Abstract. Public administration is a set of state institutions that mainly exercises the functions of the executive body (rather than legislative or judicial) in accordance with the law. Public administration includes the Cabinet of Ministers, institutions subordinate to the Cabinet of Ministers as well as other independent institutions. The aim of the research is to analyse the historical development of the Cabinet of Ministers and ministries, to emphasize the main stages of development of public administration, while highlighting the problems that existed both during the period of Latvia’s first independence as well as after the restoration of the state and seeking the best possible solutions for the further development of public administration. The study will use descriptive, dogmatic, historical, comparative and analytical research methods.

Keywords: security; development; public administration; Constitution, government; Cabinet of Ministers


JEL Codes: K1, K14, F52

1. Introduction

Different kinds of secure development of countries, financial sector, education, energy and other spheres were considered by different scientists in different times (Tvaronavičienė, Lankauskienė 2011; Makštutis et al. 2012; Dubauskas 2012; Hurbišová, Davidová 2016; Luzgina 2017; Monni et al. 2017; Al-Kahtani 2018; Kunitsyna et al. 2018; Kordík, Komarova et al. 2018; Kurilovská 2018; Limba, Šidlauskas 2018; Lietuvnikė et al. 2018; Tvaronavičienė, M. 2018a,b; Jankelová et al. 2018; Suleimenova et al. 2018; Petrenko et al. 2018). Consideration of the issues of safe development of the public sector was given little attention. This joint publication will appeal some issues in secure development of public and state administration area.

Public administration is a set of state institutions that, in accordance with the law, mainly exercises the functions of the executive body (rather than legislative or judicial). Public administration includes the Cabinet of Ministers, institutions subordinate to the Cabinet of Ministers as well as other independent institutions (Briede et al. 2016; Kuril 2018).

The term “state administration” was used in the process of drafting the law “The Concept of the Law on the State Administration Structure” (Levits, 2002) where its author states in the guidelines that Section 58 of The
Satversme of the Republic of Latvia (hereinafter – Satversme) mentions “state administration”. It meant that both direct and indirect administration (which in the 20’s and 30’s was, of course, within the subordination of the Cabinet (either directly subject or as a subordinate). A little later E. Levits (2005) writes that, irrespective of which public authority the relevant institution belongs to - both direct and indirect – state administration institutions must establish a united, mutually coherent system of government. In Anglo-Saxon countries the term public administration is most often used in the same sense. It should be mentioned that the discussion here is not about substance, but only about terminology. What others want to refer to as “public administration” is here, referring to the traditionally accepted terminology of the Satversme and most of the continental European countries, denoted as “state administration”. The institutional system of public administration is a set of state administration institutions. Here, the function of the concept of “institution” is to identify organizational structures in a state administration system. In our opinion, the term “public administration” is to be preserved: it is an institution that has a specially created structure with its own staff and set of competences for the management of public administration, (Načisčionis 2009). In addition, J. Načisčionis (2018) notes in the given wording – specially created, taking into account that the function of the state is to be performed first; the function of the state administration arises out of the functions of the state, which in the literature can be “named” as a task and hence the formation of the structure. Undoubtedly, the topical issue is the need for the formation of public administration institutions (public administration structures). In the authors’ opinion, a possible public administration institution should be modelled considering whether it is necessary to simultaneously create new institutions for the performance of public administration function(s), or whether the functions to be performed can be assigned to an already existing public administration institution by simply enhancing its competence. This is the path to a smaller number of public administration institutions. This is the path to more efficient public administration.

In this research, the term “public administration” will be used to indicate the range of institutions subject to the Law on the State Administration Structure, therefore it will not cover the institutions that mainly implement legislative functions (Saeima) and judicial decision-making functions (judicial authorities), as well as other state organs mentioned in the Satversme (State President, State Audit Office) (Briede et al. 2016).

The aim of the research is to analyse the historical development of the Cabinet of Ministers and ministries, to emphasize the main stages of development of public administration, while pointing out the problems that existed both during the period of Latvia’s first independence and after the restoration of the state and seeking the best possible solutions for the further development of public administration.

2. The formation and development of the Cabinet of Ministers and Ministries (1918–1934)

2.1. People’s Council

The Latvian nation got the opportunity to realize its right to self-determination in the wake of the defeat of Germany in the First World War. According to Article 12 of the Armistice of Compiègne signed in Germany on November 11, 1918, German troops remained in the eastern parts, hence also in the territory of Latvia, until the time governments would be formed that enjoyed the confidence of the local people and the Allies would acknowledge that the conditions for the withdrawal of the German troops were appropriate, taking into account the internal circumstances in these territories (Leber 2000).

On November 17, 1918, the People’s Council of Latvia (hereinafter – TP) was established and its political platform was adopted as a result of negotiations between the members of democratic political parties of Latvia, which took place from November 12 to November 17, 1918. In total, at the time of its establishment the TP consisted of 40 members, representing a wide spectrum of democratic political forces in Latvia. Later, in autumn 1919, the number of TP members reached 183. The TP was not an elected representative of the people, although many of its members were elected to various elected bodies in the period of democracy during the revolution of 1917. Therefore, the TP should be considered as a pre-parliamentary body - the interim legislature until the
democratic elections of the Latvian Parliament, which was impossible to organize in the autumn of 1918 and 1919 due to the German occupation and civil war. A TP presidium consisting of a total of 6 members – a chairman with 2 members and a secretary with 2 members – was established to organize the TP work. Janis Čakste was elected the chairman of the presidium of the TP. TP elected K. Ulmanis as the head of the Latvian provisional government – Prime Minister, instructing him to form a Cabinet of Ministers at short notice (Leber 2000).

The Republic of Latvia was proclaimed on November 18, 1918. TP, proclaiming the independent state of Latvia, was not an elected institution and lacked the necessary democratic legitimacy for the adoption of the constitution of the country. Consequently, in the act of proclamation of the independent state the TP already included the provision that “the Satversme and relations with foreign countries will be determined in the near future by the Constitutional Assembly” (Government Gazette, 1918).

On August 19, 1919, the TP adopted the Law on the Election of the Constitutional Assembly of Latvia. The Constitutional Assembly elections in Latvia took place on April 17 and 18, 1920 with the participation of 85% of those with voting rights. The Constitutional Assembly was opened on May 1, 1920. Janis Čakste was elected as the chairman of the Satversme. The Constitutional Assembly adopted two interim constitutional acts – “Declaration of the State of Latvia” and “Provisional provisions of the Latvian State Mechanism”. With this, the Constitutional Assembly continued the legislative work of the TP, thereby legalizing its activities (Načiščionis, Veikša 2017).

As pointed out by K. Dišlers, a democratic, law-governed state is not conceivable without the Constitution, which determines its legal foundations. The first constitutional function of such a state begins with the drafting of the constitution. In those circumstances, it was understandable that the TP platform had been developed in great hurry, and this act combined two tasks: to draft the fundamental provisions of the transitional constitution and to highlight the key programme of actions of the provisional government. The poor draft of the “platform” is therefore understandable and excusable but in evaluating this act, one must not forget that the act not only includes the provisional constitution but also significant action items of the government program. The political platform of the Latvian TP was divided into 7 chapters, of which no economic mechanisms can be found in the third chapter – “The sovereign power and the political and economic system of the state” – which only set out the political system with its two highest authorities: the People’s Council and the interim government (Cabinet of Ministers). In turn, the “Transitional Provisions of the Latvian State Mechanism”, although briefly, however, clearly and definitely formulated the machinery of a democratic parliamentary republic. The supreme state organs were the Constitutional Assembly, the Cabinet of Ministers, and some of the functions of the President were entrusted to the President of the Constitutional Assembly (Dišlers 1930).

The transitional provisions of the Latvian state machinery, adopted by the Constitutional Assembly on 1st June 1920 were the model of the state power structure developed by the Constitutional committee, bearing in mind also the future Satversme. Consequently, quite a lot of state institutional structures were already featured in this act, which, with some minor improvements, were later to be included in the Satversme itself. Article 3 of the transitional provisions stipulated the principle that the Constitutional Assembly, namely, the Parliament, issued the necessary laws and approved the state budget and loans. This norm defined the powers of the parliament, which were later accorded to the Saeima in Articles 64, 66 and 73 of the Satversme. Article 6 of the transitional provisions included the principle that executive power belonged to the Cabinet of Ministers. Also, this norm stipulated that the all the state institutions and the command of the armed forces were subordinated to the Cabinet of Ministers. The Satversme also foresaw the Cabinet of Ministers as a constitutional executive power; the establishment of the President’s Institute has not affected this aspect of the state apparatus. The Article 58 of the Satversme was also created on the basis of this norm. The Article 7 of the Transitional provisions “The Cabinet of Ministers is formed by a person invited by the President of the Constitutional Assembly to do so” has been in the same way reformulated in the Article 56 of the Satversme – “The Cabinet is invited by a person invited by the President to do so”. Article 8 of the transitional provisions stipulates the responsibility of the Cabinet of Ministers to the Parliament: “The Cabinet of Ministers is responsible for its activities to the Constitutional Assembly and should resign if it has lost the confidence of the Constitutional Assembly.” This provision is also
As K. Dišlers stated in 1930, the Constitutional Assembly had two tasks: to draft and adopt the fundamental law of the state and the law on agrarian reform. But at the same time, the Constitutional Assembly also fulfilled the duties of the legislator: issued the necessary laws, decided on the state budget and loans, decided on war and peace, and ratified international agreements concluded with other countries. The executive power belonged to the Cabinet of Ministers, whose competence at that time was broader than the current competence of the Cabinet of Ministers, because “all state institutions and the command of the armed forces” were under its authority. According to the present constitution, the President of Latvia (Article 42 of the Satversme of the Republic of Latvia) is the supreme leader of the armed forces and not all state institutions but just “public administrative institutions” are subject to the Cabinet of Ministers (Article 58 of the Satversme of the Republic of Latvia). However, it must be assumed that when the Constitutional Assembly was in power, public (administrative) authorities with the exception of judicial institutions were subordinated to the Cabinet; in any case, during that time the judicial authorities were completely independent, and the Cabinet could not influence their actions. The Cabinet of Ministers was formed by a person invited by the President of the Constituent Assembly. Here we see that the President of the Constitutional Assembly was granted the functions of the President: he appointed the Prime Minister. In the same Act – “Transitional Provisions of the Latvian State Mechanism” – we find that relations between the Constitutional Assembly and the Cabinet of Ministers were already clearly defined on the basis of a parliamentary system, namely: “The Cabinet of Ministers is responsible for its activities to the Constitutional Assembly and should resign if it has lost the confidence of the Constitutional Assembly” (Dišlers 1930).

K. Dišlers noted that the TP and the Provisional government of Latvia, which was established by it (hereinafter – the PV), undertook taskless accounting – the creation and administration of the state of Latvia on the grounds that the people of Latvia, the only sovereign state, were unable under certain circumstances (the German occupation, the movement of Soviet Russian troops in the territory of Latvia after the cessation of the Treaty of Brest (peace agreement)) to express their free will. Professor K. Dišlers stressed in particular that it was impossible for the people to express their free will in circumstances where there was no appropriate legal structure (the necessary laws, the technical organization of the political system, such as officials, election commissions, public representation institutes, etc.), which had to be set up by clerk/civil servants who undertook to manage people’s affairs. Taking into account that immediately after the liberation of the entire territory of Latvia in April 1920, the Constituent Assembly elections were held, following which the TP set aside, its powers, it is to be regarded as responsible negotiorum gestor (clerk). Roman law provided that a taskless clerk should act in the way required by the objective interests of the case, so that the owner, if he/she had the opportunity to express his/her will, would be satisfied with the proceedings. The decisions of the Constitutional Assembly regarding the constitutional structure of Latvia brilliantly showed that the TP acted in line with the interests of the great majority of the population. The TP united all the democratic political forces in Latvia, which were the only ones capable of ensuring the democratic process of self-determination of the people of Latvia (Leber 2000).

The Constitutional Assembly terminated its work on November 7, 1922, when at 12:00 the Satversme of the Republic of Latvia entered into force (Načisčionis, Veikša 2017).

2.2. Satversme of the Republic of Latvia

The Satversme of the Republic of Latvia adopted by the Constitutional Assembly on February 15, 1922, published on June 30 and entered into force on November 7, 1922, as K. Dišlers (1930) pointed out, was the formal Constitution of Latvia in the narrower sense; in order to get the formal Satversme in the broader sense, the Satversme of the Republic of Latvia had to be integrated with several other laws, inter alia the law on the Cabinet of Ministers law, the general provisions of the Law on the Ministry of Interior. The state organs mentioned in the Satversme were as follows:

1) Citizens;
2) Saeima;
3) President;
4) Cabinet of Ministers;
5) Ministers;
6) Courts;
7) The State Audit Office.

Part 1 of the Satversme, which consisted of seven chapters and 88 articles, including the Cabinet of Ministers (Articles 55–63), was adopted on February 15, 1922. The chapter 1 “General Provisions” proclaimed the most important constitutional principles of the Latvian state machinery, which was already included in the “Declaration on the State of Latvia” issued on May 27, 1920: “Latvia is an independent democratic republic” (Article 1) and “the sovereign power of the State of Latvia is vested in the people of Latvia”. The chapter 4, “The Cabinet of Ministers”, defined the composition, the procedure for the formation of the supreme executive body and the scope of its authority. The Cabinet of Ministers included the Prime Minister and ministers invited by him/her (Article 35). It was composed by the Prime Minister invited by the President of the Republic to do so (Article 56). The administrative institutions of the State were under the authority of the Cabinet of Ministers (Article 58). Article 59 stipulated the responsibility of the Cabinet, as well as of separate ministers to the Saeima. The competence of the meetings of the Cabinet of Ministers determined that the Cabinet shall discuss draft laws prepared by the ministries, issues affecting the activities of several ministries and state issues raised by members of the government (Article 61). The Cabinet of Ministers was granted the right to declare a state of emergency if the existence of the Latvian State was threatened with external and internal threats (Article 62). The ministers and their authorized state officials were granted the right to participate in sittings of the Saeima and its commissions, propose additions and amendments to the draft laws submitted (Article 63) (Leber 2000).

As pointed out by V. Blūzma, the normative regulations of the executive power were outlined in the Satversme in a very general manner, leaving out issues related to the decision-making procedure of the Cabinet of Ministers, the level of competence and responsibility of the Prime Minister and Ministers, the procedure for legal or administrative prosecution of the Prime Minister and the Ministers etc. (Leber red., 2000).

2.3. Appointment of the Prime Minister

As pointed out by K. Dišlers, according to Article 56 of the Satversme, “the Cabinet of Ministers shall be formed by a person invited by the President to do so”. This means that the person - and only the person who has been formally invited by the President of the State (by an appropriate act) – has acquired the right to form the Cabinet of Ministers; this “invitation” then actually means appointing a Prime Minister. This act, by its very nature, is a decree and moreover an important decree; however, on the basis of Article 53 of the Satversme, it is given by the President of the State without any counter signature. This provision is mainly explained by a certain difficulty concerning counter signature of this act. The question arises, which of the Prime Minister will then counter sign the new act of appointment of the Prime Minister, the outgoing or the newly invited? From the formal side, this act could be counter signed by the outgoing Prime Minister or one of his cabinet members, as these ministers remain in their offices and so have to fulfil all the functions of the ministers until handing over the office to the newly-established Cabinet of Ministers. But if none of the members of the outgoing Cabinet wants to assume responsibility any longer for a lawful act and refuse to counter sign it, then it is impossible to force them to do it. Whatever may be the motives of the legislator, the relevant provisions of our Satversme are absolutely clear: the formal appointment of the Prime Minister is carried out by a single act of the President of the State, without any counter signature. This, however, does not mean that the President of the Republic has the freedom of choice of the Prime Minister since “the Prime Minister and ministers need the Saeima’s confidence to hold their office” (Article 59 of the Satversme), it would meaningless to appoint a Prime Minister who would not get the confidence of the Saeima and would not be allowed to hold office (Dišlers 1930).

2.4. The organisation of the Cabinet of Ministers and its functions

The Cabinet is composed of the Prime Minister and the Ministers. In accordance with Articles 55 and 56 of the Satversme, the Prime Minister is invited, i.e. in fact, is formally appointed by the President, but Ministers are
invited (i.e., appointed) by the Prime Minister (Satversme: Articles 55 and 56). The composition of the Cabinet was determined by the “Law on the Cabinet of Ministers” (adopted on March 20, 1925) (Dišlers 1930).

According to K. Dišlers (1930), after establishment of the the main body of the Satversme, the following functions of the Cabinet of Ministers could be noted:

1) **Legislative function.** According to Article 65 of the Satversme of the Republic, the Cabinet of Ministers had the right to initiate laws.

2) **Creative function.** As state administrative institutions were under the authority of the Cabinet of Ministers and ministers were heads of separate departments, the Cabinet of Ministers and ministers had the right to appoint or approve a large part of civil servants according to the provisions of the Civil Service Law. In addition, the Cabinet of Ministers had the right to appoint officials in various institutions that were not subordinate to them: the Cabinet of Ministers appointed judges and members of the State Audit and members of collegial departments, which were all approved by the Saeima.

3) **Administrative and economic function.** The budget was approved by the Saeima but the draft budget was prepared and submitted to the Saeima by the Cabinet of Ministers.

4) **Administrative police function.** This function included the important right granted to the Cabinet of Ministers in Article 62 of the Satversme – to declare a state of emergency in cases when the state is threatened by an external enemy or when a state of internal insurrection which threatens the existing system arises or threatens to arise. However, the decision of the Cabinet of Ministers is not final, the Saeima may revoke or uphold it.

5) **Defensive, federal and administrative-cultural function.** These functions were entrusted to individual ministers.

6) **Regulatory function.** This function is particularly specific to the Cabinet of Ministers as the supreme collegial administrative authority. The activities of the various state departments need to be coordinated and planned, and the direct task of the Cabinet of Ministers is to bring about unity, coherence and planning into the administrative work of the state. This function is manifested in the so-called government policy, and it is definitely noted in Article 61 of the Satversme, according to which the Cabinet discusses all “issues related to the activities of several ministers, as well as the issues of state policy proposed by individual members of the Cabinet”.

The Satversme contains norms, which, prior to its adoption, were introduced into the legal system of Latvia by the laws passed by the People’s Council or the Constitutional Assembly. For example, the original wording of Article 81 of the Satversme on the right to issue transitional regulations was already included in the Law on the Cabinet of Ministers. The wording of the first part of Article 28 of the Satversme was already formulated as such in the Law on the Immunity of People’s Council Members (Valdības vēstnesis 1919).

Article 81 of the Satversme also referred to the rights of the Cabinet of Ministers in the sphere of legislation, namely the right to issue regulations with the force of law in emergencies. As V. Blūzma points out, this right was already granted to the Latvian Government in the past, taking into account the practice of the government, with the adoption of the TP Act as of July 16, 1919. The grant of legislative powers to the Cabinet of Ministers made it possible to improve the efficiency of the legislature. The legislative competence of the Cabinet of Ministers was limited by the fact that it could not be related to the laws on elections of the Saeima, the court system and procedural laws, the budget, the laws adopted by the Saeima and amnesty that was under the competence of the Saeima (Article 45). If the Cabinet of Ministers did not submit these regulations for approval within three days after the Saeima meeting, they ceased to be in force (Leber 2000).

V. Blūzma points out that even though referendum decisions were more significant than decisions of the Saeima, it is extremely difficult to ensure a successful referendum in practice. All four referendums held during the pre-war period ended without any result because the quorum for voting was not achieved. Consequently, in reality, the supreme legislative power was exercised only by the Saeima. Disrupting the balance of power in favour of the legislative branch destabilized the executive. The majority of the Saeima, without worrying about their own fate, could decide on the expression of no confidence in the government. Therefore, frequent government crises were characteristic of Latvia. During the pre-war period, 13 Cabinets were formed during the four
sessions of the Saeima. Even after the restoration of Latvia’s independence, this feature has been present in mutual relations between the state powers (Leber 2000).

As stated by Adolf Schild (1993), in the book “Pirmā Republika esejas par Latvijas valsti [The First Republic Essays on the State of Latvia]” it was evident that 13 Cabinet of Ministers or governments had changed in the first ten years of the country’s existence. It was not uncommon for European countries, and Latvia with frequent changes to its governments was not at the forefront among other countries. Karl Ulmanis was the head of five governments, Zigurd Meierovics headed two governments during this 10 year period and Janis Pauļuks, Voldemārs Zamulds, Hugo Celmins, Arthur Alberings, Margher Skujenieks and Peter Jurazevsky served as Prime Ministers once. In addition, there were 87 ministers, 11 ministerial colleagues with voting rights and 3 state auditors. By 1st July 1928, the government had held 1177 sessions. At that time, the government had issued 715 regulations with the force of law.

The power of local governments was also not reflected in the Satversme (one article on municipalities, which stipulated that “cities, towns and rural societies have the right of a local government in the law to a certain extent” was included in the unapproved Part 2 of the Satversme draft law) (Leber Red., 2000).

V. Bluzma (2000) concludes that on the whole in spite of the imperfections in terms of content and codification techniques, the Latvian Constitution was able to become a reliable legal basis for a democratic parliamentary republic. The restoration of Independence of the Republic of Latvia on the basis of the 1922 Constitution basically demonstrates its high social prestige and its ability to ensure successful functioning.

On June 20, 1922, the LSS adopted the Law “On the Enactment and Implementation of the Satversme of the Republic of Latvia”. Turning to the legislation in the field of administrative law, it should be emphasized that during the period of construction of the new state it was necessary to adopt a greater number of normative acts in this field of law in order to facilitate the establishment of the state apparatus and local governments and the normal harmonious operation. Speaking about the formation of the Latvian civil service, it should be noted that the Law “On Civil Service” (March 31, 1920), issued by the PV, which stipulated the classification of civil servants in five classes (the Government regulations issued on May 13, 1921 “On the classification of persons in civil service into categories of posts”, LKr, 28th May 1921, No. 10, 100), the civil service was divided into 20 service categories). The law discouraged nepotism, barring the appointment of civil servants who were closer than third level relatives or second level in laws to their immediate superiors in the institution. Officials were prohibited from direct or indirect participation in profit-making activities, where private interests would be in conflict with the interest of public authorities (Bluzma 2000).

As pointed out by A. Lieber and I. Bischer in their commentaries in 1998 on the Chapter IV of the Satversme “Cabinet of Ministers”, the Cabinet of Ministers is a state government. It is the state executive body that carries out political administrative functions (“executive power”). The Cabinet is legally separated from the parliament and from the third power of the state - the courts. The government’s actions directly affect the daily lives of citizens and their interests. If the Cabinet of Ministers adopts unpopular decisions and the real achievements do not conform to its declaration, the people immediately criticize the government. This is also facilitated by mass media that pay special attention to the activities of government officials. As a result, the government is subject to a wide-ranging debate (“visibility”). It is politically important that a mechanism be set up so that the people can legitimately and efficiently express its attitude towards the government and if necessary change the government. In a democratic republic, this task is carried out by the parliament elected by the people to which the government is responsible. The parliament is entitled to recall the government by expressing distrust (see Article 59 of the Satversme) (Leber, Bisher 1998).

It is important to point out that during the parliamentary period from 1918 to 1934 the Cabinet of Ministers was also regulated by the 1925 Law on the Cabinet of Ministers and the instructions issued in 1925 regarding the relations between the Cabinet of Ministers and the Saeima on the basis of this Law were determined by the 1923 and 1929 Saeima rules of procedure.
A. Lieber and I. Bischer conclude that the system of Latvian parliamentary government from 1918 to 1934 generally justified and performed its functions successfully. However, it had several shortcomings that directly affected the work of the Cabinet of Ministers. Significant drawbacks were as follows (Leber, Bischer 1998):

1) The Election Law caused the fragmentation of the Saeima in many of its functions. In practice, this meant that the formation of the government was difficult and managed often only after ugly “horse trading” among potential coalition partners (refer: Article 56, section 27 of the Satversme).

2) The Satversme did not stipulate any barriers for the dissolution of the government. The expression of no confidence was not subject to any political conditions and did not require a qualified majority. It was an easily manipulated instrument in the hands of the opposition parties, (refer Article 59, section 4 of the Satversme). During the four Saeimas (1922–1934), Latvia had 13 governments, whose “life” on average was only 10 months.

3) The instability of the government was facilitated by the ineffective dissolution mechanism of the Saeima. The decision to propose the dissolution of the parliament could be taken by the President, but he thereby risked losing his office (Articles 48 and 50 of the Satversme). During the period of all the first four Saeimas, the President had never used his right to propose the dissolution of the Saeima. Therefore, citizens were restricted in directly expressing their views on the conflict between the Saeima and the government.

4) The Article 81 of the Satversme empowered the government to issue regulations with the force of law “if urgent need so requires”. The government used this right too widely, thus compromising the constitutional mechanism.

A. Lieber and I. Bischer in 1998 stated that the experience of the last 50 years in the Western democracies showed that these deficiencies can be eliminated (Lēbers, Bišers 1998):

1) The fragmentation of the Parliament could be prevented by foreseeing “thresholds” in electoral laws to regulate inclusion of parties in the parliament. After the restoration of the Latvian state, this was implemented by introducing a 4 % threshold of the total number of votes. This was determined by the 1992 election law. In the 1995 election law, the threshold was raised to 5 percent.

2) The possibility to dismiss the government could be restricted by combining parliamentary vote of no confidence with the obligation to simultaneously elect a new Prime Minister. This instrument is called “constructive expression of no confidence” (see Article 59 of the Satversme, Section 17). Such an amendment has so far not been implemented in Latvia or has not even been proposed.

3) To more strictly restrict the ability of the government to pass normative acts with the force of law (such activity on a wide range of legislative enactments as seen currently in Latvia has not been observed in other democratic European countries).

3. Authoritarian period (1934–1940)

The authoritarian regime in Latvia can be linked to Kārlis Ulmanis, who performed the functions of the Prime Minister several times (1918–1921, 1925–1926, 1931 and 1934). K. Ulmanis’ views on the necessity to create a presidential mechanism was based on his experience of the Saeima. Therefore, K. Ulmanis’ Party (Farmers’ Union) submitted a draft amendment to the Satversme in 1933. Those amendments were only reviewed in two readings. Without waiting for the third reading, K. Ulmanis decided to unconstitutionally take power (refer Article 59 of the Satversme, Section 18). Two months after being elected Prime Minister, K. Ulmanis organized a coup on May 15, 1934 and declared a state of war (refer Article 62 of the Satversme, Section 42). Three days after the coup, the government announced retroactively that “the functions of the Saeima shall be carried out by the Cabinet of Ministers as of 23.00 hours, May 15, 1934 till the implementation of Constitutional reforms”. Thereby, the putschists (coup leaders) in effect suspended the activities of the Saeima under the Article 2 of the Satversme. The Cabinet of Ministers mandated the Minister of the Interior to suspend the activities of political parties that were considered to be “detrimental”. In fact, all parties were dissolved, including the Farmers’ Union led by K. Ulmanis (Leber, Bischer 1998).

The 1934 coup meant that the idea of a unified state power came into existence instead of the principle of separation of power. Consequently, Latvia lost its parliamentary mechanism and became an authoritarian state.
Certain citizens’ rights and freedoms were also restricted. However, after the coup, courts continued to operate in general, independent of the executive branch. Therefore, it is not correct to assert that Latvia ceased to exist as a state of law following the coup of 1934 (Leber, Bischer 1998).

Following the accession of Latvia into the Soviet Union, the 1936 Stalin Constitution of the USSR began functioning in Latvia. Consequently the “People’s Saeima” was formed by the Soviet government and the Constitution of the Latvian Soviet Socialist Republic was adopted on August 24, 1940. The activities of the Council of Ministers were regulated by this constitution. In 1977 the constitution of the new USSR, proclaimed by Leonid Brezhnev, came into force. Consequently, the legislative acts of the Council of Ministers were replaced by a new generation of rules. Among them were the 1978 Latvian SSR Constitution and the 1978 Law “On the Council of Ministers”. These acts were in force until the restoration of the Republic of Latvia (Leber, Bischer 1998).

4. Renewed Latvia (from 4th May 1990)

4.1. Public administration reforms

Public administration reform issues became topical immediately after the restoration of independence of the Republic of Latvia. A systematic reform of public administration was initiated in 1993 when the Law on Cabinet of Ministers was restored, the Law on Civil Service was adopted, and the Ministry of National Reform, the School of Public Administration and the State Civil Service Board were established.

In 1995, the concept of Latvian public administration reform was adopted, and in general during the fifth Saeima, the reform was a priority. On March 10, 1998, the Cabinet of Ministers approved the implementation plan for Development Strategy for the Public Administration Reform, 2000, where one of the priority areas was the restructuring of the institutional system of the sector with the aim of organising the sector in accordance with the strategic tasks of the government.


The Strategy for Public Administration Reform 2001–2006 and its implementation plan for unified reform was adopted in 2001. The implementation of the strategy and its plan was supervised by the Public Administration Reform Council, which was a consultative body and consisted of representatives of non-governmental organizations, entrepreneurs, universities, courts, municipalities, Saeima and public administration institutions. At the end of the planning period, an informative report “On the Implementation of Public Administration Reform Strategy 2001–2006 and action plan for the implementation of the Public Administration Reform Strategy 2001–2006” was approved by the Cabinet of Ministers.

Since 2003, the State Chancellery of the Republic of Latvia is responsible for the formation of public administration policy. Political responsibility in this area was transferred to the Prime Minister, shifting the focus on development of public administration policy to the government. The State Reform Division was established in the Policy Coordination Department of the State Chancellery, which took over the issues related to the development and coordination of public administration policy, but the development and coordination of local government policy was transferred to the Ministry for Regional Development and Local Government Affairs.

The further course of public administration policy included the Cabinet of Ministers Regulations No.501 of 17th July 2007 “Amendments to the Cabinet of Ministers regulation No. 372 of 8th July 2003 "Regulations of the State Administrative Reform Council"”, amending the name of the Public Administration Reform Council and renaming it as the Public Administration Policy Development Council. Thus, the planning of public administration policy shifted its focus from the reform of the system to its development - with increasing emphasis on issues of quality, efficiency and better governance.
In May 2008, the guidelines for the development of public administration “Guidelines for Development of the Public Administration Policy for 2008–2013. Better Governance: Administration Quality and Efficiency” were approved. A working group was formed with representatives of ministries and non-governmental organizations. The purpose of these guidelines was to create a legal, efficient and high-quality public administration that provides public administration services in accordance with the needs of society. The implementation of the guidelines was significantly affected by the economic crisis experienced during the program period, which delayed many of the objectives of the guidelines and their implementation and as a result the assessment of the guidelines concluded that it was more a mid-term (midterm) assessment rather than an ex-post assessment. At the same time, when implementing the guidelines set out therein, the country experienced an economic crisis, paving the way for “structural reforms” in public administration as well. Consequently, in accordance with the Cabinet of Ministers Decree No.483 of 22nd July 2009, the “Planned measures for optimization of the Public administration system and Civil service” was approved. Thus, since 2001, the government has undergone a course of reform-development-structural reform.

Within the last planning period, institutions responsible for public administration policy have changed. In 2009, under the influence of the economic crisis, reforms were carried out in the central state administration, dissolving the Secretariat of the Special Assignments Minister for Electronic Government Affairs, the Secretariat of the Special Assignments Minister for Social Integration and the Ministry of Regional Development and Local Government Affairs. As a result, functions related to public administration policy (e-government, development of public services, development of civil society, etc.) were transferred to the newly established Ministry of Environmental Protection and Regional Development, Ministry of Culture, etc. Similarly by separating development planning functions, the Cross-Sectoral Coordination Centre (hereinafter – CSCC) – the leading institution in national development planning and coordination – was established under the direct authority of the Prime Minister on 1st December 2011. CSCC carries out monitoring of cross-sectoral policies, drafts medium-term and long-term planning documents and monitors their implementation, as well as coordinates declarations on the planned activities of the Cabinet of Ministers and the implementation of the Government’s action plan. In turn, the Policy Coordination Department in the State Chancellery was liquidated and the Department of Public Administration Development (initially the Department of Strategic Analysis) was established.

Starting from 9th February, 2016, the Department For Public Administration Policy of the State Chancellery is responsible for the formation of public administration policy, which consists of two divisions – Change Management Division and the Human Resources of Public Administration Division.

The main medium-term development planning document in Latvia is “National Development Plan of Latvia for 2014–2020” (hereinafter – NDP2020). This is an action plan for sustainable development of Latvia until 2030 (hereinafter – Latvia 2030), which should serve as a medium-term development roadmap for the state. On the one hand, the NDP2020 is a national “business plan” that shows the country’s growth model – where to invest to ensure economic self-sufficiency, productivity growth and country’s competitiveness? How will synergy be achieved between investment objectives and balanced development? How will the state profit, and how can the people do it? Likewise, the NAP2020 can also be seen as a “public contract” – which the state is committed to accomplishing / reaching by 2020 and what it expects from the public. The State offers a common vision of medium-term development to ensure long-term predictability in cross-sectoral decision making, business and individuals (Cross-Sectoral Coordination Centre, 2016).

Public administration is a complex, in fact the most complex public mechanism. It is the most complex of all the three branches of power: the legislature, the executive branch, the judiciary. Administration is characterized by its subordination to specific goals, determined by the legislator. Since the goals of the society (political) included in the laws keep changing constantly public administration, which is an instrument for achieving these goals, must constantly change along with it. This means that institutional structures of public administration must be constantly established, eliminated, reorganized; new procedures must be established or existing procedures must be amended to achieve the goals set out in constantly changing laws. Therefore, public administration has to be constantly reformed. It is necessary to create a mechanism that constantly checks, evaluates
and reforms public administration. The key to public administration is “efficiency”, but so far it has only been successfully achieved on paper, even when Latvia has all the basic principles of a rule of the law state.

When assessing from the financial perspective, it should be borne in mind that the maintenance of public administration is more expensive for small countries than for large countries. Regardless of the size of the state, each country has to accept the same quantity and quality of laws and comply with it as well. The Law on the State Administration Structure came into force in Latvia in 2003. It created the best possible public administration structure and set the basic principles of its operation. One of the goals of the State Administration Structure Law is the provision of efficient public administration, and this term is used more than ten times in the law. The concept of the law states: “The rationale behind this concept would be to create instruments at the disposal of the state in order to reduce ... the administrative weaknesses ... and to highlight and strengthen the constitutionally defined framework for the functioning of public administration in a democratic state”. Many years have passed, and during this time more than once there has been talk of reforming public administration. In particular, these speeches have become louder in the context of the economic crisis. It has led us to think and discuss, but often these discussions are at a primitive level and are limited to the question of the liquidation of a state institution (Litvins 2010), referring to it as structural reforms.

4.2. Structural reforms

In recent times, the concept of structural reforms has become more mentioned in the context of attempts to ensure sustainability of public expenditure. Regardless of the fact how fed up we are with the term, it is still an important in improving the country’s welfare, and it is therefore important to understand what structural reforms are and what they mean today in Latvia. It seems that the greatest confusion in people arises, due to its frequent use in the media of the term in association with current budget “cuts” and equating the term to it. It is true that, the first step on the road to more efficient management is often giving up irrelevant expenses or expenditures, which the state or, for example, a company cannot afford. Unfortunately, austerity measures do not always mean sustainable, thoughtful reforms, points out Guntis Kalnins, Economist of the Bank of Latvia (Kalnins 2011).

To answer the question, one should first agree on what the term itself means. Mārtiņš Bitāns (2011), an economist at the Bank of Latvia, offers the following vision: structural reforms are the restructuring of a system in order to obtain better results, better return on investment of time, people and money. Such restructuring may be necessary for public administration as well as in sectors (education, medicine), in particular institutions, enterprises and, ultimately, in households - in the latter case, we usually call it otherwise. With regard to overcoming the crisis, establishing a sustainable economy, the recovery and increase of the country’s competitiveness, we are most likely to come across the need for structural reforms in the public sector and state financed sectors, since the objective is to the goal oriented efficient use of dwindling budget resources after a period of overheated economy. In this context, structural reforms can include reforms in the organization of state institutions, changes in the functions of the public sector (education, health, social system, security etc.), redistribution of funds among these functions, transfer of functions to the private sector. Consequently, structural reforms are closely linked to the macroeconomic situation in the country – without high-quality structural reforms in public administration, neither sustainable national fiscal development nor sustainable growth of welfare level in Latvia in the longer term is possible.

The government can influence the competitiveness of the state primarily through the establishment of cost-efficient public administration and the provision of efficient public services. In addition, divesting state functions of services that could be provided by the private sector reduces public sector intervention in the economy, optimizes the allocation of resources and, in the long run, reduces the tax burden on its inhabitants and entrepreneurs. Structural reforms make the economy more competitive and more flexible against potential shocks. In recent years in Latvia, in practice, while balancing budget expenditures and revenues, the Ministry of Finance often had to demand a certain amount of savings from sectoral ministries. Based on this demand, the task of the sectoral ministries has been to find sources of savings, while at the same time striving for structural change,
which would also ensure the more efficient delivery of public services in the future. Of course, the sectoral ministries are better aware of the situation in the sector than the Ministry of Finance, but this does not mean that they are definitely capable of creating and implementing long-term reforms, because the structure of ministries is organised to serve a completely different purpose - maintenance of the existing system. Thus, it has to be concluded that the reform process in Latvia has not been complete, often subjecting reforms to the short-term objective of budget savings and entrusting its implementation to the ministries themselves (Kalnins 2011).

4.3. Administrative law functions

As J. Naciscionis stated in the book “Administrative Law” issued in 2009, administrative functions can be divided as follows: The first administrative law function is to enforce the relevant laws of the Republic of Latvia as determined by legal sources. The Europeanization of administrative law has evolved very far and there is no subject of regulation that is not be regulated by European law. Only those that know these regulations can affect their content.

The second function of administrative law is to manage, regulate relations, for example, between a minister and a municipality (derived public person) or between two municipalities (derived public persons).

The third function of administrative law is to determine, regulate relations between public administration institutions and private individuals or other participants involved in administrative legal relationships, such as non-governmental organizations. However, here, attention is drawn to the fact that, alongside regulatory action, administrative law enforcement functions are identified. Regulations as a “tool” for management. Regulations as a phenomenon to guide the actions of participants in administrative legal relationships.

All functions of the state are equally important and all functions of the state are handed over to public administration for their execution (implementation) (Načisčionis 2009).

The state has some basic functions that it cannot refuse to perform. Otherwise, the question arises whether it is still a country. However, discussions need to be held and political decisions need to be taken regarding the remaining functions. If discussions lead to the conclusion that the state has to perform some functions but at present lacks the financial resources, it should not liquidate the institution carrying out the function. When the economic situation improves, then it is necessary to return to the full implementation of these functions. Reestablishing the institution and restoring human resources to fulfill this function will be more expensive and harder. In addition, complete liquidation would be a waste of civil servants as efficient civil servants are state resources. Therefore, during the transitional phase (economic crises are cyclical) the performance of certain functions should only be temporarily suspended or partially provided (Litvins 2010).

Public administration institutions have taken significant steps to facilitate the centralization of functions. Also in public procurement, financial resources could be saved if procurement were centralized. Currently, quite a lot of procurement in Latvia are made individually by institutions thereby leading to procurement commissions and wasting administrative and time resources. Due to the lack of experience and knowledge of purchasers procurement procedures are not timely planned, their preparation process is inefficient, as a result of which procurement contracts are delayed. Homogenous procurement is still fragmented leading to different levels of prices for similar goods and services that have an impact on the efficient use of budget funds. The state, local governments and institutions should constantly be on the look for ways to ensure the efficient use of financial resources.

The Ministry of Economics has centralized a number of support functions at the departmental level, thereby ensuring accounting, personnel records and information technology services to several subordinate institutions. The Ministry of the Interior has centralized internal audit functions at the departmental level. The Ministry of Education and Science also ensures personnel management functions for heads of institutions, as well as performs partial procurement for subordinate institutions.
4.4. Structural reforms in public administration

Ministries are central public administration institutions. For many years, there has been a long standing debate on reducing the number of ministries. Egils Levits, while presenting a report at the Latvian Academy of Sciences in 2010, criticized the process and emphasized that reduction of the number of ministries would not affect public administration. This would, however, have an impact on the decision-making process. Reducing the number of ministries cannot be an end in itself. In comparison with other parliamentary republics, the number of ministries in Latvia is below the average. The discussion should not be on the formal liquidation of ministries, but whether the sector is to be developed at the governmental level. The Cabinet of Ministers implements several policy directions and ministries reflect the priorities of the political forces in power. For example, in France there is the Ministry of Future, which does not have its own administration, however, the ruling party has recognized this priority as important. Egils Levits points out that the decision on the number of ministries is a political decision, and mentioned the Ministry of State Reforms at the beginning of the nineties as a positive example. Its task was to assess the situation and carry out public administration reforms. Its liquidation also was a mistake because the public administration needs to be reformed all the time. The Law on the State Administration Structure contains the principle of self enhancement (Litvins 2010).

In recent years there has been a reorganization of several ministries, for example, with the Cabinet of Ministers decree No. 726 “On optimization of functions and redistribution of financial resources between the Ministry of Health and the Ministry of Agriculture”, the Ministry of Agriculture had to take over the rights and obligations of the Ministry of Health for the registration of veterinary medical products, the assessment of the conformity of production and wholesale network to standards and licensing of veterinary pharmaceutical operations from the 1st January 2011.

The Ministry for Regional Development and Local Governments was liquidated and merged with the Ministry of the Environment by 31st December 2010 by Cabinet decree No. 676 “On ensuring the liquidation of the Ministry for Regional Development and Local Government” in order to ensure the improvement of the institutional system of the public administration and operational efficiency in accordance with Article 15, Paragraph four, Clause 1 of the State Administration Structure Law.

Merging two of the many ministries in the country is neither wrong nor to be condemned. Even quite the opposite. A country with a “de facto” population of two million people has to after all realize that it could but afford a small but efficient public administration that would in no way be associated with more than 10 ministers, including preferably the Prime Minister. The essence of the question is not in the number of ministers, but in a rational and efficient distribution of functions of the state (Kucinskis 2011).

Conclusions

The enhancement of the public administration in Latvia is one of the elements of a law-governed state. The paper highlighted the main problems in organizing public administration, but they are certainly not the only ones. The Law on State Administration Structure provides the necessary framework for the establishment of an efficient public administration. Nevertheless, discussions on structural reforms in Latvia and their progress sooner or later begin to usher a sense of hopelessness in people with weak nervous systems. On the one hand, there are people with ideas and vision on what should be changed and improved in the current public administration. On the other hand, these new ideas are not usually implemented in practice. Many good and valuable theoretical ideas have remained just ideas because their methods of implementation have been incorrect.

In order to successfully carry out reforms in a particular field, it is not just enough to have a vision of what needs to be changed, but to significantly change the way the reforms themselves are implemented. Of course, no one can give one hundred percent guarantee of success.

The judicial system can be stable and long lasting by making corrections from time to time, but public admin-
istration reforms need to be carried out continuously. Public administration must respond to current events, new challenges, legislative and social changes. There should be an institution that independently manages this response and carries out public administration reforms. It cannot be entrusted to the heads of the institutions themselves, because public administration has a certain self-preservation instinct.

One of the most important priorities for state administration was the accession of Latvia to the Organization for Economic Co-operation and Development (OECD), which would promote the development of the quality of public administration and the provision of better public services to the people of our country, using the experience of other economically developed nations. Latvia officially became the 35th OECD Member State on 1 July 2016.

The significance and influence of decisions for Latvia on the development of the state at such a decisive moment will be assessed by economists, sociologists, historians and the media, who already have much to say. However, the real solution will be to answer the question: will Latvia, a country hit hardest by the crisis in the European Union, in the foreseeable future, become a country with a successful and modern economy, an educated society, a highly skilled workforce, and a place where the world’s most successful companies would be looking to invest.

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