Spatial structure

Latvia is 64,000 km² in size, with 2.25 million residents. Of these, 69% reside in cities. This level of urbanisation has stabilised over the last few decades, despite fundamental changes in population numbers and growth rate structures. Latvia's network of cities has served as the framework for the settlement pattern of the nation. Latvia's cities are fairly evenly distributed; there are 1.2 cities per 1,000 km² of territory. The average distance among the country's 77 cities is twenty-six kilometres.

Latvia is administratively divided into 5 regions and 118 local municipalities. 9 national cities have their own municipal administrations: Rīga (the capital of Latvia), Liepāja, Daugavpils, Jelgava, Rēzekne, Ventspils, Jūrmala, Jēkabpils and Valmiera. Sixty eight of Latvia's urban centres (cities and towns) are municipal centres and house the administrative authorities for their respective surrounding rural areas. Seventeen cities sustain role of a development centres of regional level.

Rīga, the capital city, is in the geographic centre of the country; its metropolitan area includes such urban centres as Jūrmala, Jelgava, Ogre, Salaspils, Sigulda, and Olaine. Several other - larger cities are located more than two hundred kilometres from Riga: Daugavpils, on the shores of the Daugava River, not far from Lithuania, Belarus and Russia, is in Eastern Latvia; Rēzekne, which is the site for major road and railroad nodes (Riga-Moscow, St. Petersburg-Warsaw) that link Latvia and Russia, is a little closer to Riga in the Latgale - same region as Daugavpils. The largest cities in Western Latvia are on the shores of the Baltic Sea: Liepāja is in the south-western part of the country, not far from the Lithuanian frontier; Ventspils is in the north-western part of Latvia, at the mouth of the Venta River. In the centre of the country, other significant towns are Valmiera in the North and Jēkabpils further down the Daugava River from Riga.

Main characteristics of urban system

There are a few specific considerations when it comes to the settlement pattern in Latvia:
• the metropolitan area of Riga is home to nearly one-half of the country's residents, a truly excessive population concentration;
• the second-largest city, Daugavpils, is seven times smaller in population than Riga;
• seventeen regional level development centres are different in size between 8,000 and 80,000 inhabitants.
• a large number of small towns (fifty-nine) have fewer than 10,000 inhabitants.

Latvia has a monocentric urban system, with the capital city of Riga dominant in the structure. Around the city there is a large metropolitan area, with some one million residents in the core area and 1.2 million people in the entire metropolitan area. This means that nearly one-half of the country’s population is concentrated in approximately 15% of its territory. Riga is a category apart when it comes to cities. It is not only the largest city in the Baltic States, but also an important European-level metropolis of the Baltic Sea Region. It has a wide range of economic, cultural, political, administrative, educational, scientific, and research functions to perform; it also provides many services, including some that are highly specialised.

The next group of cities is up of those that have between 50,000 and 120,000 residents: Daugavpils, Jelgava, Jūrmala, and Liepāja. The rank-size distribution of cities shows that there are great differences between Riga and the next two largest cities—Daugavpils and Liepāja. They have between seven and eight times fewer residents than the capital city. This uneven distribution has developed over the course of history, and it was exacerbated by excessive industrial development in and around Riga in the post-war period. There are even lesser populations in Jūrmala, which is located only twenty-four kilometres from Riga, and Jelgava, which is at a distance of forty kilometres from the capital city. The urban region of Jelgava is home to more than 90,000 residents, but the region partly overlaps with the Riga metropolitan area.
A separate group of cities and towns is made up of those with between 10,000 and 50,000 residents. There are eighteen such urban areas in Latvia, and they can be divided up into several sub-groups:

- Those with between 30,000 and 50,000 residents—the largest of these are Ventspils and Rēzekne, each of which has more than 40,000 residents; Ventspils’ urban region is home to some 50,000 people, and Rēzekne’s urban region has nearly the same number;
- Those with between 20,000 and 30,000 residents—the largest are Valmiera and Jēkabpils, which both have approximately the same number of residents (39,000) in their urban regions;
- Those with between 10,000 and 20,000 residents—the largest are Salaspils, Tukums, and Cēsis; most of the cities in this group are also regional centres.

The largest group of urban centres is those that had fewer than 10,000 residents in 2010. Some of the towns are local service centres for rural territories; their main functions are to provide cultural, educational, and health care services. This is typical for Latvia’s urban system. The towns in this category usually don’t have more than 5,000 residents, and the forty towns are home to 6,5% of all urban residents in Latvia. The cities are scattered all across the nation, particularly in Northern Latvia, in the Liepāja district, and around the Daugava River.

Urban population changes

The structure of population increase has changed since 1989, which is mostly explained by growth based on migration from other republics of the USSR until 1989; only approximately one-third of the population increase was caused by natural growth. The other tendency that took place after 1991 was depopulation.

Between 1990 and 2000 the population of Latvia’s cities declined by 175,000 people, or an average of 1.1% per year. The pace of population reduction, however, has declined on a yearly basis. In 90ies 72% of the population reduction in Latvia’s cities was due to internal migration. International migration cost Latvia’s cities 118,000 people between 1990 and 2000. Riga accounted for more than 50% of the international migration losses. Between 2000 and 2010 mainly because of negative natural growth index the population of Latvia’s cities declined by 70,000 people.

Along with major changes in the volume of international migration, there have also been important changes in the volume and direction of internal migration in Latvia. The total volume of internal migration has declined considerably from a high in 1990. In subsequent years the volume of internal migration has stabilized at approximately 40,000 people per year.

Earlier migration to cities has been replaced by a flow to the countryside at the beginning of 1990ies and since 2001, particularly for proximate suburban areas. The percentage of total internal migration of city-to-city flow has not changed much over time at some 20-30%, but the city-to-countryside and countryside-to-countryside percentages of the total have declined slightly, with the countryside-to-city flow increasing by 5% of total volume.

Despite the fact that its population has declined since 1990s, cities remains a centres of intensive economic activity. Dynamic changes in the structure of economy and a positive migration balance indices rapid economic growth. Availability of a wide range of jobs and the development of new and dynamic sectors of the economy create a growing demand for qualified workers, and this served and in future could influence to increase migration flows.

The main characteristics of major activities within the urban system

There have been deep structural changes in Latvia’s economic life in the 1990s and rapid development in the last decade. There have been important changes in the structure of the GDP; the service sector has emerged as the leading sector. Latvia’s leading export partners are the countries of the European Union. Economic development, however, has not affected all of Latvia equally. The most rapid growth rates have been found in the region of the capital city (Riga and the Riga metropolitan area have attracted nearly 60% of foreign investment), as well as in those parts of the country that have traditionally been associated with export-oriented sectors and transit services. The lead example of this type is Ventspils.

Latvia’s cities—especially the largest cities—have developed polyfunctional economic structures. After World War II, the Soviet Union built factories in these cities, and their economic contacts were closely linked to Soviet raw material and sales markets. At the same time, there was also development of sectors that were based on local raw materials and on the processing of agricultural and fishery products. The Soviet system set up new towns that were specialised in specific directions in the context of centralised planning. For example, the town of Olaine, which is not far from Riga, was the site of several major chemical factories, while the town of Aizkraukle was built up around a hydroelectric plant. Vangaži was a monofunctional town, centred on a factory that produced construction materials. Other towns of this nature included Brocēni (construction materials), Seda (peat moss extraction), and Ligatne (paper production).

Latvia has long-standing traditions in manufacturing—especially in the production of machinery and electronic equipment. All of the country’s major cities had factories that worked in these areas. The process was, however, distinctly concentrated in Riga; companies in the capital city produce approximately 55% of the country’s industrial output. On the other hand, output volumes have plummeted because many companies were forced to shift to other sales markets when the Soviet market disappeared; some were even closed down. There are major machinery and metal processing companies in Daugavpils, Rēzekne, Valmiera, and Jelgava. The company “Liepājas Metalurgs” deals with the secondary smelting of ferrous metals.

The chemicals industry has always been strong in Latvia. Today Olaine is centred on pharmaceuticals and plastics, a factory in Valmiera produces glass fibre and related products, and there is a synthetic fibres factory in Daugavpils. Major factories in this area are also located in Riga.

A variety of light industries have been developed in
many cities, especially Rīga, Ogre, and Liepāja. Wood processing and the furniture industry have been among the most dynamic sectors, with a distinct export orientation. Enterprises have been established at centres of various levels. In many small towns they are the leading industrial employers.

There are also some cities that have important food processing industries. There are major factories such as the Rēzekne Dairy, the Valmiera Dairy, the Preiļi Cheese Factory, etc., exporting much of their product. There are also, however, small companies that sell their goods on the local market. The fishing industry is well-developed along Latvia’s shores; Salacgriva is a distinct centre for this process.

One of the most developed areas of the Latvian economy is the transport and communications sector, which in 2007 accounted for 10.2% of the total value added. Latvia also has a well-developed port system. Along with the large ports at Ventspils, Rīga, and Liepāja, there are also seven smaller ports that have been developing over the last decade. Ventspils is the largest port on the eastern shore of the Baltic Sea, with a cargo turnover of 15 million tons in year 2009. The port is specialised in the transportation of oil products, mineral fertilisers, and chemicals. There is a free port at Ventspils, which was set up to promote Latvia’s participation in international trade, to attract foreign investment, to develop services, and to create new jobs. There are three other important transportation nodes that have been granted the status of special economic zones—the Riga Free Trade Port, the Liepāja Special Economic Zone, and the Rēzekne Special Economic Zone. One of the most important missions for free zones is to improve infrastructures and the surrounding environment so as to attract new investments, set up new enterprises, and create new jobs.

Along with cargo and passenger transportation, some ports are also developing as centres for boating and yachting. This is true in Jūrmala, Liepāja, Salacgriva, and Pāvilosta in particular.

### Transport hubs of international importance

<table>
<thead>
<tr>
<th>Hubs</th>
<th>Passengers</th>
<th>Cargo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>Riga, Liepāja, Ventspils* Daugavpils*</td>
<td>Riga, Liepāja*</td>
</tr>
<tr>
<td>Railway</td>
<td>Riga, Daugavpils, Rēzekne Jelgava, Valmiera, Jēkabpils</td>
<td>Riga, Daugavpils, Rēzekne Jelgava, Liepāja, Valmiera, Ventspils, Jēkabpils</td>
</tr>
<tr>
<td>Road</td>
<td>Riga, Daugavpils, Rēzekne Jelgava, Valmiera</td>
<td>Riga, Daugavpils, Rēzekne Jelgava, Liepāja, Valmiera, Ventspils</td>
</tr>
<tr>
<td>Sea</td>
<td>Riga, Liepāja</td>
<td>Ventspils, Rīga, Liepāja, Salacgriva</td>
</tr>
</tbody>
</table>

*International activities are planned

Other areas of the service sector have been developing very rapidly, and they do represent a growing share in Latvia’s employment structure. Some of these areas of operations are still distinctly concentrated in larger cities—the financial sector is one example of this. Rīga is home to most of Latvia’s banks and insurance companies, although a large number of these also have networks of affiliates outside of the capital city.

The education and research sector is also still concentrated in Rīga. There are institutions of higher education also in Liepāja, Jelgava, and Daugavpils, new regional universities in Valmiera, Rēzekne, and Ventspils.

Jūrmala, which has historically been known as a spa area, plays a specific role in Latvia. Jūrmala is emerging as a site for local and international conferences—events which otherwise tend to be held in the neighbouring Rīga. Sigulda is another important tourism centre, while Rīga’s residents often relax in the nearby resort town of Saulkrasti.

### Cities as economic and gateway centres

Integration into global markets has led to the rapid development of companies that are involved in the information technologies sector of the economy. New communications technologies are enabling companies and institutions to join the global process of information circulation and various international projects.

These are changes that have occurred in employment structures and in the functional structures of cities. The role of traditional industry has declined, and new sectors have emerged—sectors that are related to information technologies and high-tech industry. Urban development are increasingly promoting international contacts through what are known as “gateway” functions—development of major transportation networks and ports and improving access to them. The physical development strategy of the city of Rīga involves further construction of the local port and ring roads around the city. Rēzekne is setting up a modern freight-reloading centre. Riga, Ventspils and Liepāja are rapidly developing their ports, and airports. Considerable importance have been attached to the development of business and convention centres and related infrastructures, as well as to the construction of hotels (also important in promoting tourism). One very important development direction is the improvement of the countrywide environmental, transportation, and communications infrastructures, also expanding accessibility to these infrastructures.

### Cities as cultural and education centres

Latvia’s cities have a great deal of cultural and historical heritage, and one of the ways in which a city’s potential can be developed is to maintain and make use of this heritage. Latvia has thirty-eight national urban reserves that must be protected, and the historic centre of Rīga is on the UNESCO cultural heritage list. Most of the country’s professional cultural institutions are located in Rīga—the Latvian National Opera, for example. There are, however, also professional artistic troupes in Liepāja, Daugavpils, and Valmiera.

Of key importance is the organisation of traditional and new cultural events in various cities. Rīga will be Europe’s cultural capital in 2014. Latgalian music festivals are held in Daugavpils and Rēzekne; Sigulda is the site of an annual opera festival; every year there is an ancient music festival in Bauska, and rock festivals in Liepāja, Valmiera, and Madona. Once every five years there is a national song festival, and there are various other festivals of traditional art, folklore, and music. Many of Latvia’s small towns also hold local festivals.

Latvia’s wealth of cultural heritage is one of the resources that have a key effect on tourism development. Many local governments, including those in Latvia’s largest cities, participate in various tourism projects at different levels. Ventspils and Liepāja have integrated city tourism strategy; Valmiera co-operates with many regions in Estonia, Scandinavia and Germany, Jēkabpils is partnered with Lithuania, and Rēzekne with Norway, Russia and Belarussia.

The establishment of cultural and athletic facilities outside of Rīga is something that the local governments of larger cities can do to provide residents with athletic and cultural events and to promote various activities in
Regional policy and changes in the urban system

After joining the European Union, one of the main regional policy goals is to create circumstances under which favourable and equal environmental, residential, and employment conditions can emerge in all of Latvia’s regions, seeking to reduce and prevent unfavourable regional differences. In order to reduce these differences, Latvia must establish strong structures in the country’s various regions by promoting the development of a balanced and polycentric urban system, developing mutual cooperation among the various centres (i.e., city networking), diversification of city functions, improvement of urban human environments and the quality of life of urban residents, especially in large residential areas, strengthening international and local co-operation, promotion of innovation, improvement of the investment environment, and increasing the competitiveness of cities. In the context of regional policy it is important to gain understanding that the cultural heritage and the natural environment are key conditions for a city to be attractive, allowing it to develop tourism. Policy envisages development of several strategically important cities: Ventspils—development from an export port into a polyfunctional centre of regional significance, Liepāja—rebirth of its port and development new modern industries to present new opportunities for this city on the shores of the Baltic Sea, Daugavpils, Jēkabpils, and Rēzekne—development nuclei and growth centres for the structurally weak region of Latgale, and an emerging city network. An important development factor is recognised the possibility of regional educational centres to allow for the emergence of regional technology and research centres, which will promote the more thorough use of local resources and the competitiveness of these centres (Valmiera, Rēzekne, and Jelgava). Special and key role in regional policy is assigned for Riga, which needs to continue development of metropolitan region in order to make full use of its potential in the near future and strengthen the position of Riga—a competitive and innovative capital city region at the European level with a high quality of life.

Cities in foreign and domestic partnerships and a case of Hanseatic cooperation

A new factor in the development of Latvia’s cities has been the emergence of their marketing efforts to develop the image of cities and their regions, as well as initiatives at various levels: exhibitions, steps taken to promote regional businesses, Valmiera’s etc. Latvian cities have found partner cities in Sweden, Norway, Denmark, Finland, Germany, and other countries. Development and planning projects have involved cooperation among various cities. Participation in the new league of Hanseatic cities is a good example.

Hansa is a medieval phenomenon that has left its mark in all countries of the Baltic Sea Region up to present days. Hanseatic unions brought together cities and merchants since the 13th century when German cities of Hamburg and Lübeck concluded agreement on terms of trading on the Baltic Sea and the North Sea. Such agreement lasted from the 13th to the 17th century. From the 13th century to the mid-15th century, the Hanseatic League dominated most of international trading in Northern Europe. During the flourishing times the Hanseatic League comprised 200 towns. These towns were located in the area from the Netherlands to Estonia and from Sweden to a line from Cologne to Erfurt and on to Cracow. The Hanseatic League’s influence stretched far beyond these boundaries, and it maintained large depots and smaller trading posts from Portugal to Russia and from Scandinavia to Italy. Merchants of the Hanseatic League used not only sea waterways, but also major Latvia’s rivers served as waterways for transportation of goods. Latvia’s towns of Riga, Cesis, Valmiera, Straupe, Koknese, Limbazi, Kuldiga and Ventspils participated in the Haseatic League. City of Riga, which was established in 1201, became among one of most influential members of the Hanseatic League (since 1282) in the Baltic Sea Region along with Lübeck and Gdansk. This was determined by dominance of Riga in international trade, at that time referred to as „far away“ trade. Since the 13th century Riga became a significant mediator in East-West trade. Its connections reached out from the Netherlands to far beyond Polock and Novgorod on the east (Feudal Riga, 1978).

The Hanseatic League played important role in the development of trade, economy also urban and life in the Baltic Sea region. Nowadays many cities are using valuable Hanseatic heritage and spirit to attract businesses and visitors. Latvian Hanseatic cities nowadays participate in “New Hansa”. This is voluntary association of towns and cities, which currently has 175 member towns and cities from 16 European countries. New Hansa cities in Latvia are Riga, Ventspils, Valmiera, Cesis, Kuldiga, Limbazi. Small historical centres Koknese and Straupe are members as well.

Main aim is to keep alive the Hanseatic spirit of a common way of life and culture in these towns and cities. Common activities should promote the self-awareness of the Hanseatic cities, and to develop cooperation between them. One of such activities is Hansaday, where every year a different Hanseatic city plays host, enabling members to exchange ideas and experience, make acquaintances and celebrate. Riga was host in 2001 and will be host in 2021 again. (See http://www.hanse.org/en).

Central Statistical Bureau of Latvia data have been used in the preparation of this study.

Ziga Krisjāne, Dr.geogr, professor

Pēteris Šķinķis, Dr.geogr, professor

Department of Human Geography
Faculty of Geography and Earth Sciences
University of Latvia