promoting various types of entrepreneurship in rural areas, supporting the countryside as a place of residence for those employed elsewhere, increasing support for medium size and small farms,
- - Determining of priority directions for state aid, taking into account the regional agro-climatic conditions,
- - Improvement of advisory service, providing complete information to farmers and expanding the economic, including business management, as well as legal assistance,
- - Expanding of support measures for export, ensuring progress of the manufactured goods on global markets,
- - Optimization and consolidation of the work of authorities for supervision of agriculture by reducing administrative burden on farmers and rural entrepreneurs,
- - Development of insurance system for agricultural risks, especially cattle-breeding risks,
- - Ensuring scientific support in order to create innovative solutions for more efficient agricultural production and development.

Environmental policy

"Concord" advocates granting of public support for environmental technology development, particularly emphasizing the fields of renewable and alternative energy.

"Concord" advocates tighter state supervision and control over the use of natural resources (forests, peat bogs, gravel pits, etc.), preventing their use in the selfish interests of narrow groups.

"Concord" supports adjustment of legislation in the field of waste sorting, processing and implementation of deposit system. Heat insulation projects for residential buildings have to be continued, determining a high priority for them in the EU fund acquisition. Construction of low-energy consumption buildings has to be stimulated.

"Concord" believes that the Baltic Sea and coastal dune protection and sustainable development have to be ensured.

Public access to natural and cultural objects has to be ensured, improving the legal framework for relations between private property and public rights and interests.

"Concord" advocates delegation of certain functions of the state to the environmental NGO sector for fulfillment of specific national tasks, including environmental education, environmental monitoring, public control, maintenance of environmental objects, etc., and envisaging appropriate funding. Organic agriculture, as well as rural and ecotourism operators have to be supported.

## Social policy

"Concord" believes that the fundamental objective of social policy is improvement of the living standards and their quality for the residents of Latvia, social protection of every person, development of a reliable security system that actually provides for the people in old age and protects them in case of childbirth and in their upbringing, as well as in social risk situations (illness, job loss, death of relatives).

Every resident has the right to social protection, regardless of age, nationality, ethnic origin, religion or political beliefs, party affiliation and other factors. Social services have to be easily accessible, understandable and timely. Residents have to be informed in a broader way about the opportunities provided by law, involving trade unions and other NGOs in the communication.

The state has to guarantee every citizen the opportunity to freely choose their employment and earn the funds necessary for living by means of their work, there have to be equal preconditions for free development of each personality, family

protection, support and development, overcoming and reduction of the difficulties of life and creating self-help options.

"Concord" advocates ratification of the revised European Social Charter, supporting all of its norms, which would allow raising the living standards and their quality for the residents of Latvia, as well as assigning to the residents of Latvia the right to submit collective complaints regarding violations of the Charter.

### Demography and Family Policy

In order to ensure the existence of the Latvian state, it is necessary to establish a long-term programmes for improving the demographic situation and implementing the socially responsible family policy. The main task of such policy is to reduce the decrease of quality of life and the risk of poverty for families with children by providing direct and indirect financial support to these families.

"Concord" considers that for every child in the family both real estate and personal income tax incentives have to be determined.

"Concord" advocates for substantial increase in income tax incentives for dependent children. Eligible expenditure of the income tax for the education of children has to be approximated to the actual costs.

National development or small-family tax has to be introduced, paid by families with no children. In cases where there cannot be children due to health reasons, the rate has to be reduced.

"Concord" supports increase of the family allowance for each child. The state family allowance for the third and subsequent children in the family has to be substantially raised.

"Concord" supports state contributions to social security budget for the mothers and fathers who terminated employment to care for children from one and a half to two years or from two years of age until the child can be appointed to a pre-school establishment, or who are taking care of a disabled child.

"Concord" is in favor of reduction of the interest rate for the first real estate loan to the new families with at least one child, which would be guaranteed and issued

by a State Bank, as well as inclusion of the loan interest payments into the eligible expenditures of the income tax.

"Concord" advocates reduction of retirement age for women for every child.

Availability of social services necessary for child care has to be ensured – admission to nurseries and childcare centers, as well as conditions have to be created for child care at home to be economically feasible. The state has to ensure that a child receives the necessary care and education even if the family fails to provide it.

The payment of secondary parental benefit has to be continued also to the mothers unable to send their children to preschool establishments due to lack of vacancies.

Additional payment to family allowance has to be introduced each year in August for the purchase of teaching materials. Books and workbooks for the pupils of general education schools have to be provided free of charge.

"Concord" believes that the benefits should be envisaged for children without parental care, as well as for young people who have grown up in families of at least three children and who have successfully passed university entrance exams and qualify for vacancies subsidized by the state or a tuition discount.

"Concord" advocates equalizing of the amount of the subsistence with the actual necessary expenses in foster families and children in guardianship.

"Concord" believes that clear immigration rules corresponding to the national interests are the best way to counter irregular labour migration. Therefore "Concord" supports liberalization of immigration policy by defining clear criteria determined by long-term strategy, the needs of the labour market and integration capacity. Efficient integration policy for new immigrants has to be developed, using the means of the appropriate EU funds.

Employment

"Concord" considers work to be the most important form of human self-realization that ensures means of subsistence to the person and to the family, promotes creative thinking and social interactions.

Quantitative and qualitative labour force increase is necessary for the development of real economy. This is related to the growth of employment level, ensuring of low unemployment rate, professional and geographical mobility of the workforce.

Wages must be sufficient to ensure the subsistence of the family. "Concord" advocates setting of minimum wage in the amount of the actual minimal cost of living.

Protection of the rights of the employees has to contribute to formation of trade unions and strengthening of the existing ones, ensuring equal rights to all trade unions founded according to the law, including the availability of the EU funds.

"Concord" supports developing cooperation between the state and the business community, allowing the persons with long-term unemployment to be retained and involved into the labor market. State support (tax incentives, etc.) to the entrepreneurs providing jobs to retraining program graduates has to be ensured.

Social insurance has to provide adequate income replacement in case of sickness or maternity, support in case of unemployment, accident at work or occupational disease.

"Concord" advocates enhancing the State Labour Inspection powers and responsibilities in order to ensure establishing of a safe system for labour protection, supervision and control of working conditions.

"Concord" advocates the ratification of the International Labour Organization Convention on Protection of Wages, Convention on Social Security (Minimum Standards), Convention on Employment Promotion and Protection against Unemployment and practical implementation of the provisions of these Conventions.

Pensions

"Concord" believes that all those who in their working age have worked for a certain number of years as paid employees and contributed to the social budget of the state, have to be entitled to full pension.

"Concord" is against subjecting pensions to income tax.

"Concord" advocates establishing of a minimum pension corresponding to the minimum subsistence level.

"Concord" does not support the increase of the retirement age which does not correspond to the average change in the life expectancy of the population in Latvia, and believes that any reorganization of the pension system should be subject to equal treatment of different social groups, including people from different generations.

"Concord" is against cancellation of early retirement.

"Concord" advocates the transfer of benefit payment from the social budget to general budget of the state.

"Concord" supports payment of widows'/widower's allowances to the families of retired persons, by paying the widows and widowers at least half of the deceased spouse's pension amount.

The formula of calculating of the survivor's pensions has to be altered and the minimum threshold has to be increased.

"Concord" advocates readjustment of the pension indexing system. Small pensions (up to the amount of four social security benefits) have to be indexed twice a year according to the inflation growth index and an index of 100% increase of average wage social security payments, whereas the rest of the pensions should be indexed once a year.

"Concord" considers that payment of retirement pensions should be envisaged for teachers with teaching experience of thirty years.

"Concord" advocates increase of 8% for contributions to the second level pension system.



## Health Care

"Concord" believes that the main aim in this area is providing of health care availability and quality assurance.

"Concord" advocates increase in health care funding, ensuring an immediate amount of 4% of the GDP and increasing it progressively up to 7%.

State budget allocation and use for health care must be open and available for public inspection.

"Concord" advocates introduction of mandatory and voluntary health insurance in order to provide health-care which would be more accessible to the population.

"Concord" advocates strict supervision on the expenditure of health care funds.

"Concord" considers prevention in health-care and family physicians' role in it a priority.

"Concord" considers it necessary to develop outpatient medical care in rural areas by establishing small medical rooms. Founding them has to be entrusted to the young doctors offering in return partially paid study programmes and special provisions for study loans.

"Concord" advocates tighter state control over prices of pharmaceuticals, including wholesale and pharmacy mark-up control which would by making use of the opportunity to temporarily freeze the producer prices envisaged in the EU directives, put an end to the opportunity of unscrupulous pharmaceutical wholesalers to make profits on the expense of the population. "Concord" supports all opportunities to register and offer cheaper high quality medicines in Latvia, so that they are available to all residents of Latvia.

The proportions of medicinal products, the cost of which may be reimbursed per patient, as well as the envisaged budget funding have to be considerably increased.

"Concord" believes that increased attention should be paid to the health of children and young people.

Health screenings have to be ensured in training and educational establishments. Health education has to be introduced as a compulsory subject in schools.

"Concord" believes that special attention should be paid to reproductive health.

"Concord" advocates supporting preventive health activities, promotion of healthy lifestyles, support to fitness and sports studio development, combating physical inactivity.

## Education and culture

### Main tasks of education policy

"Concord" believes that education should be a priority of state policy, because education shapes the nation's spiritual well-being and forms the basis of material prosperity. Only educated society is able to achieve a thriving economy.

"Concord" believes that the task of education policy is to offer people in Latvia knowledge and skills required by the labour market, including necessary knowledge and language skills for work in private and public companies of Latvia. Education has to provide a person with skills for living in a changing world, the ability to learn and retrain in light of the fact that a person may change profession several times during the lifetime. Quality education is an essential condition for full-fledged and prosperous life.

The education system should focus on developing the abilities for independent critical thinking and social involvement of young people. Education should not be equated only to qualifications and learning of useful skills. Young people who perceive the world fatalistically and adapt to all enforced conditions cannot ensure development of the country. Democracy requires criticism and opposition. It needs young people's participation, especially when it comes to issues of the future.

There is a need to develop new educational technologies. Education should be based on the following values:

- The value of personality and independence. Education has to shape a personality able to make decisions and take responsibility for them. In order to take responsibility the ability to think systemically is needed, to be able to evaluate the actions and their consequences. Ability to work and learn

independently has to be developed. Educational process must allow for individual learning path to be designed and implemented.

- Co-operation and partnership. Education has to shape in young people the ability to cooperate, including setting of common goals and participation in collaborative activities, organization of communication and objective evaluation of different proposals, identifying problems and finding solutions.

- Mobility - education should shape the understanding in the students that there are different ideas and ways of thinking about the world and it is necessary to be able to use them for achieving the result. A student has to learn to move from one system of activity to another, which later will mean the ability to change professions, adapting to the technical and social development. Education should provide knowledge and skills in three types of activities – normatively organized activity, research and engineering design, entrepreneurship.

Quality of education in Latvia has to be ensured not only by huge dedication and enthusiasm of teachers and headmasters, but also on the basis of sound educational policy.

"Concord" believes that education has to be a priority for the state budget.

Education strategy should be planned according to the long-term national economic development plans and forecasted industry demand for specialists.

School network reform must be developed for a long term, ensuring improvement of the quality of education, flexible transition mechanism and substantial funding economy.

"Concord" advocates restructuring and improvement of vocational school network correspondingly to the actual labor market demand.

Education has to become the cornerstone for development of inclusive civil society and to ensure equality, respecting identity of every ethnic, religious or social group.

"Concord" believes that a harmoniously developed educational system from kindergarten to university and the education of youth in the spirit of mutual respect and tolerance will shape the future of a strong and prosperous state of Latvia.

## Pre-school education establishments

"Concord" believes that based on the demographic and regional development prospects, such a number of vacancies in the nurseries has to be created that all parents who wish to do so are able to use this service.

"Concord" advocates pre-school teacher salary reimbursement from the earmarked subsidies of the state budget, along with the salaries of teachers in schools.

"Concord" supports the promotion of Latvian language training in minority pre-school education establishments.

## General education

"Concord" believes that it is the duty of the state to ensure that all school-age children attend school.

"Concord" advocates shortening of the study process in mainstream schools to 11 years reviewing the program resource implementation effectiveness as well as the holiday calendar.

"Concord" advocates decentralization of general education system and alleviation of the bureaucratic burden on schools. School has to be responsible for the result. The State has to ensure high-level advisory and methodological assistance to schools in developing, adoption and assessment of their education programs. Regular monitoring of the quality of education at the national level has to be ensured.

State has to provide all schools with textbooks and materials.

To ensure decent wages for teachers and motivate teachers to work creatively, differentiated remuneration has to be established according to the profession classifier and the category assigned to the teacher.

"Concord" advocates coordinated preparation of curriculum standards and guidelines, as well as experimental approbation of all types, kinds and levels of

education establishments. Development and implementation of individual education programs for general educational establishments has to be promoted, subject to specific objectives, tasks and traditions of each school.

All schools have to be provided with sports organizers with particular emphasis on work with students from social risk groups and students with special needs, as well as for the promotion of the importance of sport in ensuring of a healthy lifestyle.

"Concord" believes that all children with special needs should be granted learning environment suitable for their abilities from preschool to mastering of a profession.

Strengthening of the safety of children in educational establishments has to be continued, including the installation of surveillance cameras, ensuring police guarding, strengthening traffic security measures near the education establishments (road signs, traffic light and speed ramp installation, as well as the presence of persons on duty before and after the lessons at hazardous road junctions). Collaboration with non-governmental organizations of parents has to be supported in obtaining community involvement for creating safe environment.

#### Primary school

"Concord" advocates restructuring of the primary school network, subject to local and regional trends. Expediency of location of the primary schools in the facilities allocated to them has to be revised. By developing of an appropriate cultural environment, preconditions have to be developed for the preservation of small rural schools for children to learn close to their homes.

"Concord" supports consistent renewal of Latgalian education in Latgale.

"Concord" believes that the lack of pre-school educational establishments should not be resolved with the help of artificial projects inappropriate to the psychology of children, namely, compulsory attendance of school grade one from the age of six. It is possible to relieve preschools from children aged five and six by transferring their groups to schools which are not filled under the conditions of a demographic crisis.

"Concord" advocates granting the extension of the free lunch program also to the pupils of grade two through four.

#### Basic education

"Concord" believes that special attention should be paid to children with learning disabilities, encouraging their vocational learning opportunities already at the primary school.

As early as the stage of elementary school major concern has to be devoted to ethical upbringing of young people, formation of family values and civic consciousness.

"Concord" advocates that state and local governments seek opportunities to ensure public transportation free of charge to all primary school pupils and gradually provide pupils of primary schools with free lunch.

#### Secondary education

"Concord" advocates universal compulsory free secondary education.

A strong network of gymnasiums with pro-gymnasium classes has to be established, offering a wide range of programs according to the interests of the pupils in preparation for the studies at the respective universities.

"Concord" believes that opportunities to obtain secondary education should be ensured by secondary and specialized secondary educational institutions, envisaging options of advanced studies of subjects and courses in the selected field from the seventh form.

"Concord" advocates humane and democratic relations in schools. Pupils have to be actively involved in school self-government, ensuring their participation and personal shared liability. Opportunities for parents to participate in the choice of the program, teaching methods and materials have to be expanded.

## Use of languages in the educational system

"Concord" advocates more substantial rights for primary, secondary and higher educational establishments to offer programs in different languages, thus facilitating the export of education in different languages.

Schools that implement minority education programs effectively prepare children for life and work in Latvia. "Concord" advocates wider opportunities to use foreign languages and minority languages at all levels of education through the positive experience of bilingual education and balancing several tasks: ensuring efficient learning of the state language, preservation of ethnic identity of all citizens, education of tolerance, as well as acquisition of skills that are needed to live in contemporary open Europe. Ethnic minority students, provided there is a sufficient demand, have to be ensured an opportunity to study in general education study programmes in minority languages. Quality teaching of subjects in minority languages has to be provided, ensuring state budget funded teacher training .

"Concord" advocates the right of schools in close cooperation with the parents to choose the language of learning for specific subjects, as well as free choice of language at the examinations and student competitions.

Minority communities must have an opportunity to be actively involved in funding of minority schools and development of programmes.

## Vocational education

"Concord" believes that special attention is required for the development of vocational education, as it is closely related to the development of market economy and therefore a substantial change in society as a whole, with the increase in competitiveness, employment and living standards.

"Concord" advocates development of modern vocational education, corresponding to technological requirements so that every young person could have professional training necessary for practical working life.

Vocational education system should be uniform and continuous from the basic to the highest level, as well as provide continuing education and retraining

opportunities for lifelong learning. "Concord" is against privatization and commercialization of vocational schools.

The development models of both general, vocational and higher education institutions have to be planned based on labor market research and forecast results. Vocational school network has to be restructured and improved according to the actual labour market demand. Entrepreneurs must be motivated to engage in development of vocational training structures in line with the needs of industry. Vocational education system has to be flexible in order to be able to change along with the labour market.

"Concord" believes that in cooperation with the general educational institutions correction class network has to be organized, enabling the students of those classes to gain professional skills.

#### Higher education

Access to higher education for all regardless of social status in society has to be guaranteed. Taking into account the topicality of the study program, a flexible approach is needed to repayment of student loans.

"Concord" supports retaining and expanding of state funding for obtaining higher education. Budget funding is to be granted to students working in sectors where the country lacks professionals.

Benefits have to be envisaged for children without parental care, as well as for young people who have grown up in families of at least three children and who have successfully passed university entrance exams to qualify for vacancies subsidized by the state or tuition discounts.

The state has to motivate companies that provide support to funding of studies and provide higher education establishments with apprenticeship vacancies.

"Concord" advocates amending the legislation in order to extend higher education opportunities to attract foreign students in commercial programmes, including the opportunity to choose the language of instruction.



## Adult Education

"Concord" believes that continuing education, uniform and appropriate to quality requirements, building of adult education system which provides opportunities for life-long learning is a prerequisite for the democratic development. Adult education should ensure an opportunity to acquire new knowledge, new skills, to improve mutual communication, to develop personality.

Adult education must provide professional development in accordance with the actual labour market requirements, as well as flexible and high-quality opportunities for retraining.

In order to provide opportunities for people to continue education and upgrade their qualifications at any time, benefit and loan system that actually allows the unemployed and underprivileged to obtain any level of education has to be created. "Concord" believes that education should be accessible to all throughout their lives.

The unemployed have to be provided training according to the labour market demand in retraining centers.

Adult education should be related to the socio-economic development needs. Adult education should be provided throughout Latvia, especially in rural areas. Activities of regional adult education centers have to be supported, ensuring the flow of information on adult education, so that all people have access to information about opportunities to learn.

## Hobby education

"Concord" believes that private educational establishments cannot replace the state education system, but may supplement it by offering a wider range of education opportunities. Therefore "Concord" supports development of private education establishments from primary schools to universities. The task of the state is to ensure quality control of the education offered, as well as fair competition between state, local government and private institutions, oriented towards promotion of quality and availability.

## Science

"Concord" considers it necessary to ensure a gradual increase in government funding for science, until the total state budget funding for science amounts to 3% of the GDP.

"Concord" supports inclusion of science and hi-tech development as a priority into the national development programme, ensuring development of Latvia as a knowledge-based society.

"Concord" advocates alignment of science with development of entrepreneurship, creating a favourable environment for innovations. In the distribution of EU funds innovation has to be differentiated from other business projects.

"Concord" advocates stimulation of the participation of entrepreneurs in research funding.

Working time has to be registered in accordance with the specificity of scientific activities.

Bureaucratic workload in respect to applications for EU and national funding of science, as well as for reporting has to be radically reduced shifting the evaluation criteria from formal (money spent, time spent at work) to the substantive ones (the obtained results), especially emphasizing the practical application of the research work.

## Cultural policy

"Concord" believes that it is the duty of the state to take care of the preservation and registration of all cultural, historical and environmental heritage by providing funds for its maintenance. Repair and reconstruction of the existing museums, libraries, theatres and other public cultural institutions are to be considered a priority in attracting EU funding, compared to new ambitious construction projects for cultural objects.

"Concord" advocates adoption of legislation that clearly defines the status of artists and determines their social guarantees.

State support has to be ensured for retaining of the music and art school network and young talents have to be supported by special state grants that provide opportunities for their professional development.

"Concord" supports assigning of sufficient government funding to the outstanding Latvian cultural treasure – the Song and Dance Festival, at the same time making the festival programme more democratic and enabling a larger number of choirs and also attendees to participate in the festival.

The tradition of support for Awards in the areas of culture has to be continued and their prestige in society has to be promoted, ensuring that the nomination criteria are transparent and clear.

"Concord" advocates state aid for modern national film industry development, prioritizing the educational and documentary films.

"Concord" advocates state support to the development of cultures of the ethnic groups living in Latvia, establishing clear and transparent criteria for the allocation of funding to minority NGOs and local governments.

"Concord" believes that special support has to be envisaged for the preservation of cultural links of the new generation of Latvian emigrants with their homeland. Latvian Emigration Culture Centre has to be established, in which both the western and the eastern and the "old" and the "new" emigration culture and history would be represented.

## Foreign policy

"Concord" considers the fundamental goals of the foreign policy of Latvia to be ensuring independence of the country, peace, international security and cooperation, as well as improving the well-being of the residents of Latvia. The task of foreign policy is to promote lobbying for national business, attraction of investments, increase of exports, introducing of innovation, expansion of transit and logistics.

Latvia has to be a trustworthy partner, one that can be relied on. At the same time own strategy has to be implemented, based on clearly defined and formulated national interests and ensuring national development and security.

"Concord" advocates exercising of optimal bilateral and multilateral strategies, taking into account all the possibilities offered by membership of Latvia in international organizations. The main landmark of the security policy is effective multilateralism, rather than bilateral relations.

"Concord" is against the participation of Latvian soldiers in military operations outside Latvia.

## The European Union

"Concord" believes that EU membership constitutes a significant prerequisite for developing of a fair and socially responsible society in Latvia, an important instrument to ensure equal opportunities for all to enjoy the fruits of freedom and economic development, to help the weakest.

Full use of every opportunity to influence the development of the EU and adoption of decisions that determine the development strategy in line with our vision for the future of the EU has to be exercised.

"Concord" believes that the basic idea of the EU, i.e. the solidarity of the countries of Europe, equalization of the levels of economic development and social protection, harmonization of legal norms to enhance competitiveness of Europe in the globalised world, has to be retained and developed.

"Concord" supports united Europe as a union of countries, based on recognition and support of cultural diversity of individuals, nations, languages and cultures. "Concord" supports Europe that is "united in diversity".

"Concord" supports a more profound European integration, while consistently implementing the principle of subsidiarity, thus approaching the model of *confederalisation*. It is particularly important to establish a mechanism to prevent situations where domestic problems of individual member states can undermine adoption of decisions vitally important to the entire EU. After the enlargement of the EU the strategy of "Europe of different speeds" became inevitable. Consequently, "Concord" supports further enlargement of the EU, provided that the candidate countries meet all the accession criteria and fully comply with all obligations, thus increasing the economic and demographic potential of unified Europe.

Conscious of the need to develop the social model of Europe, to adapt it to the realities of globalization, "Concord" advocates strengthening of the social dimension of the EU and developing of stricter EU legislation in the social field:

- with regard to minimum wage, pension and benefit amounts, which may not be lower than the subsistence level,
- with regard to health care accessibility and quality,
- with regard to housing policy standards.

"Concord" advocates strengthening of the EU requirements for reducing administrative burden on the businesses, especially small and medium-size enterprises, first and foremost in the field of tax administration.

"Concord" supports development of the EU employment pact.

"Concord" advocates tighter financial market regulation on the level of the EU to ensure the interests and rights of small and medium-size businesses, as well as borrowers.

"Concord" advocates the reform of the EU Common Agricultural Policy which takes into account the global trends in food production and ensure increase in agricultural volumes, development of ecologically friendly technology and equitable distribution of subsidies and other payments.

At the same time the task of foreign policy is to ensure that Latvia fully utilizes the opportunities currently offered by the EU.

In this area, the main purpose is to avoid protectionism of the big countries of the EU, to ensure to Latvian businessmen equal access to the EU funds and to farmers – equal area payments and subsidies.

Relations with third countries

"Concord" advocates establishing constructive and mutually beneficial relations with Russia and the CIS countries, making use of the advantages of our geographical location, as well as practical experience.

In relations with Russia 'deideologisation' of these relations is necessary. These relations have to be based on consistent pragmatism. Disagreement in the

interpretation of some significant historical events is inevitable in the near future, in this situation the best solution is to accept these differences and not to try to impose own truth, expecting similar attitude on the part of the neighboring country. It is important to ensure that these differences do not hinder constructive cooperation in the areas of economics, culture, tourism, combating crime and others.

"Concord" considers it unacceptable that the foreign policy becomes a hostage of the domestic policy and serves the narrow interests of individual parties to the detriment of national interests.

"Concord" advocates active cooperation development strategy with China, India, the countries of Central Asia, the strengthening of the diplomatic representation of Latvia in these regions. Closer links have to be developed between our diplomats and businessmen, increasing the access of the business of Latvia to information about possible cooperation.

#### Development policy

"Concord" considers that creating of reasonable and pragmatic cooperation with third countries does not in any way mean abandoning consistent protection of the human rights and democratic principles.

"Concord" considers human rights and promotion of the eradication of all forms of discrimination in Europe and in the world to be an important foreign policy task.

"Concord" advocates efficient, coordinated and viable human rights strategy, exercised in the context of development policy.

"Concord" advocates expanding participation of Latvia in the EU development policy, not only utilizing funding for this purpose, but first and foremost our expertise and experience. Review of regulations on the EU development policy has to be achieved, providing more opportunities for investments of non-financial nature.

"Concord" advocates a more active involvement of Latvian NGOs in the implementation of EU development policy, ensuring information and capacity building.

#### Consular activities

"Concord" considers that consular activities are not only the daily routine of foreign policy departments, their quality determines to a large extent the development of tourism and the image of the country.

"Concord" advocates expanding opportunities to receive visas by foreigners and improving the quality of the service.

"Concord" believes that the consular authorities have to play an important role in liaison with the Latvian citizens living abroad to maintain their links with Latvia and the opportunity of returning home.