



Summary prepared by Ojars Kalnins, Director of the Latvian Institute

**PRESIDENT ZATLERS 'STATE OF THE COUNTRY' ADDRESS
EXPLAINS WHAT HAS CHANGED AND WHAT STILL NEEDS TO BE
DONE – LATVIA'S ROAD TO RECOVERY**

In January 2009, Latvian President Valdis Zatlers indicated his readiness to call for new parliamentary elections if certain tasks were not immediately undertaken by the Parliament and government to resolve economic and political problems in the country. In his March 31 address to the Latvian people, President Zatlers reaffirmed his confidence in the Parliament by summarizing the changes that had taken place in the last three months.

- 1) **A new government was approved on March 12, with the support of two-thirds of the MP's.** The new government represents a broader coalition of political parties, including former opposition MP's. The new government enjoys a higher level of public trust and is in a stronger position to undertake unpopular, but necessary decisions.
- 2) **The Parliament has enacted changes in the election law and passed anti-Mafia amendments to the law on criminal procedure.** Both changes were requested by many non-governmental organizations and have broad public support.
- 3) **The Parliament has chosen a new director for the Corruption Prevention and Combating Bureau.** The Bureau (KNAB) had been without a director since June 29, 2008 and had been the subject of public demonstrations in support of the Bureau and its activities.
- 4) **An economic stimulus plan has been approved and reforms to the system of national governance have begun.** Salary ceilings have been set for managers of state and local government companies and the politicization of state-owned companies has been reduced.
- 5) **The parliamentary commission responsible for the political supervision of international loans has been expanded and strengthened.** It includes independent financial experts, representatives of the National Audit Office, the Central Bank and non-governmental organizations.
- 6) **The Parliament has confirmed that amendments to the constitution will receive final approval on April 8.** Over 608,000 voters had called for these changes in a public referendum in 2008. The amendments will make it easier for voters to call for new elections in mid-term.

In his address, President Zatlers listed additional tasks that still needed to be completed.

- 1) **The Parliament must approve amendments to this year's budget which are in line with the agreement that has been reached with the International Monetary Fund.**

2) **The Government must do more to help Latvia's companies.** Prepayment of taxes and advance payments must be repealed, and bureaucratic obstacles against the use of EU funds must be eliminated.

3) **The government must approve an all-encompassing minimal programme of social protections.** Special attention must be devoted to social guarantees for the unemployed.

4) **More work must be done to transform Latvia's political environment.** This includes a transformation of the election system, limits on political advertisements and stronger campaign financing regulations.

In the conclusion of his remarks, President Zatlers called upon the business community, experts and various groups in society to take an active part in a public forum, and to make specific proposals on the further development of the country.

For additional information please visit the web-page of the Chancery of the President of Latvia: www.president.lv

THE LATVIAN INSTITUTE

The Latvian Institute (Latvijas institūts) was established by the Latvian state to provide a wide range of information about Latvia, its society, culture and history.

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