



7 June, 2018

## The FICIL's Position Paper on Higher Education Policy

### 1. Executive Summary

FICIL has indicated during the last years perceived flaws in the situation within the Educational sector in Latvia, namely: the mismatch between educational infrastructure and demand, the emigration of talent, the atomization of resources, the lack of advancement in the quality of higher education and research.

The government has initiated reforms in most of the areas highlighted in previous years and FICIL praises its efforts. However, we don't see enough advancement at the level of implementation and there are still fundamental reforms, which have not been initiated, remarkably in the Higher Education System. This is the reason why we are separately proposing a reform in the governance of Higher Educational Institutions (see appendix to this position paper).

The most fundamental concern for the investors remains the same – the availability and quality of labor in Latvia, consequently also long-term goals have not changed: 1. Leverage the quality level from good to excellent across the system. 2. Focus in the introduction of competency-based education in all levels. 3. Equal opportunities in the context of the optimization of school network and concentration of resources.

To achieve the goals mentioned above FICIL proposes to start a new stage of the modernization of the Latvian education system using a task force which is created uniting the best experts in change and education. We understand that, despite the goodwill of the different stakeholders, it seems that the resistance to change is still high.

We also invite Latvian leaders to seek the definition of a vision for the whole educational system which would have important practical consequences at the time of driving the needed changes and improvements. This vision should be aligned with the long-term priorities of the Latvian economy.

## **2. Recommendations**

### **1. Internationalisation**

1.1. Internationalisation should be addressed considering the long-term strategy of the country. In this sense, more special funding programs beyond EU funds could be foreseen for attraction of outstanding international students and faculty.

1.2. Collect and distribute information, which would allow the creation of objective, comprehensive and precise rankings of Latvian schools and HEIs.

1.3. Avoid the establishment of unnecessary language requirements for elected positions in higher educational institutions in order to facilitate their internationalization.

### **2. Inter-cooperation**

2.1. Engage external stakeholders in the governance of HEI according to our proposal (appendix) and the recommendations of the World Bank in order to facilitate accountability and provide strategic relevance.

2.2. Undertake an action plan for reforming of HEIs and the so-called “HEIs Law (Augstskolu Likums)” considering the findings of the current audit of the State Audit Office, the recommendations of the World Bank and the need to make good use of the last available program of EU structural funds.

2.3. Motivate HEIs to develop more flexible management procedures for professional programs’ design, execution and upgrade in order to facilitate the interaction with the labour market. Universities should be requested to facilitate the creation of ecosystems of exchange and cooperation between science and business departments. Recent initiatives as the “RTU Design Factory” and “Demola Latvia”, though still incipient, should be recipients of investment and attention.

2.4. Finish the revisiting of accreditation/licensing and allocation/amount of financial support systems with the objectives of encouraging inter-institutional cooperation, properly financing the study programs, enhancing cooperation with business and encouraging academic excellence. An option would be strict/lengthy accreditation procedures for academic state-funded programs and more flexible/fast-track licensing procedures for professional programs.

2.5. In preparation towards the launching of the new accreditation process, undertake an objective analysis of the future trends in the labor market in cooperation with business representatives.

2.6. Encourage cooperation between basic and middle education institutions and HEIs in order to support teachers’ integration of new technologies.

### **3. Individualisation**

3.1. Run an independent and comprehensive assessment on retention and completion in all levels of the educational system.

3.2. Support further the increase of the enrolment of pupils in professional schools facilitating the integration of the educational process with the job market and offering career advisory services to parents and pupils in the 9th form.

3.3. Complete the introduction 21st century competences’ development content through a neat and well-communicated implementation of skolas2030 project.

3.4. Establish a special funding position, independent of EU funds, for top potential Latvian faculty, researchers, students and pupils, and support them with individual assistance from experts and leading faculty.

## **3. Rationale for recommendations**

1. Future demographics of Latvia show that the declining of the number of inhabitants will continue, which will affect further the education system (less interested students and teaching staff). We see a close connection between internationalization of the higher education and international

competitiveness. The facilitation of the openness of the higher education for the international society and the exchange of know-how should be set as priority of the higher education development. The quality of the higher education is tightly linked to the qualification and scientific activities of the academic personnel, which, due to the lack of appropriate funding system, keeps decreasing. In this sense, the basis for the election of HEI's staff should be completely independent of the command of Latvian language.

2. Latvian Higher Education System is too fragmented, which can be seen in the progressive disproportion each year between fewer students and greater number of universities and study programs. The HEI's fragmentation leads to fragmentation of resources, undeveloped resource sharing and duplicated study programs with unclearly defined study objectives and results. The accreditation system of HEIs programmes is not perceived currently as a guarantee of quality by prospective students and employers. HEIs are providing professional and academic programs with similar governance and accreditation procedures. Academic and professional education requires different style and structures for managing and assuring quality. There is a disproportion between the supply of study programs in universities/colleges and the demand of labour market.

3. Students in high schools are not motivated to finish their studies and get the degree further. About 30% of high school graduates do not continue studies in the universities, but the demand for low qualified workforce is decreasing. There is a mismatch between employers' needs and expectations from employees and the content in schools and universities. Content, which is provided by schools and universities, is not changing and moving towards competence based content as fast as 21st century employers and companies would expect. High-potential young researchers are leaving the country looking for better research opportunities and standards of living. This situation is partly produced by the limited resources allocated to research (below EU level) and the fragmentation and excessive bureaucracy in the distribution of these resources.

## **Recommendation for Improving Governance in Latvian Universities**

### **Executive Summary**

The State Audit Office published a report in December with specific facts and recommendations, which gave further evidence on the lack of excellence in the quality of governance of the Higher Educational system and players.

FICIL members are convinced that any further delay in the modernization of the system will certainly harm the long-term development of Latvia, as it can only be based on a knowledge-based economy. Besides, we are confident that the current negative demographic trends of Latvia can be improved with an excellent level of education.

We understand that the government should consider an increase in the level of funding towards universities and other HEIs. However, we would be ready to support this increase only if we can be sure that the resources will be administered with more efficiency, transparency and with a sustainable model. According to the findings of the State Audit Office, the current funding model is not sustainable as it largely depends on EU funds.

### **Recommendations**

1. Repeal and replace the law of HE (Augstskolu likums) by 2020, which would envision a system of higher of education that becomes internationally recognized, less regulated, quality-oriented and student-centered.
2. Apply as a transitional measure the Tartu Act's model of governance from 1 June 2018 on the following institutions: Riga Technical University, University of Latvia, and Riga Stradiņš University. Specifically, we recommend to:
  - a) Create the figure of the Council as established in the University of Tartu Act, 2.2 (see appendix)
  - b) The Council will replace the "satversme sapulce" as the highest decision-making body of these universities (Augstskolu Likums, III.nodaļa, 12.2)
  - c) The Council will replace the current "padomnieku konvents" (Augstskolu Likums, III.nodaļa, 16)
  - d) The Council should take over all the functions foresee currently in the University of Tartu Act, except the election of the Rector (University of Tartu Act, 3.2) till the new HE law is sanctioned in 2020.

The composition of the Council should ensure independence, professionalism and connection with the job market. In this sense, we understand that the University of Tartu Act's relevant dispositions (2.2.2) are sufficient for the current transition period. We suggest, though, that further analysis should be done in order to apply this experience to the Latvian context. In this sense, we suggest to review the regulations currently used for the appointment of council members in state-owned enterprises and the recommendations issues on this regard by OECD.

## **Rationale for recommendations**

1. We understand that a new HE law can facilitate the revision and enhancement of an inspiring vision of the whole system, can support the international ambitions of the different universities, and can guarantee the legal framework for creating a system that is governed with transparency and accountability.
2. The immediate introduction of the University of Tartu Act's model of governance will send a clear and simple signal to the society that the government and the Universities are ready to learn the lessons and make the long-awaited changes.
3. The immediate introduction of the University of Tartu Act's model of governance will facilitate the efforts of the Ministry of Education and the rectors to improve accountability and create more sustainable development plans as the current EU funds programs come to an end.
4. The immediate introduction of the University of Tartu Act's model of governance will enhance the connection with the job market, the validation of the academic strategy of the universities and will support the consolidation efforts of programs and institutions given that more professionals with business experience will join the management of the universities.
5. These changes will imply an effective answer and a prove of goodwill by the government and the HEIs towards the following recommendations on governance issued by OECD and World Bank: to develop a more foreseeable structure of governance, to balance the academic and administrative management, to create clear regulations for the integration of external stakeholders in the management of HEIs.
6. The implementation of these recommendations follows also similar examples of other leading institutions as: New York University of Abu Dabi, Singapore Management University, Aalto University, and European School of Management and Technology.
7. The incorporation of the Council can become an important instrument to fix some of the most essential deficiencies found by the State Audit Office's report: lack of monitoring of the institutions, lack of efficiency in the management of funding, difficulties for the engagement of talented academic and research experts, available funding per student and excessive number of institutions.
8. Finally, the Council can fulfil better some of the functions that currently are supposed to be exercised by the AIP, particularly the validation of the number of budget places according to the market needs.