



Position Paper No. 3

**FOREIGN INVESTORS'
COUNCIL IN LATVIA
POSITION PAPER
ON LABOUR FORCE
CHALLENGES**

08.09.2022



Executive summary

The Foreign Investors' Council in Latvia (hereinafter – FICIL) believes that the labour force policy is one of the key drivers of Latvia's economic development. Labour force availability is also one of the most important factors that investors consider when making investment decisions¹.

In the age of rapid digitalisation and a rapidly changing job market, FICIL identifies three interrelated categories that require the policy-makers' attention – governance of workforce issues, labour force availability, as well as skills and the requalification policy. Coordinated efforts with clear key performance indicators (hereinafter - KPIs) in these categories will help boost the economic development and productivity of Latvia.

This has been highlighted repeatedly by the OECD, World Economic Forum and other international organisations – a focus on the requalification policy is of paramount importance, as we will see a rapidly developing labour market at the centre of economic growth for various countries, including Latvia. FICIL agrees and echoes the conclusions

mentioned in the latest “OECD Economic Survey: Latvia 2022” report², where emphasis was placed on the significant mismatch of skills, requiring greater employer involvement in training than in other countries.

It has become apparent in recent years that availability of a labour force is a political hot potato, since there have been no significant policy changes that would comprehensively deal with this issue. We are now in a position where the business environment lacks both an available workforce, and from the workforce that is available – there is a skills gap. As the labour force plays a central role in the economic development of Latvia, there should also be centralised governance of these issues to achieve concrete progress. The current fragmented system has not proved to be effective in addressing a lack of upskilling and requalification undertaken by employees that is so critically needed. Lastly, policy-makers must not forget that all labour market policies should be closely linked to other medium and long-term national planning documents and prioritised industries.

1 FICIL Sentiment Index 2021: Election edition

2 OECD Economic Survey: Latvia 2022





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Recommendations

1. Governance

- Reform and centralise governance over labour force policy by delegating one responsible institution with a clear mandate over human capital issues (upskilling, requalification, digital skills, availability, future labour force needs, legal framework etc.).

2. Skills and requalification

- Define an institution that is accountable for implementing holistic requalification and upskilling policy which would be responsible to engage different stakeholders to design, monitor and implement country wide requalification and upskilling programs. The main responsibility will be to ensure increased quality of entire labour force through efficient, relevant and engaging upskilling and requalification programmes.
- Government must define one responsible entity that provides guidance on the content and delivery of Small and medium-sized enterprises digitalisation education programs.

3. Availability

- Address the short-term labour force shortages by opening labour market in specific sectors to foreign workforce.
- The Government should create a unified "Work in Latvia" platform to attract foreign workforce.
- Minimise barriers for a foreign workforce attraction (including average salary requirements, legislation etc.).
- Amend internal labour force issues.
- Amend the Labour Law to make it more flexible, modern and foster the availability of labour force. FICIL proposes introducing:
 - part-time aggregated working time;
 - zero-hour contract in the existing regulation;
- a regulatory framework for fixed term employment contracts so they are more flexible. Supplement Article 44 by allowing employees to enter a fixed-term employment contract where they are required for fulfilment of a particular contract or specific project;
- an option for communication with employees via the officially accepted electronic communication channel - "e-address". Supplement Article 40 and amend Article 1121 of the Labour Law.
- Improve the sick-leave certificate (SLC) issuance system and accountability over it. FICIL proposes to:
 - extend the rights of the Health Inspectorate to be able to effectively request, receive and confirm the grounds of the issuance of SLCs;
 - determine the criteria for which speciality physicians can issue SLCs in certain conditions and increase the responsibility of physicians/physician's assistants in cases where it is recognised that the SLC has been issued on false grounds;
 - define and amend the regulations to reflect the liability of employees in the case of situations when issuance of the SLC has been unjustified.
- Enhance both employer and employee safety by re-evaluating the mandatory health examination (MHE) procedures. FICIL proposes to:
 - ensure that occupational physicians and specialists involved in the MHE process have all the relevant information available regarding the health condition of employees. All registers need to be available containing the health information of employees, including critical illnesses or occupational diseases;
 - consider the possibility of drawing up a list of comments and recommendations for employers or requirements/criteria for such recommendations for an MHE card under the section "Special comments and recommendations for the employer" for them to be as specific as possible and make compliance easy to understand and implement.



Rationale for recommendations

Governance

The Future of Jobs Report 2020 by the World Economic Forum³ (WEF) highlights that 50% of all employees will require reskilling in the next five years. Even if an employee remains in their current role, it is estimated that around 40% of the core skills required for their role will change over the same five-year period. The WEF report also emphasises the role that the Government will have to play in providing the opportunities for employees to be able to adapt to the changing market. Furthermore, both WEF and OECD⁴ explicitly calls for countries to provide stronger support for reskilling and upskilling for at-risk or displaced workers.

Latvia has set the promotion of smart industrialisation as a strategic foundation. This implies the integration of technologies in areas such as digital production, robotics, additive manufacturing, flexible electronics and photonics in several industries. However, Latvia's labour force education system is not ready to provide the training needed to implement and operate these new technologies.

For this reason, it is crucial that the planned labour force policy, including upskilling and requalification is effective, sufficient and goal oriented. Currently, there seems to be no link or practical coordination between the country's plans for economic development and its labour force and requalification policy.

Although there are some overlaps in the identification of priority sectors in the State Education Development Agency (VIAA), Investment and Development Agency of Latvia (LIAA) and the National Industrial Policy Guidelines for 2021-2027 (NIPP2027), there are also major differences. For instance, the industry expert councils that shape the courses offered by VIAA do not reflect some of LIAA's priority sectors, such as healthcare and food manufacturing. At the same time, there is also no clear link to two of NIPP2027 priority directions - bioeconomy and smart materials. If Latvia has chosen to define its future goals in these specific economic sectors, there should also be a

clear path to determine and ensure that there are enough professionals available to carry out Latvia's specialisation.

The misalignment of priorities arises due to a lack of centralised policymaking, coordination and a lack of data-based decisions. This fragmentation is also resulting in the lack of clearly defined responsibility for the public sector. The fact is that there are multiple ministries and agencies involved in the labour force and requalification policy, it is difficult to see or achieve results with no common KPIs, harmonised action plans or accountability over the end result. A centralised governance model is bound to be more efficient in responding to the labour market needs and ensure clear accountability. FICIL sees that the creation of a proper central agency with a clear mandate could be one potential way to approach this problem. **Annex 1** provides a more detailed overview on how this central agency could serve as a policy-implementer in the area of human capital.


Requalification policy

FICIL understands that Latvia is continuously investing in upskilling programs through different agencies and institutions. Nevertheless, the current system is too fragmented, with misalignment between objectives and with only marginal engagement of industry. The ongoing digital transformation across most industries and other global trends are challenging the current labour market and setting the scene of what the future labour market will need, even further emphasising the necessity for proper upskilling strategies.

The World Economic Forum's report on the Future of Jobs highlights that automation, together with Covid-19, has disrupted workers and will further increase the speed at which jobs, tasks and skills will transform. It is of paramount importance that we do not fall behind. In the current situation, where many new industries are emerging and old ones are reshaped, it is vital that Latvia not only aims to retain its competitiveness, but also uses this opportunity to set standards and emerge as a regional leader in terms of achieving a workforce that is equipped with

³ WEF The Future of Jobs Report 2020

⁴ OECD Employment Outlook 2021



the skills required for the modern and future job market. Due to the bleak demographical outlook, a clear strategy should raise productivity and increase the value-added skills that the decreasing population has. In order to achieve this, the requalification and lifelong learning system will play a significant role - by equipping the young generation with the right competences for becoming adaptive in the face of a dynamic job market and providing the current active workforce with the possibilities and incentives for upskilling.

It is agreed that an efficient requalification system requires four characteristics:

- Strong set of available data for an objective evaluation of the job market needs, with an added supply of data from the educational sector.
- Flexibility in the design and delivery of the upskilling investments.
- Capacity to monitor the upskilling programs.
- Capacity to provide incentives to the workforce.

Digital Skills

With regard to the strategy for the upskilling in digital skills, we recommend setting up a forward-looking strategy that takes into account the following challenges:

- Any training in digitalisation skills implies a complex collaboration among numerous actors: schools, academies, universities, industry, online service provider, etc.
- There are differing definitions of what digital skills are and what should be included in the programs in terms of outcomes. It is important to continue to re-evaluate the program content in line with evolving technologies and industry recognised credentials.
- The current fragmented and underfunded system of vocational education makes developing a common program oriented towards the job market complex.
- "Train the trainer" efforts will be required to help both faculty and teachers to become knowledgeable in teaching new technologies.
- Student attrition is always a challenge, it is important that efforts are made to keep students engaged for the full programs, whether they are short-term credentials or degrees.

Therefore, FICIL would also recommend reviewing the course content (that is made available from the public funds) as this would help to make sure that the offered training corresponds to the country's economic development ambitions and the expected digitalisation of the economy. For example, the ICT sector demonstrates that a formal higher education is unable to produce enough specialists and the industry is lacking over 2000 additional ICT graduates per year⁵. High-quality upskilling courses can help to narrow this gap. Such high-quality courses require strong collaboration with the industry to identify the specific missing skills, design the course offers and attract qualified trainers.

To avoid falling into the previously identified trap of too many actors taking on the role of requalification and upskilling policy implementation, FICIL recommends that the Government defines one responsible entity that provides guidance on content and delivery of SME digitalisation education programs. This would help SMEs efforts to achieve further digitalisation, especially by receiving guidance with which they can develop a clear plan for employee training. Moreover, to motivate SME companies to invest in digital skills training it is worth discussing the idea of linking digitalisation effort KPIs to tax rebates. One KPI in this case could be an increase of employee productivity, for example, measured as revenues per employee. If a company shows productivity increase, cost savings etc. rebates on the corporate income tax are applied. These tax rebates could be applied for several consecutive years if KPIs are met repeatedly.

Finally, there is a need to revisit the objectives that Latvia has set for upskilling in digital skills. Latvia's plan for the utilisation of the Recovery and Resilience Facility (RRF) includes investments into improving the population's basic digital skills with the goal of increasing the proportion of people with such skills from 43% to 70% by 2027⁶. However, various stakeholders in the public sector have very different perceptions on what should be considered as "basic digital skills". Right now, there are multiple ministries that are planning to be involved in this advancement of skills, however, the RRF plan does not show any specific KPIs that each ministry plans to attain. As a result, such a fragmented approach is likely to lead to overlapping actions and unclear responsibility. One potential strategy is to research and focus on the core skills that will be required in a digital society but exceed the skills taught in the formal educational system.

5 http://certusdomnica.lv/wp-content/uploads/2017/10/web_CertusZinojums_2017_1dala_Latvija2022-2.pdf

6 <https://www.varam.gov.lv/sites/varam/files/content/files/digitalas-transformacijas-pamatnostadnes-2021-27.pdf>

Availability

Foreign workforce

To avoid continued labour shortages in certain sectors, including the sectors that lack a lower-skilled workforce, and to avert economic slowdown due to labour shortage, FICIL recommends simplifying the processes in place to attract a foreign labour force quickly. FICIL does not deny that the primary concern of employers should be to attract able and qualified local employees for their vacant positions. This stance has been reiterated in the position paper, by emphasising the need for training and upskilling of employees to increase Latvia's productivity levels and address the structural unemployment issues.

However, experience in recent years has shown that the lack of a workforce has become a serious obstacle to Latvia's economic development. Thus, it is still necessary to think about forward-looking solutions, including attracting a foreign labour force, in order to avoid the unnecessary slow-down of economic development. FICIL focuses on the following solutions.

Moreover, the government must minimise barriers for a foreign workforce attraction (including average salary requirements, legislation, language requirements etc.). FICIL proposes the following changes.

- **The government should consider creating a unified "Work in Latvia" platform to attract a foreign workforce.**

The platform would work as a mediator between skilled foreign workers and employers in Latvia with the aim to attract a foreign workforce to existing vacancies that are not being filled with the current labour market conditions. Such a platform should have the option of employers sharing their experiences in order to foster more information exchange and making it easier for other employers who are interested to participate in this system. FICIL would recommend the government going one step further and organising a unified centre where labour force from third countries could get advice and assistance in all essential requirements for staying in Latvia. Moreover, currently, persons coming from third countries often have to go through a very long process to get all the necessary documentation, which creates uncertainty for companies and makes planning more difficult. As a solution, FICIL would propose introducing a maximum time limit for evaluating and processing the applications, for example, 30 days; this limit would mean that companies can be sure that the new employee will

have their documents processed, by the latest within 30 days.

- **Salary amount for foreigners in the following sectors should be in line with the average gross salary in said sector:** hospitality industry (hotels, restaurants etc.); road transport; logistics; food production; retail trade (insofar as knowledge of the official language is not required for the performance of duties).

Reducing the amount of funds necessary for foreigners in certain sectors would make it possible to find a temporary solution to relieve the labour shortages in the segment of less skilled workers and ensure that economic development is not slowed down. It is also possible to implement such a regulation with certain additional conditions in order to protect the labour market from an uncontrolled labour supply.

- **Evaluate and analyse immigration laws and regulations and update them so they are flexible and reflect the current and future labour market needs.**

As has been done before, FICIL continues to emphasise the need to improve and de-bureaucratise the process in attracting a foreign workforce, including amending the regulations and laws. While FICIL welcomes the amendments made to immigration laws, including the introduction of the Digital Nomad Visa opportunity, that will foster more highly qualified workers from third countries coming to Latvia, nevertheless, FICIL continues to advocate for further evaluation of current legislations to simplify and quicken the process of a person travelling to Latvia and being employed when it is necessary for the local employers.

There is no way to solve all of the labour availability challenges in the short-term, so it is of paramount importance to adopt and implement effective policies that aim to further increase Latvia's productivity. The trends of declining demography and ageing of the population together with the rising labour costs, if left unattended, will have grave consequences on the availability of labour in the long run. Nevertheless, policymakers must not fail to ensure that the current legislation is proactively evaluated and updated to better address all the modern challenges and trends that the labour market is facing. This would increase flexibility for both the employees and employers and enable those who are willing, but unable, to work to participate in raising economic activity. FICIL outlines clear and concrete amendments to the Labour Law in order to facilitate greater availability of labour.

■ **Introduce part-time aggregated working time.**

There are currently different interpretations and positions taken publicly by public sector institutions in respect of the application of the part-time aggregated working time. FICIL believes that such uncertainty significantly restricts the possibilities of employers and employees coming to an agreement on a mutually acceptable model of working time organisation. Given the contradictory case law in this issue and the different views of legal professionals, it would be necessary to clarify the Labour Law by stating that organisation of the aggregated working time is also acceptable for part-time employees. In order to guarantee the safeguarding of employees' rights, it could be a requirement that, in the case of part-time aggregated working time, it is necessary to determine the minimum guaranteed number of hours for an employee which may not be less than, for example, five hours a week (on average in the reporting period).

■ **Introduce a zero-hour contract in the existing regulation.**

There are irregular short-term periods in specific sectors during which an increased demand for workers is observed, yet this demand does not usually last for more than a couple of hours or days. Such cases are most common in the hospitality sector, for instance, when organising and servicing conferences or any other events. In the view of employers, the Labour Law is currently lacking a

flexible solution which is easy to administer, thus making it more difficult to attract the necessary manpower in such short-term cases. In order to make the Labour Law more flexible for both employers and employees, FICIL calls for the option to introduce a zero-hour contract in the existing regulation. Such contracts enable companies to attract employees who have previously demonstrated their willingness to do compensated short-term work in their free time, however, are not interested to enter into long-term commitments with a specific employer. On the one hand, the employer would be given the option of establishing a contractual relationship with an employee without guaranteeing certain working hours, but offering them the opportunity to carry out work in the short-term and when there is irregular demand. On the other hand, employees would be able to accept or reject the specific offer made by the employer for particular assignments.

■ **Introduce a regulatory framework for fixed term employment contracts that are made more flexible.**

The current regulatory framework for fixed term employment contracts (Article 44) is outdated and not flexible. Although there is a possibility to sign fixed term employment contracts in case of a short-term increase in workload or production volume, this is not compatible with the modern economic relations, which are mostly based and understood as fulfilment of particular contracts and implementation of projects. Accordingly, FICIL



proposes supplementing Article 44 of the Labour Law by allowing employees and employers to enter into fixed term employment contracts in case they are required for a fulfilment of a specific contract or implementation of a particular project.

- **Provide an option for communication with employees via officially accepted electronic communication channel - "e-address".**

In order to facilitate efficient communication with employees in the current digital age, FICIL believes that it is the right time to modernise the possible communication channels with the employee. For one, FICIL proposes supplementing Article 40 of the Labour Law by introducing an additional item to be provided in employment contracts - the officially accepted electronic communication address (e-mail) of employees where all communication from the employer regarding employment relationships can be delivered. Furthermore, and in connection with the previous proposal, it is suggested to amend Article 112.1 by stating that the sending of an e-signed termination notice to an employee's e-mail is also one of the default options (i.e., that no special agreement with the employee is required in this regard).

Sick-leave certificates (SLCs) and Mandatory health examination (MHE) process

FICIL considers that issues related to the sick-leave certificates (SLCs) and mandatory health examinations (MHEs) is also relevant in the context of the shortage of a labour force, because only by knowing the true state of health of employees is it possible to adequately evaluate the state of the labour market as a whole. Therefore, it is important

that the SLC system and the MHE process are not abused and are trustworthy.

FICIL is grateful for the all the active cooperation with the Ministry of Health and the Ministry of Welfare, as well as the Health Inspectorate and the National Health Service on discussions regarding the problems related to the SLCs and the MHEs. Nevertheless, FICIL would like to raise concerns regarding the process of the issuance of SLCs and control over the issuance, as well as the process of MHEs which does not ensure adequate evaluation of the health condition of employees.


SLCs

Problems related to the issue of SLCs, including cases where there is valid suspicion that an SLC has been issued on false grounds, not only lead to losses for employers but also cast doubts on the entire system in general. At the same time, FICIL appreciates that during the meeting with the Health Inspectorate it was agreed that in cases where a request is made to verify the validity of the SLC in the context of termination of employment relationships, employers may separately indicate these circumstances, which will result in the Health Inspectorate dealing with such requests on a priority basis. Therefore, FICIL makes the following recommendations:

- **Extending the rights of the Health Inspectorate in examining issues regarding substantiation of the issue of SLCs.**

Although there has been some improvement in the efficiency of the Health Inspectorate, the experience of the business sector shows that often the Health Inspectorate cannot be as effective as it could be if its rights and powers were extended.





There have been cases where the Health Inspectorate has been limited to a formal examination of medical documents, when it could have delved deeper into the circumstances of the issuance of SLCs, including the requesting of information from, for example, insurance companies or requesting accounting data from the medical institution itself, to find out whether the consultation with medical professional during which the SLC was supposedly opened actually took place. The Health Inspectorate should be an institution which is able to control all processes of issuance of the SLCs to ensure that the system in place is effective and trustworthy.

- **Determining the criteria which speciality physicians can issue the SLCs for certain conditions and increasing the responsibility of physicians/physician's assistants in cases where it is recognised that the SLC has been issued on false grounds.**

The business sector has faced situations when physicians issue SLCs for conditions that are not related to the specific physician's speciality - for example, an orthopaedic traumatologist issues an SLC for a mental condition. Such situations not only create the risk of the SLCs being issued inappropriately, but also undermines confidence in the system as a whole.

FICIL reiterates that a recommendation which was already suggested in previous years, and which should be reconsidered, is the withdrawal of a physician's/physician assistant's certificate in case an SLC issued by the physician/physician's assistant is repeatedly recognised as having been issued on false grounds. For example, in Sweden a medical licence may be withdrawn in case an SLC is issued on false grounds. Although withdrawal of a physician's/physician assistant's certificate should be regarded as a final solution, FICIL emphasises that increasing administrative liability could be considered a solution in a situation where it has been established that SLCs are issued on false grounds.

- **Defining the liability of employees in the case of issuance of an unjustified SLC.**

While the primary responsibility for a wrongly issued sick note should lie with physicians/physicians' assistants as specialists in their field, where it can be established that the employee has provided false information about their incapacity to work, there should also be a provision for employees' liability.

MHE process

Since various companies have faced situations where employees provide false health information in the MHE process, improvements would be required in this process in order to avoid potential risks faced by employees as a result of carrying out duties which do not correspond to their health condition. FICIL is grateful to the Ministry of Health and the Ministry of Welfare, as well as the Health Inspectorate and the representatives of the occupational physicians for their cooperation and their commitment to improving the MHE process. FICIL still considers it a necessity to improve the MHE process to avoid the situations when employees provide false health information or where instructions provided by the occupational physicians are not enforceable or understandable to the employers.

FICIL proposes the following improvements for the MHE process:

- **Ensure that in the MHE process an occupational physician and other specialist physicians involved in the MHE have information available regarding the health condition of employees.**


Namely that other registers are available containing the health information of employees, such as critical illnesses or occupational diseases - FICIL understands that such option may require changes in the MHE process and electronic health system, nevertheless, this could be set as a goal which could be reached during the process of improvement of the electronic-health system.

- **Ensure that information on the number of years worked by employees in working conditions that have been harmful to health or any other specific working conditions are available to an occupational physician during the MHE process.**

Moreover, this information should be retained when an employee is changing employer or position, as it can play an important role in evaluating the health condition of employees and can play an important role in safeguarding employees' health.

Proposals for improvements in the Electronic Declaration System (EDS)

FICIL proposes that provision is made for the inclusion of additional information in the EDS to enable employers to verify the circumstances under



which the SLCs were issued without the involvement of public authorities, in cases where the employees are uncooperative for any unknown reason in providing the required information. This measure could save time for both the employer and the Health Inspectorate.

- An obligation of the physician/physician's assistant to register the opened SLC on the first day of an incapacitated employee's incapacity to work. From FICIL's point of view, now that opportunities provided by electronic technology have increasingly developed, recording the SLC with a delay of several working days, which is currently allowed by the law, should not be acceptable. This leads to a long period of uncertainty for the employer who cannot establish whether an SLC has been issued. Instead, FICIL recommends imposing a clear obligation in the Cabinet Regulations for a physician/physician's assistant to record the SLC on the first day of an employee's incapacity to work, allowing a delay by one working day only due to technical reasons.
- Inclusion of information about the treatment regime that is determined for the employee. FICIL members note that there are situations, where during a period of temporary incapacity to work, the employee continues to attend social, sports events or travel. FICIL understands, that not all SLCs require a person to stay at home but believes that by enabling the employer to view the treatment regime assigned to an employee would significantly increase the employee's

accountability and reduce SLCs issued on false grounds.

- Inclusion of the information on the medical treatment institution and physician/physician's assistant that has issued the SLC - in accordance with Cabinet Regulation No. 152 of 3 April 2001, Procedures for Issuing and Cancelling Sick-Leave Certificates, a physician/physician's assistant is entitled to make comments on any violations of the treatment regime prescribed. However, it is most often the employers who can establish violations of the treatment regime, hence it would be reasonable to include information on the medical treatment institution and physician/physician's assistant who has issued the SLC, along with the recording of the SLC. This would also ensure more efficient compliance with the procedures laid down in the Cabinet Regulation.
- Inclusion of the information on the detection of an occupational disease of the employee - FICIL members have also encountered situations where employees fail to provide the information on the existence of diagnosed occupational diseases in a timely manner, if at all. Such diagnosis, however, imposes a number of obligations and restrictions on the employers. For example, the Labour Law provides for security guarantees for employees with occupational diseases. In order to avoid any situations where the employer has no information on the occupational disease diagnosed, or this information being received with delay, it is recommended to record such information on the EDS.





ANNEX 1 - Central Agency as a platform for human capital management

Human capital is one of the key drivers of Latvia's economy, therefore, a labour force policy is of paramount importance to shaping Latvia as an attractive place for investment. Fragmented policymaking and implementation processes lead to slow decisions, unclear priorities and a lack of governance over the required actions and expected results. It is essential to centralise decision-making and implementation processes in this policy field, in order to make sure that Latvia is able to respond and proactively react to the rapidly changing labour market needs.

FICIL has identified the creation of a Central Agency as a potential central figure in the implementation of a labour force policy. Such developments would require providing this agency with the mandate and resources to conduct in-depth analysis, including data analysis. In this way, Latvia would have a competence centre that could take appropriate strategic actions based on a thorough skills gap analysis and timely identification of required skills. Consequently, the education offers could then be reprofiled to match the labour market needs and long-term national and international trends.

Improving the approach towards human capital issues would allow the positioning of Latvia in the eyes of foreign investors as a country with a stable, considered and data-based labour force policy. Long-term success that is based on data and research requires the topic of human capital development in

Latvia to receive the highest political priority and be supported accordingly.

Setting a Central Agency as the key player and centralising the policy implementation would also lead to efficiency gains in the upskilling course offers. It is evident that in terms of requalification and lifelong learning, the functions of NVA and the State Education Development Agency (VIAA) overlap. Both agencies offer courses for requalification with almost identical course and trainer selection criteria. FICIL strongly believes that State financed courses should serve the purpose of providing quality upskilling opportunities for people looking to upgrade their knowledge and skills to further apply them in the job market. Therefore, this proposal could lead to better employee profiling, improved governance over the course offers, clear targets and accountability over these targets.

Examples from other countries include the Danish Agency for Labour Market and Recruitment (STAR)⁷. STAR is responsible for implementing and monitoring the labour policy in Denmark, while also closely collaborating with the relevant ministry in policy formulation and drafting of legislation. Furthermore, STAR serves as a centralised knowledge hub that supports other ministries, the parliament and other policy-makers. STAR is specifically focused on addressing the opportunities and challenges of the future job market.

⁷ <https://star.dk/en/about-the-danish-agency-for-labour-market-and-recruitment/>



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