



## REFORM OF STATE ADMINISTRATION SYSTEM

**On July 14, the Cabinet of Ministers has taken a decision to reduce jobs in the central administrations of line ministries by 30% in comparison with July 1, 2008, and to decrease the number of state agencies by app. 50% in comparison with January 1, 2009. The decision is in agreement with the position of social partners that was reached during negotiations on the 2009 state budget amendments.**

The line ministries estimated that by 1 January 2010, as the result of reforms, the number of employees in their central administrations would decrease by 30.37%, which means that the overall number of jobs (amata vietu skaits) would go down from 4232 to 2987, i.e. by 1245 positions. These cuts also highlight qualitative changes achieved in the ministries by concentrating support functions and tasks. By now the most substantial progress has been reached in the areas of human resource management, the concentration of internal audit and accounting structures, in streamlining the use of different IT platforms, and reducing ineffective and overlapping operations.

Structural reforms permit the ministries to monitor their subordinated institutions in a more visible and centralised manner, to set up a unified personnel policy, to ensure a transparent and clear financial management framework, and supervision of quality assurance.

After reforming the state administration systems, the number of employees as from 1 January 2010 will be smaller or equivalent to that in central administrations of Estonia and Lithuania.

In addition, the State Chancellery and the Ministry of Finance have in mind further restructuring and staff cuts in the line ministries. At this point, it is allowed to raise the number of employees only in cases when a ministry centralizes or takes over the functions of subordinated institutions.

As of 1 January 2009, there were 73 state agencies, including 17 museums, 7 sport schools, 3 libraries, 1 hospital and 1 botanical garden. Following a dialogue with the line ministries, until 1 January 2010 the number of state agencies will be trimmed down by 47% - they will be reorganized or their status changed by creating direct administration institutions or state limited liability companies.

The downsizing of state agencies does not cover an optimisation plan for the management system of the European Union funds: an appropriate model is still being debated under the auspices of the Ministry of Finance.

Moreover, Prime Minister Dombrovskis has created a Reform Management Group whose aim is to analyze the 924 state administration functions identified by line ministries and thus help with composing the state budget for 2010.

### 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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