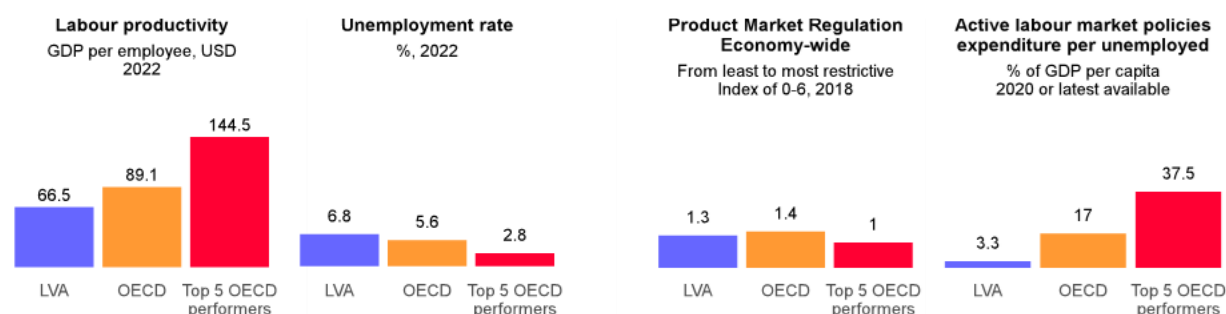




Performance gaps

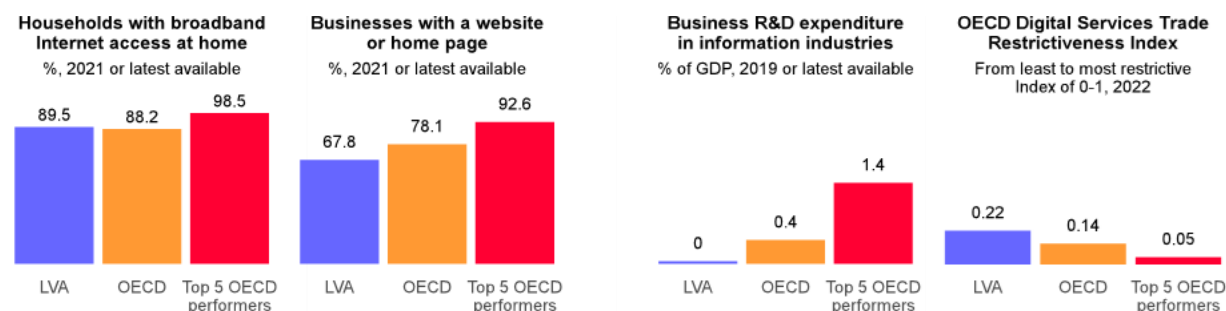
Product and labour markets functioning

- Constrained access to finance – along with its cost and collaterals demanded – is a serious barrier to business investment.
- Despite recent progress, the quality of road infrastructure is well below the EU average, hindering the economic integration of remote regions.
- Despite recent improvements in VAT collection, tax evasion, bribery and official corruption are longstanding problems that lead to an unlevelled playing field and hinder business dynamism.
- Deepen capital markets by improving financial literacy, simplifying corporate debt restructuring through out-of-court and hybrid procedures, and reducing market entry barriers for fintech firms.
- Increase transparency in public procurement processes and enforce the heavy penalties for tax evasion and bribery that existing legislation allows.
- Improve cost-benefit analysis and the selection process for new infrastructure projects.
- Strengthen business networks to support SMEs throughout their internationalisation process.



Digital transition

- The framework conditions for innovation are weak, with limited private-sector adoption of digital technologies, low-quality higher education institutions with few doctoral graduates, and very low R&D spending in relation to GDP, especially by the business sector.
- Accelerate government collaboration with training providers to support the skills needed for the adoption of digital technologies.
- Improve the financial incentives for business R&D after evaluating the impact of the 2018 corporate tax reform.
- Allow academic researchers a share in royalties earned from their research.
- A low level of basic digital skills is limiting the uptake of advanced digital technologies.

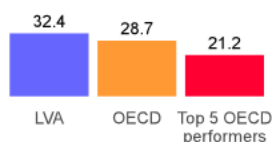


Inclusiveness, social protection, and ageing

- Labour shortages are mounting but long-term unemployment rates are high, particularly in specific regions. Only about half of the unemployed receive unemployment benefits.
- Pervasive business informality and underreported wages result in lost training opportunities, pension rights and tax revenues. The provision of employer-provided training is insufficient.
- Public health-care spending is low, leading to high out-of-pocket spending, low treatment quality and patient satisfaction, and low-life expectancy. Old-age poverty is high.
- Expand active labour market policies, focusing on vocational education and training and adult education, while providing unemployment benefits during training periods.
- Establish training funds based on tripartite social dialogue to improve employer-provided training.
- Boost government healthcare spending, widen public insurance coverage and reduce the cap on individual contributions.
- Review minimum income thresholds on a regular basis, and raise benefits for vulnerable groups, notably the elderly.

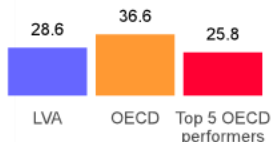
Mean poverty gap after taxes and transfers

Line at 60% of median disposable income
2021 or latest available



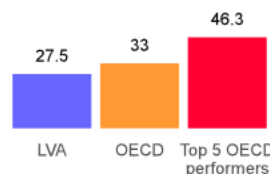
Impact of socioeconomic background in PISA reading score

%, 2018



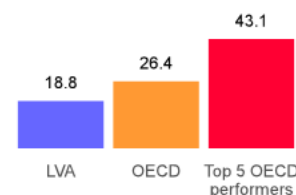
Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income
%, 2021 or latest available



Income levels provided by cash minimum-income benefits

% of median disposable income, 2021 or latest available

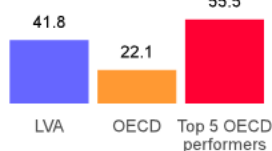


Climate transition

- Greenhouse gas emissions are lower than the OECD average but have not decreased since the 2000s. Most emissions are not covered by the European Union's Emissions Trading System (EU ETS) and the effective carbon tax rates are well below the estimated global cost of such emissions.
- Favourable tax treatment of natural gas and diesel for vehicle use lowers incentives for emission reductions.
- Gradually raise effective carbon tax rates in sectors not covered by the EU-ETS, phasing out fossil fuel subsidies and tax expenditures and redistributing revenues towards poorer households.
- Encourage greater use of renewables and continue integrating regional power and gas markets.

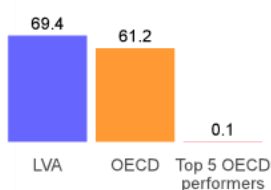
Share of renewables in the energy mix

%, Average over 2019-21 or latest available



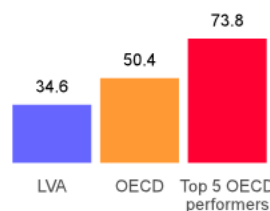
Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



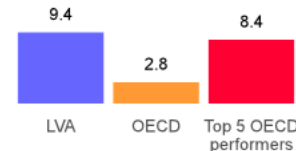
Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



Environmentally-related government R&D budget

% of total government R&D 2021 or latest available

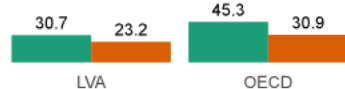


Overall performance

Economy

Thousands USD per capita
2022 or latest available

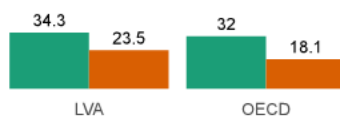
Gross Domestic Product
Household gross adjusted disposable income



Inequality and poverty

2021 or latest available

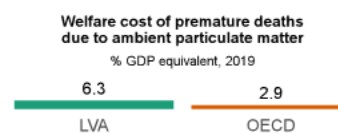
Gini coefficient after taxes and transfers (index of 0-100)
Poverty rate, line at 60% of median disposable income (%)



Environment and climate

1 unit of GDP, 2021

0.19 GHG emissions
0.24 (OECD)





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