

Perceived environmental quality in Riga and other European cities



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Why urban quality of life matters



Economic production (GDP) serves for people, not vice versa



Nowadays cities compete regionally and globally for high-skilled people (=> investments => economic growth). Urban quality of life is one of the most important factors in this competition.



Industrial output (and export competitiveness) are not goals in themselves, but rather tools to improve the quality of life



Urban quality of life is closely tied to the economic prosperity and demographic developments of a city



Longer and healthier life has value in its own (↑ self-realization opportunities), even if does not bring increase in GDP

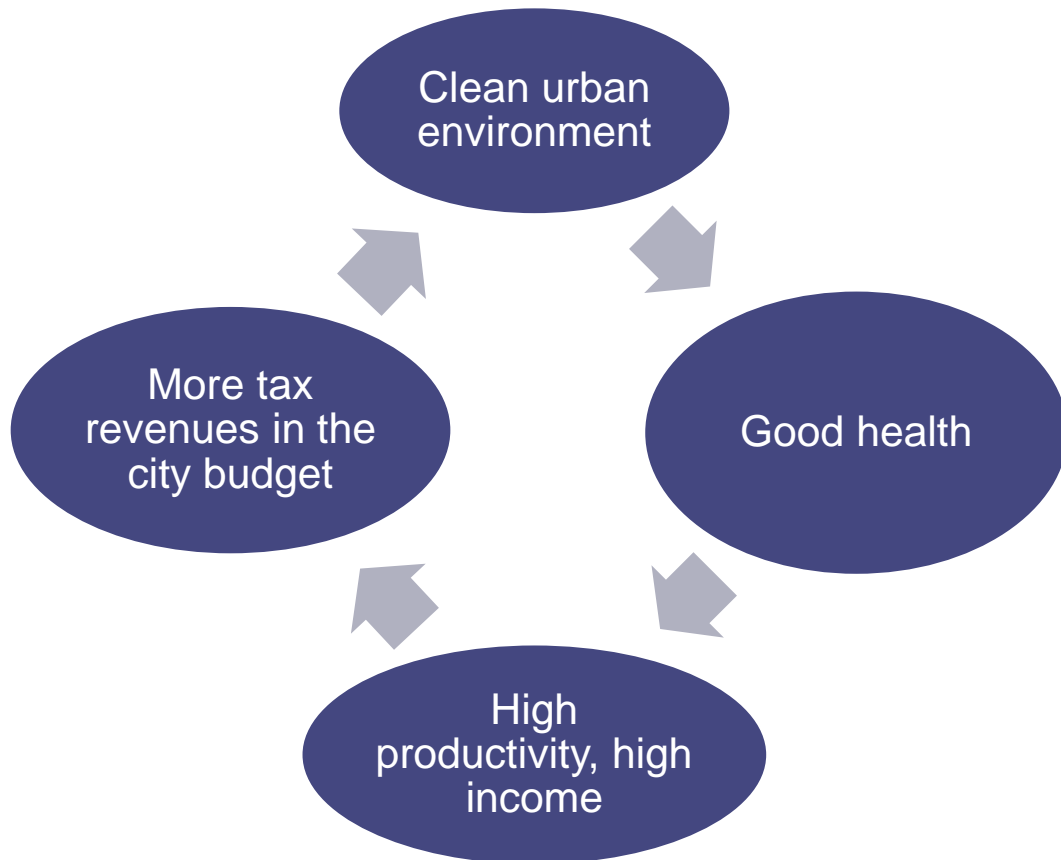


Best examples are not far. Scandinavia, Germany, Netherlands: the most wealthy and happy people in the world. What should we do to enhance the quality of life in our cities?

Environment – one of the urban quality of life elements.

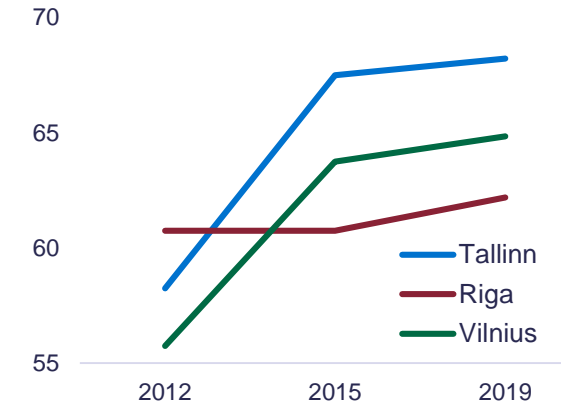
Lack of progress in Riga

A theoretical model of urban environment, population health and economic growth

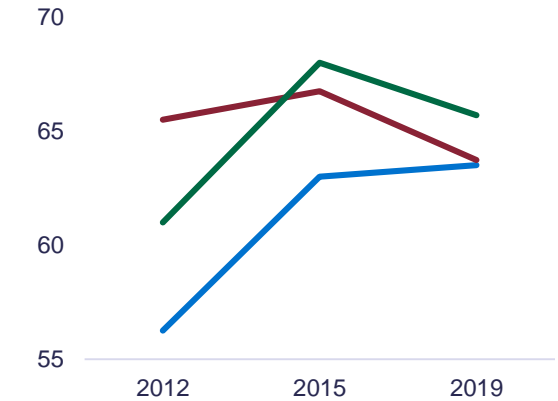


Satisfaction (0-100 point scale) with:

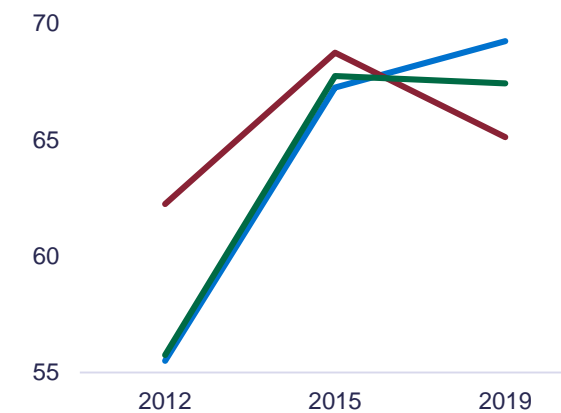
Air quality



Noise level



Cleanliness



Green spaces

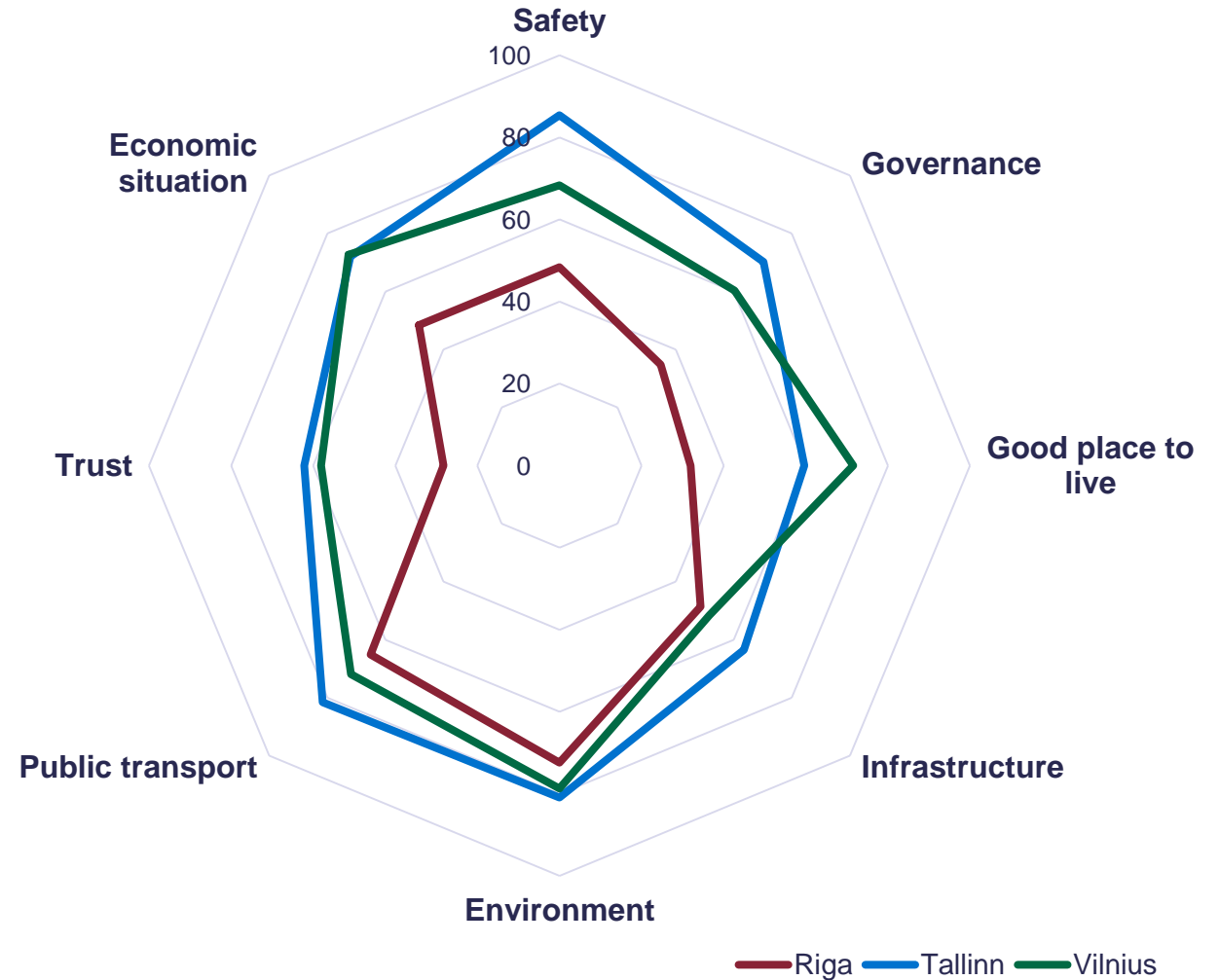


Note: 0 – very unsatisfied, 100 – very satisfied.

Source: European Commission data, author's calculation.

In many urban quality of life areas performance of Riga is closer to European worst outcome (0) than to the best (100)

Quality of life in the Baltic capital cities by area (0–100 point scale; in 2019)*

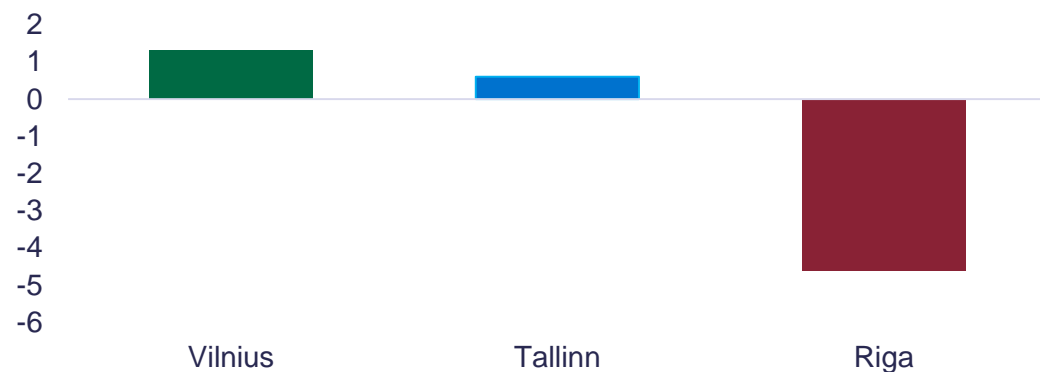


* 0 – worst outcome among European 83 cities;
100 – best outcome.

Urban quality of life is a key for demographic developments

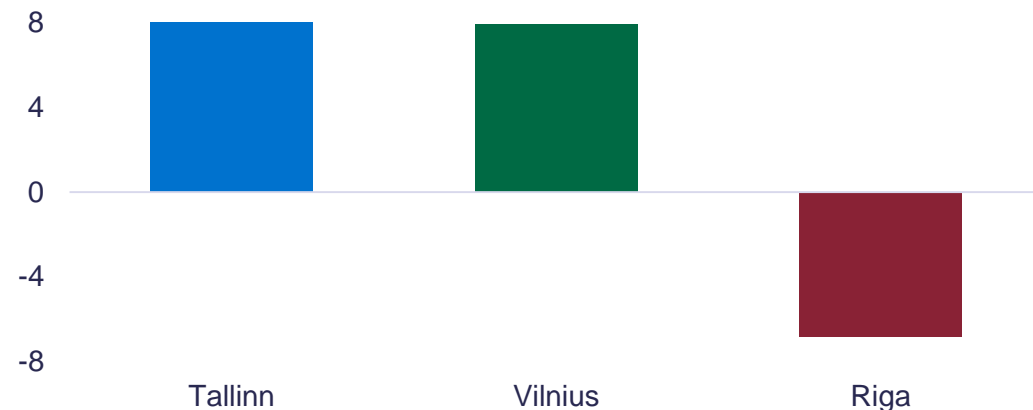
Number of births – number of deaths

(per thousand people; 2018 – 2020 average)



Net migration

(per thousand people; 2017 – 2019 average)



Among the Baltic capital cities Riga is the only city in which:

- Population continues to decrease;
- More people move outside the city than inside;

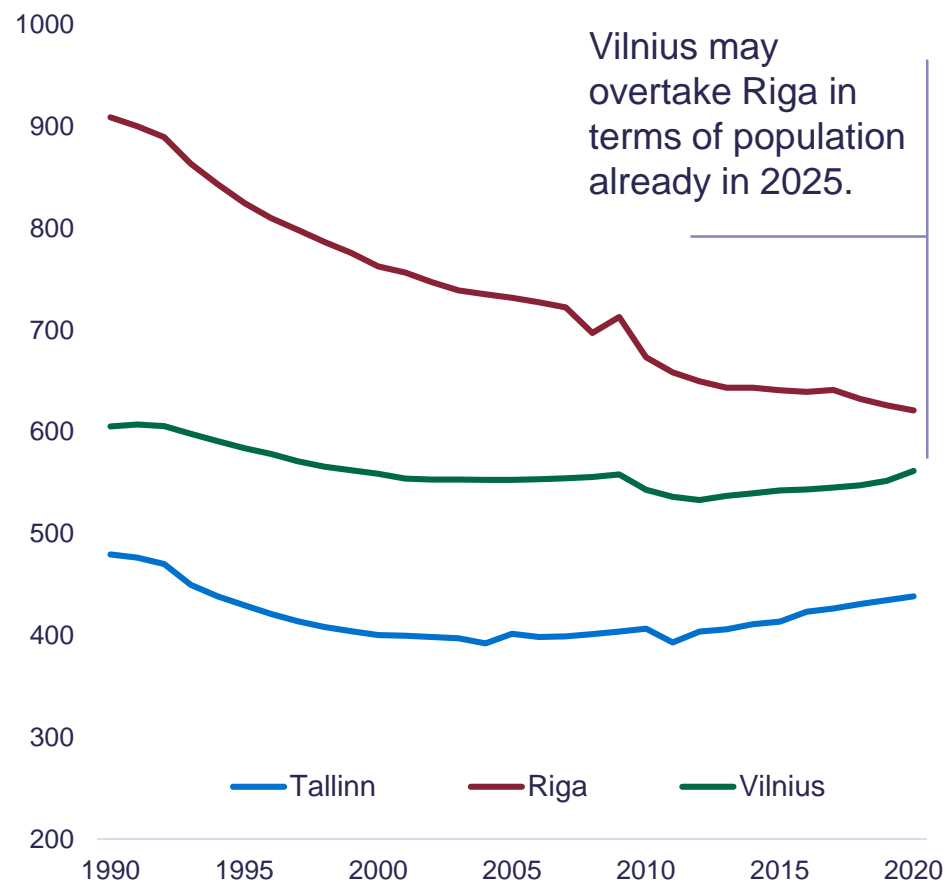
Among the Baltic capital cities Riga is a city with:

- Lowest birth rate (population age structure: many young people move outside because they regard Riga unfavourable place to live for young families with children; opposite in Vilnius)
- Highest death rate (population age structure; lower perceived health status partly reflecting dissatisfaction with medical services)

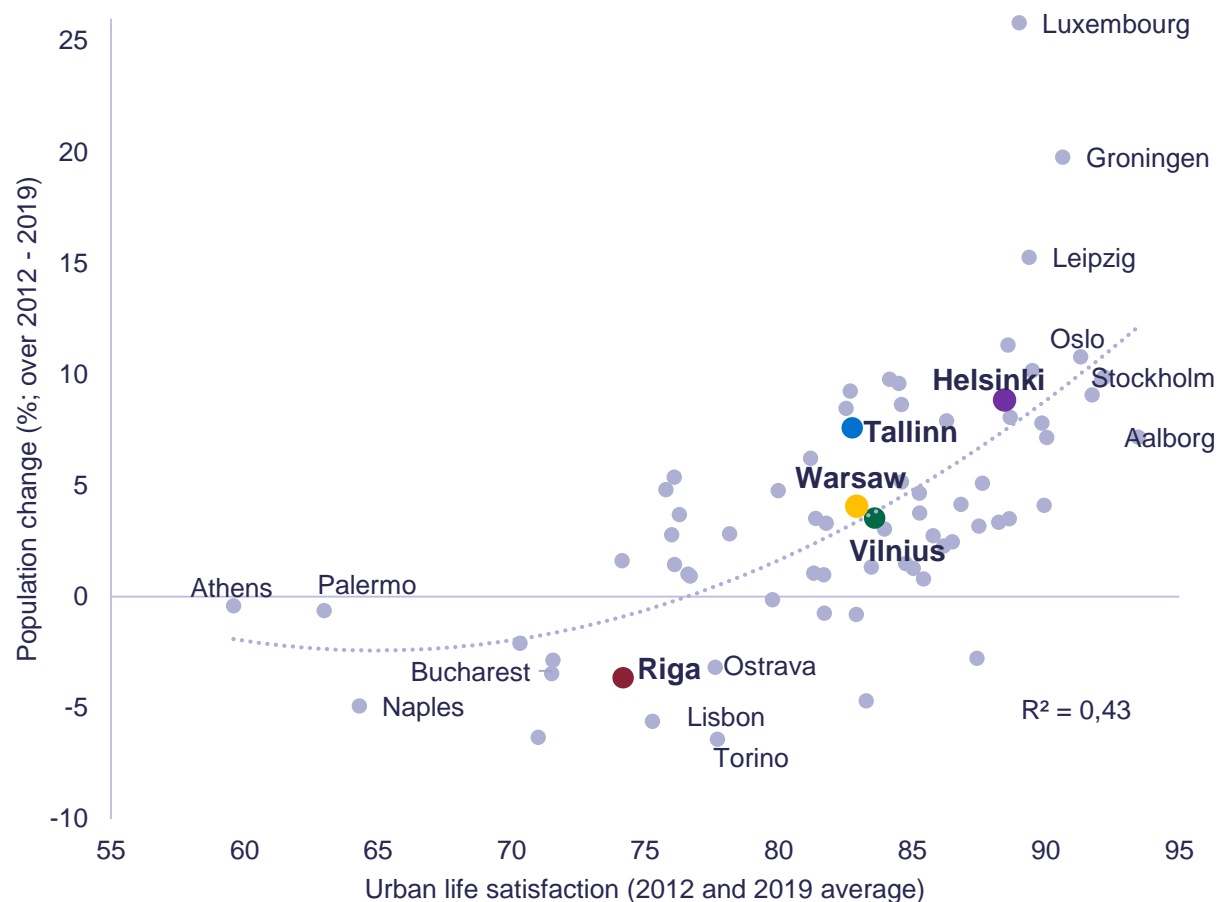
⇒ **Quality of life** is not just an artefact of sociological surveys, it is a key for many economic and demographic indicators as well.

Improving the quality of life in a key to urban regrowth (i.e., stop depopulation trend)

Urban population (thousand)

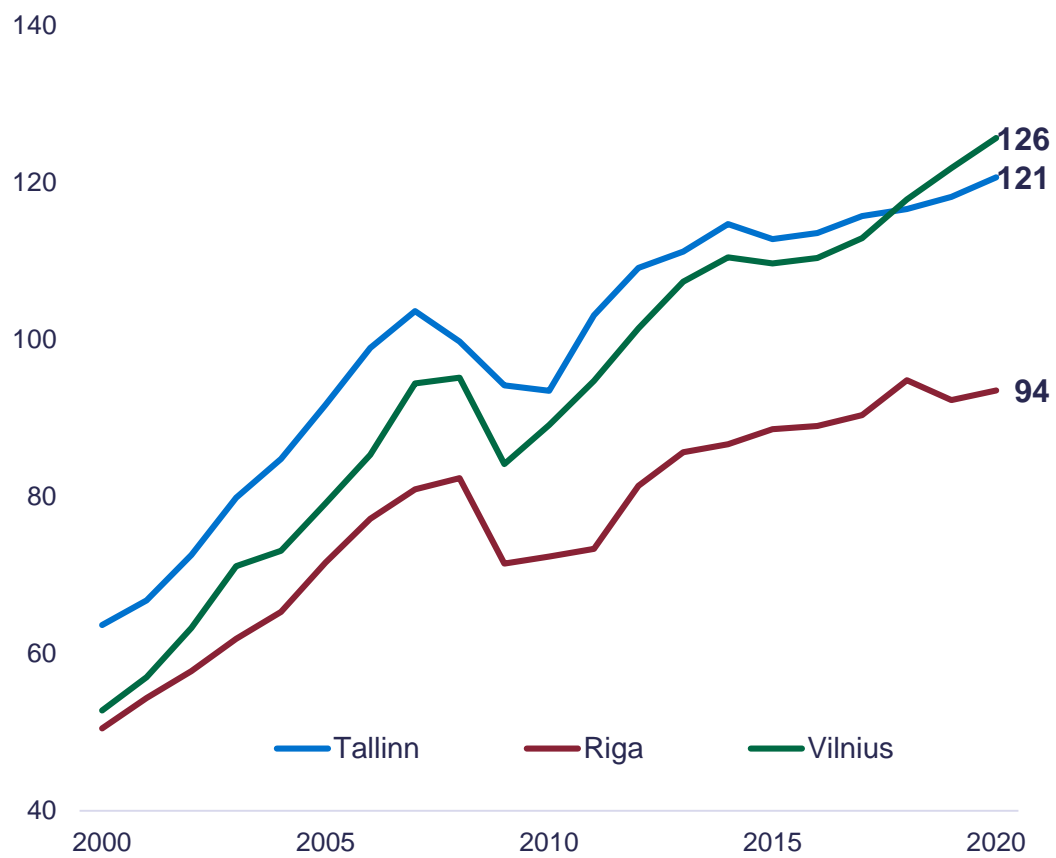


Urban life satisfaction and population growth in the European cities

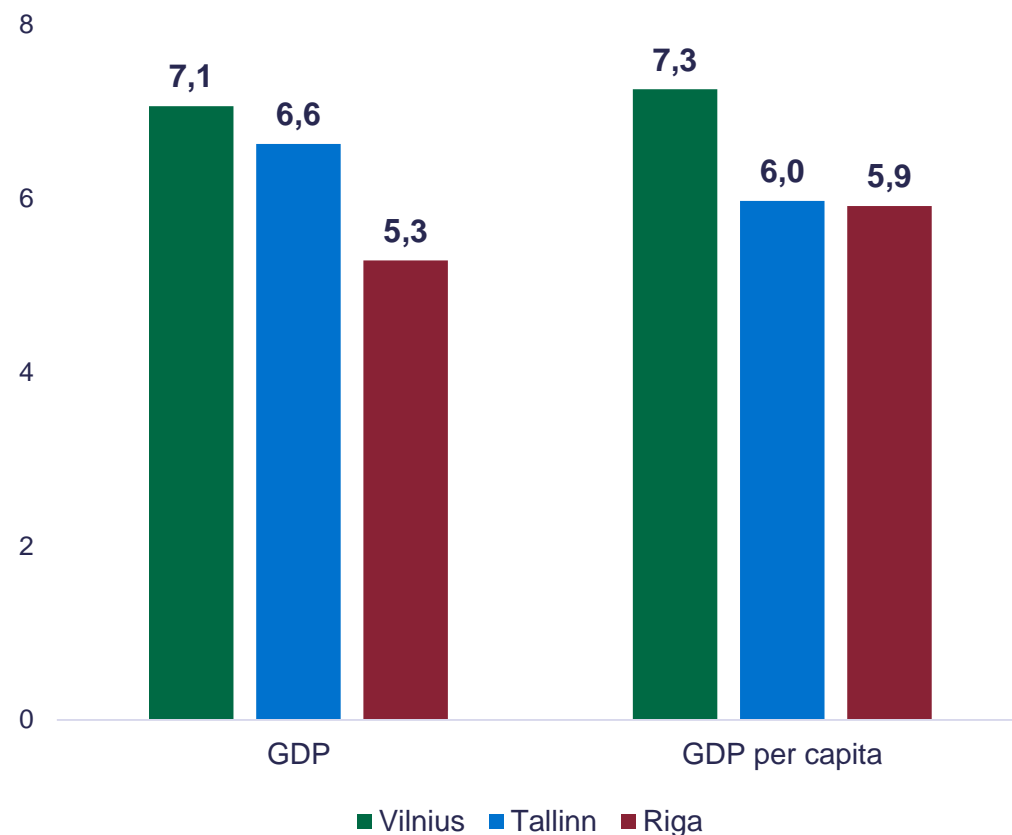


With the current pace of economic development, Riga will never catch up with Vilnius and Tallinn

Gross Domestic Product per capita
(index; EU27 average = 100; purchasing power parity adjusted)



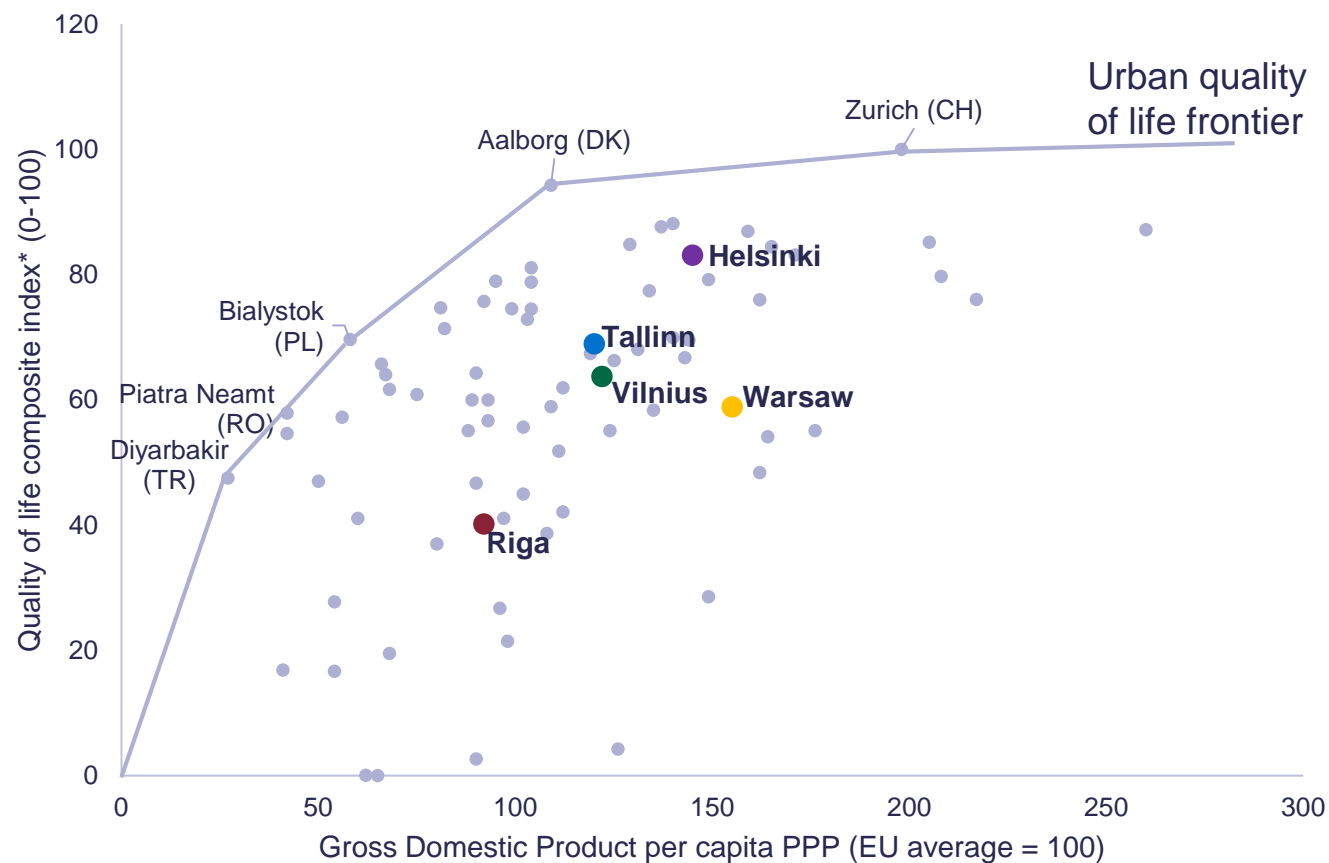
Gross Domestic Product annual growth rate
(%; 2001 – 2020 average)



Riga reflects Riga region (Riga and Pierīga), Vilnius - Vilniaus apskritis; Tallinn - Põhja-Eesti region.

There is a large room to raise the quality of life in Riga even with the current income level ...

Income level and quality of life in the European cities (in 2019)



* European Commission 2019 survey: weighted average of 40 questions in the following quality of life areas: safety, trust, governance, infrastructure and public transport, good place to live, environment (first component of Principal Component Analysis).

Source: European Commission and Eurostat data; author's calculation.

Quality of life in the European cities

high average low



... and the current population. Riga will never become New York, and it doesn't need to; it is enough to become the best version of yourself

Advantages of small cities to attract highly skilled and creative people from metropolitan centers



Clean, authentic and unique environment



Better organization of urban space

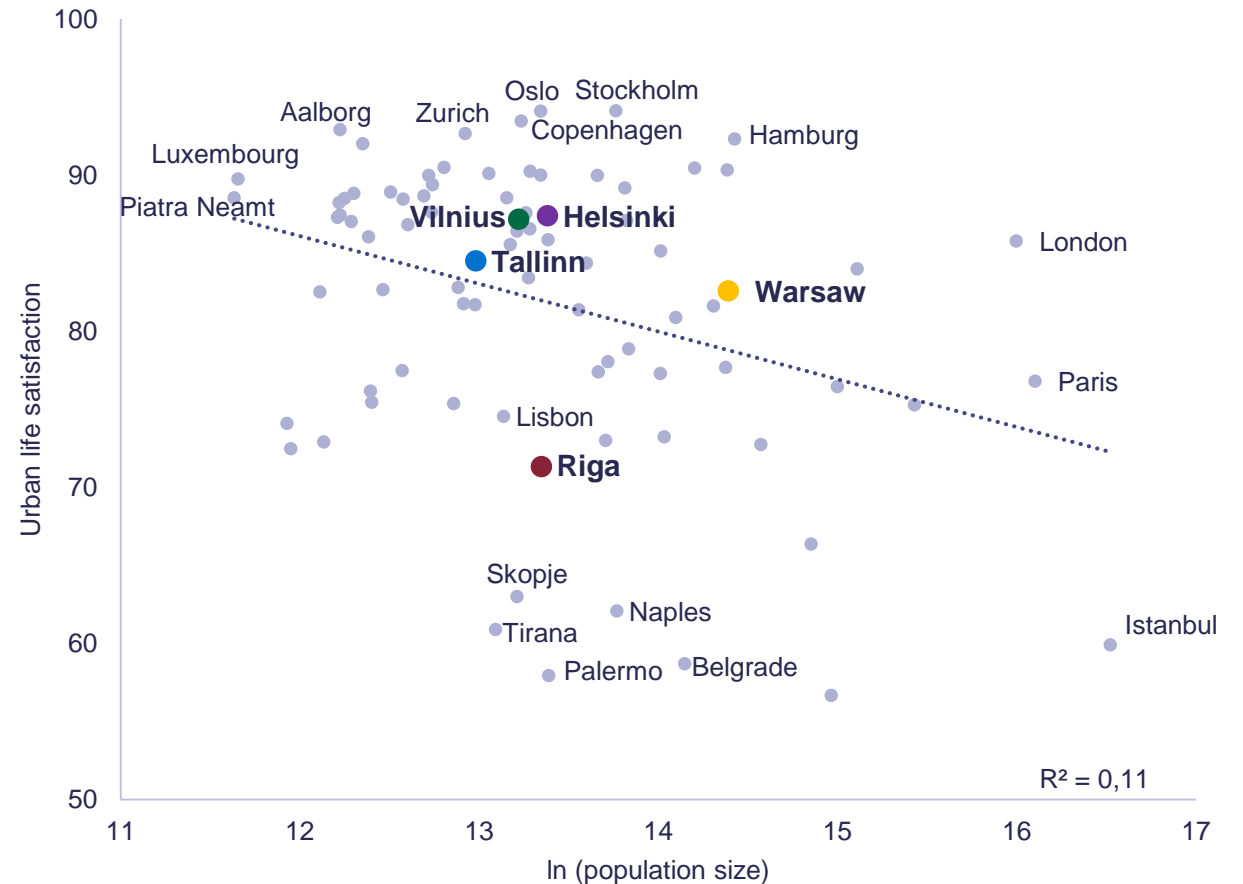


More convenient life rhythm of the people, greater opportunities to stick to a healthier lifestyle.



Social proximity, greater opportunities to engage in community life.

Population size and urban life satisfaction in the European cities (in 2019)



Source: European Commission and Eurostat data; author's calculation.

Takeaways



Urban quality of life is a key to stop depopulation trend and enhance economic growth in the European cities (and not only a backproduct of economic growth).



It is not mandatory to be a VERY RICH city to improve the quality of life: Aalborg (DK), Bialystok (PL), Piatra Neamt (RO).



It is not mandatory to be a BIG city to improve the quality of life. In Europe, residents of smaller cities enjoy higher life satisfaction.



Best examples are not far. Scandinavia, Germany, Netherlands: the most wealthy and happy people in the world. What should we do to enhance the quality of life in our cities?



For details: Bank of Latvia discussion paper published at the end of 2022



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**READY FOR THE NEXT 820?
LOOKING FOR THE KEYS TO PARADISE OF RIGA CITY**

DISCUSSION PAPER
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