

# The President of Latvia urges to improve the state budgeting process

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When promulgating the state budget for 2017 and the state budget-related laws, President of Latvia Raimonds Vējonis urges to evaluate opportunities to streamline the procedure for drafting the budget bill package so that decision-making on national financial resources would be comprehensible and transparent and would promote public trust in the decision made by the state power.

In his letter to Madam Speaker of the Saeima Ināra Mūrniece and Prime Minister Māris Kučinskis, the President of Latvia informed them that he had received and continued to receive appeals from many entrepreneurs and other nationals with a request not to proclaim or to suspend the provisions of the Law "Amendments to the Law On State Social Insurance" adopted on 30 November 2015 on the minimum mandatory contributions of state social insurance.

Since the Satversme (Constitution of the Republic of Latvia) did not empower the President of Latvia not to proclaim or to suspend this law currently, taking into account the slow economic growth of the country, Raimonds Vējonis urged the Saeima to review this Law and return to the decision-making regarding this issue by achieving a fair regulation that fitted common public interest.

"Taxes must be paid because the state can provide vital services to citizens from the tax revenue only. However, the adopted amendments to the Law on State Social Insurance will not reach the goal of strengthening social protection for employees most likely, but quite the opposite, equalizing the minimum mandatory contributions to social security with the minimum monthly wage set forth in the country regardless of whether an employee has actually carried out the work to that extent and received the corresponding salary is unfair both to employers and to employees. In the current situation, such a framework will only increase unemployment and contribute to the shadow economy," indicated the President of Latvia.

Raimonds Vējonis also urges Members of the Saeima to engage in the drafting of the state budget bill at an earlier stage thereof as possible so that ideas and suggestions on possible spending of national financial resources might be reviewed and discussed in due time. "This would reduce the number of proposals submitted for the second reading and ensure greater openness and transparency in the decision-making process on national financial resources," wrote the President of Latvia in his letter.

He also requested to provide that the issues not related to spending of domestic finances would not be included in the package of state budget bills in the future as opportunities to discuss them thoroughly in public would be limited in that manner. "The package of state budget bills should not become a convenient tool for fast resolution of controversial or delayed matters," stressed Raimonds Vējonis.

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