

Position Paper No 3

24 September 2015

Position Paper on Development of the Educational System

1. Executive Summary

Understanding the relevance of the quality of education for the future of Latvia and its business community, we have undertaken a review of a certain number of key aspects to be considered. This document provides a relevant framework for decision makers in order to proceed decisively towards the modernisation of the educational system in Latvia.

While we support and appreciate the efforts of the Ministry of Education and Science on key issues such as the new funding model, salary level of teachers and consolidation of schools' network; we encourage considering the educational reform also from other perspectives: internationalisation, inter-cooperation and individualisation.

The educational reform in Latvia has been in the public discussion and on the government's agenda for many years. Changes have been produced though it is generally accepted that they have not been sufficient. There is a great deal of successful cases from which we could draw lessons and get inspired both in Latvia and abroad.

We propose to start a new stage of the modernisation of the Latvian educational system observing the following guidelines:

- a) Stress the urgency to modernise Higher Educational Institutions (HEIs) as we are aware of their crucial role for accelerating changes in other structures of the educational system.
- b) Encourage refocusing the core of the discussions on educational reform from the "financial concerns" towards the "modernisation of the system".
- c) Foster and enhance the cooperation between the different institutions at all levels of the educational system in order to offer better quality with more efficient use of resources.
- d) Take a decisive decision to encourage Latvian top universities to improve the quality of the study process in order to compete in the international arena.
- e) Emphasise and make actionable the incorporation of the so called "21st century skills" (soft and character competences) development in basic and middle education, for students and teachers alike.
- f) Mind the generational gap that seems to be prevalent all across the educational system.

Understanding the monumental enterprise ahead, we suggest creating a task force with experience in change and education, which could bring this ambitious plan into action. The task force should include participants from the private and public sector, from local and international organisations, and from educational players from Latvia and other countries.

Finally, after reflecting on the main issues connected with the Latvian educational system, we invite Latvian leaders to seek the definition of a vision for the whole educational system. A vision

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

could have important practical consequences at the time of driving the needed changes and improvements.

2. Recommendations

As indicated above, we propose to consider the modernisation of the educational system on the following perspectives: internationalisation, inter-cooperation and individualisation. We have split our key recommendations on these three headlines.

Internationalisation

- 1. Launch "Future Institutional Leaders" development programmes for the new generation of High Schools' and HEIs' institutional leaders. In this respect, cooperation with international HEIs is recommended.
- 2. Collect and distribute information, which would allow the creation of objective, comprehensive and precise rankings of Latvian schools and HEIs.
- 3. Internationalisation should be addressed considering the long-term strategy of the country. In this sense, special funding could be foreseen for attraction of outstanding international students and faculty.
- 4. HEIs granting academic degrees should seek relevant international accreditations.

Inter-cooperation

- 1. Reinforce the role of Advisory Boards in HEIs in order to facilitate accountability and provide strategic relevance.
- 2. 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.
- 3. Revisit 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.
- 4. Encourage cooperation between basic and middle education institutions and HEIs in order to support teachers' integration of new technologies.
- 5. 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.

Individualisation

- 1. Run an independent and comprehensive assessment on retention and completion in all levels of the educational system.
- 2. Stress personalised education in high school and baccalaureate programs. Schools' administrations should start to refocus their support programs towards more individual methods of approach.
- 3. Introduce 21st century competences' development modules as mandatory component in high schools, vocational schools and baccalaureate programs in order to foster the development of soft and leadership competences.
- 4. Stimulate in the society a culture of personal responsibility among students, parents and

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

- teachers on assuring and demanding an acceptable level of quality of educational services.
- 5. Develop lifelong learning paths for key industrial and service areas with capacity for reaction and change with the shifts of labour market. Students and professionals should have access to personal and independent assistance in order to build their lifelong educational tracks.
- 6. Teaching personnel at all levels should be subjected to assessment and training according to individual development plans.
- 7. Establish a special funding position 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. Internationalisation

- a. Future demographics of Latvia show that the number of inhabitants in Latvia is declining, which also affects the education system (less interested students and also less teaching staff).
- b. There is a close connection between internationalisation 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 said as priority of the higher education development. The sustainable development strategy of Latvia for year 2030 has defined an aim to increase foreign student proportion in Latvia to 10% of total students.
- c. There is not easily available, systematised and homogenous information on the educational quality of the different institutions.
- d. One of the criteria for comparison of the higher education international competitiveness is its attractiveness. Environment of the higher education in Latvia is more closed off than in the best foreign universities. Partly, it is defined by the education quality and regulatory restrictions. 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.

2. Inter-cooperation

- a. There is a disproportion between the supply of study programs in universities/colleges and the demand of labour market. According to a Ministry of Welfare's report, in the next few following years the demand will surpass the supply in qualified agriculture and forestry workers, qualified workers and craftsmen, and plant and machine operators and assemblers. However, the supply will surpass the demand in following categories managers, senior specialists, specialists, servants, service and sales workers, and other elementary occupations.
- b. The Higher Educational system has gone particularly through big transitions due to the historical and demographics changes of the last 25 years. This process has impacted their capacity for qualitative strategic planning. Examples of this problem are the overcapacity of their infrastructure.
- c. HEIs seem to be operating with very complex and slow system of governance, which could restrain the necessary flexibility to absorb changes and innovations. This is particularly relevant for those HEIs, which are focused on offering professional degrees.
- d. There is not enough participation of labour market representatives in the design process of programs in universities, colleges, and vocational schools. We understand that

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

- relevant entrepreneurs might not be fully part of the dialogue, as only one representative from Latvian Employers' Confederation and one from Latvian Chamber of Commerce and Industry are members of the accreditation committee. For example, when a HEI is designing a program in Hospitality, key industry experts should be actively involved in the process.
- e. 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.
- f. The accreditation system of HEIs programmes is not perceived currently as a guarantee of quality by prospective students and employers.
- g. 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.
- h. The budget distribution has been based during many years on a one pillar model of a state funding. We know that the Ministry of Education and Science is currently dealing with the introduction of a three pillar funding model (basic funding, performance oriented funding, and innovation oriented funding). We understand that this reform, if properly implemented, could substantially support the efficiency of distribution of the budget places.
- i. Most of the teachers (as a part of population's aging problem) are not too competent in usage of the new technologies, which gives the adverse effect students teach teachers to use technologies.

3. Individualisation

- a. Since 2010 the level of graduates has been dropping, but the number of colleges and universities has been increasing. Demographics are playing an important role on this. However, there is a perception that students generally lack motivation towards their studies, especially towards assuming a commitment for full time studies.
- b. 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.
- c. Students in high school age can attend events like Skola 2015, Enu dienas, and Open Door Days or webpages like Profesiju pasaule and NIID.LV to gather the information, evaluate and choose the right university/college. However, the majority of students do not have access to the right "personal experience and assistance" connected with their future career paths.
- d. 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 in the distribution of these resources.
- e. 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.
- f. We perceive lack of support for top potential Latvian students who would otherwise devote more effort to their studies and would access better learning opportunities. It seems that there are programs and students who get the access to the budget places even though the quality of the study process does not justify the investment.

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

Detailed considerations for development of educational system

Section I: Long-term agenda	6
1. Performance on retention and graduation rates	6
2. Strengthening of career competencies in educational programmes	7
3. Modernisation of the governance structure of educational institutions	8
4. Blending of new technologies in educational programmes	9
5. Personalisation of the programme curricula	10
6. Enhancement of faculty and teaching staff development	10
7. Optimisation of the research potential	11
8. Reengineering of the quality assurance system	12
9. Overcoming aging and the generation gap	12
10. Motivating a culture of change and result orientation	12
Section II: Short-term agenda	13
1. Overcoming the demographic challenge	13
2. Making the accreditation process relevant	14
3. Boosting the internationalisation of education	14
4. Making more fair distribution of "budget" places	15

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

Section I: Long-term agenda

1. Performance on retention and graduation rates

A. Problems:

- 1. Since 2010 the level of graduates has been dropping, but the number of colleges and universities has been increasing. Demographics are playing an important role on this. However, there is a perception that students generally lack motivation towards their studies, especially towards assuming a commitment for full time studies mainly due to the issues we are dealing with in this position paper. In the study year of 1990/1991 there were 10 universities/colleges in Latvia, where the total number of students was 45953, enrolled 9514 and 5668 students got the degree (which is 60% on the level of enrolment). In the study year 2010/2011 there were 58 universities/colleges with totally 103856 students, enrolled 31012 and 26545 students got the degree (which is the peak year with 86% of students that got a degree on students that enrolled). However, in the study year of 2013/2014 there were 61 university/colleges in Latvia, with only 89671 students in total, 31219 students enrolled and 21610 students that got degree (which is only 69% on the level of enrolment). In the 2014/2015 academic year there were 85,9 thousand students studying in the universities of Latvia, which is 4,3% less than previous year and 17.2% less than in study year 2010/2011 (See also in Section I, 3, A, I).
- 2. 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. In 2013, about 10% from the economically active citizens had primary education or even lower level education, besides, in the nearest future, this proportion is not expected to change².

B. Recommendations:

- 8. It is necessary to run an independent and comprehensive assessment on retention in all levels of the educational system.
- 9. Foreign students could support the maintenance of acceptable retention rates in HEIs. Firstly, they have fewer chances to take jobs in the local market during their studies. Secondly, a qualitative international intake could help to improve the motivation of local course mates. It is well proven that good international students enhance the quality of the programmes. Amongst those who enrolled in the higher education system in Latvia last academic year, there were 5 285 students, including foreign citizens, who had gained their previous education abroad and this number has increased by 18% since previous academic year ³
- 10. Stress personalised education in high school and baccalaureate programmes. Schools' administrations should start to refocus their support programmes towards more individual approach's methods. Top educational institutions have been always remarkable in personalising their educational processes with the consequent impact in the quality of the study process and the retention of students. Though, personalisation seems to be initially expensive, the costs could be offset with the outcome of the process and the appropriate design of the methodology (See also in Section I, 2, A, 1 and Section I, 2, B, 1, and Section I, 2, B, 5).

¹ www.delfi.lv, "Latvijas augstskolās samazinās studentu skaits", 5th of November, 2014

² Labklājības Ministrija, Informatīvais ziņojums "Par darba tirgus īstermiņa prognozēm 2015. gadam un bezdarbnieku un darba meklētāju prioritārajiem apmācību virzieniem", 5th of June, 2015

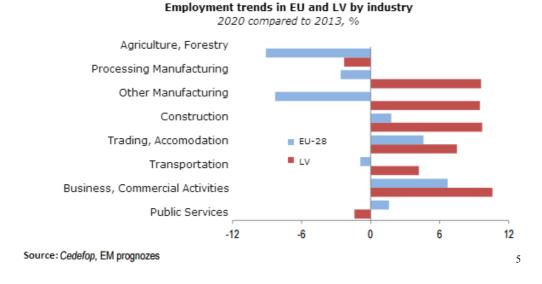
www.delfi.lv, "Latvijas augstskolās samazinās studentu skaits", 5th of November, 2014

- **11. Cooperation with competent NGOs** running coaching and mentoring services could be of help. There are several organisations in Latvia dealing with different personalisation methods as coaching and mentoring. Educational institutions could cooperate with them and learn from their experience (See also in Section I, 2, A, I).
- 12. Additional support incentives for low-income schools' pupils. The most significant risk factor for primary and secondary school students to not finishing their studies is regular unjustified absences in school. 83% of schools' administrators indicated this factor as very significant. In this regard, the following support measures could prevent students from leaving school before graduation: (1) Scholarships; (2) Covered transportation expenses (3) Covered study material expenses⁴. We understand that this is only part of the discussion and is a partial view from the administration's side. There could be other factors that affect students' decision of not finishing their studies, like lack of family support or lack of motivation because of the quality of the studies.

2. Strengthening of career competencies in educational programmes

A. Problems:

- 1. Employers are increasingly demanding improvement in the level of the so called "21st century skills", which are predominantly soft and character skills (See also in Section 1, 1, B, 3 and Section 1, 1, B, 4).
- 2. Students in high school age can attend events like Skola 2015, Enu dienas, and Open Door Days or webpages like Profesiju pasaule and NIID.LV to gather the information, evaluate and choose the right university/college. However, the majority of **students do not have access to the right "personal experience and assistance"** connected with their future career paths.
- **3.** There is a **disproportion** between the supply of study programmes in universities/colleges and the demand of the labour market.



4. According to the Ministry of Welfare's report on Labour Market section "Labour Supply and Demand Forecasts, Broken Down by Profession Groups" it can be seen that in the next few following years the demand will surpass the supply in qualified agriculture and forestry

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

⁴ Nodibinājums "Baltic Institute of Social Sciences", "Pētījums par priekšlaicīgas mācību pamešanas iemesliem un riskiem jauniešiem vecuma grupā no 13 līdz 18 gadiem", 2014

⁵ Labklājības Ministrija, Informatīvais ziņojums "Par darba tirgus īstermiņa prognozēm 2015. gadam un bezdarbnieku un darba meklētāju prioritārajiem apmācību virzieniem", 5th of June, 2015

- workers, qualified workers and craftsmen, and plant and machine operators and assemblers. However, the supply will surpass the demand in following categories managers, senior specialists, specialists, servants, service and sales workers, and other elementary occupations⁶.
- 5. There is not enough participation of labour market representatives in the design process of programmes in universities, colleges, and vocational schools. We understand that relevant entrepreneurs might not be fully part of the dialogue, as only one representative from Latvian Employers' Confederation and one from Latvian Chamber of Commerce and Industry are members of the accreditation committee. For example, when a HEI is designing a program in Hospitality, key industry experts should be actively involved in the process⁷.

B. Recommendations:

- 1. "Personal touch" Introduction of 21st century competencies development modules as mandatory component in high schools, vocational schools and baccalaureate programmes. Expansion of Junior Achievement Latvia, GoBeyond and Mission Possible models of training across all schools in Latvia (See also in Section I, 1, B, 3 and Section I, 1, B, 4).
- 2. **Programmes' curricula in universities/colleges that are harmonised with the labour market and employers.** This is particularly relevant for vocational schools and professional degrees in HEIs. Institutions delivering these programmes should facilitate the alignment of the content and sequence with the demand from the job market. There are plenty of well-proven experiences, i.e., agricultural technical schools in France/Spain, and hospitality programmes in the US and Switzerland.
- 3. A group of specialists is established working with issues of **lifelong learning.** Students and professionals should have access to personalised and independent assistance in order to build their life-long educational tracks. Arvils Ašeradens, Latvian journalist and politician, suggests the Latvian government should establish career consultant network not only for students in primary or secondary school but for all age groups interested. Nowadays a professionals change jobs every five to seven years; a career consultant could help to find the next link in a person's further career ⁸.
- 4. **Individual advising/mentoring** should be a key component of professional programmes (*See also in Section I, 1, B, 3*).
- 3. Modernisation of the governance structure of educational institutions

A. Problems:

- 1. The fast growth in the number and variety of HEIs since 1991 might have prevented the right development and **professionalisation of their leadership** structures and staff ⁹ (See also in Section I, I, A, I).
- 2. The Higher Educational system has gone through particularly big transitions due to the historical and demographic changes of the last 25 years. This process has impacted their **capacity for qualitative strategic planning**. Examples of this problem are the over-capacity of their infrastructure (See also in Section I, 1, A, 1).
- 3. HEIs seem to be operating with very complex and slow systems of governance, which could restrain the necessary **flexibility to absorb change and innovation**. This is particularly relevant for those HEIs, which are focused on offering professional degrees.

⁶ Labklājības Ministrija, Informatīvais ziņojums "Par darba tirgus īstermiņa prognozēm 2015. gadam un bezdarbnieku un darba meklētāju prioritārajiem apmācību virzieniem", 5th of June, 2015

⁷ Ministru kabineta noteikumi Nr.230, "Studiju programmu licencēšanas noteikumi", 25th of April, 2013

⁸ Latvijas Avīze, Linda Rumka, "Kāpēc skolas ražo bezdarbniekus?", 28th of April, 2015

⁹ Latvijas Centrālās Statistikas dati, "Augstskolas un koledžas", 2015

4. HEIs are providing professional and academic programmes with similar governance and accreditation procedures. Academic and professional education requires different style and structures for managing and assuring quality (See also in Section I, 6, B, 4).

B. Recommendations:

- 5. Reinforcing the role of Advisory Boards in HEIs.
- 6. "Future Institutional Leaders" development programmes for the new generation of potential leaders of High Schools and HEIs. Cooperation with top international HEIs is recommended (See also in Section I, 2, B, 3).
- 7. More flexible management procedures for professional program design, execution and upgrade in order to facilitate the interaction with the labour market.
- 8. **Revisit accreditation/licensing procedures.** An option would be strict/lengthy accreditation procedures for academic state-funded programmes and more flexible/fast-track licensing procedures for professional programmes (See also in Section II, 2, A, 1).

4. Blending of new technologies in educational programmes

a. Problems:

- 1. Technologies seem to be just as an "aid" for students and are not in the 1st place in most study programmes. This leads to a failure of study programmes to accomplish the synergy between usage of technologies and studies in schools ¹⁰.
 - a. "When analysing the standard of primary education, it can be seen that only in subjects like Mathematics, Natural Sciences, Chemistry, Physics, Biology, Geography, and Informatics (which are a part of the basics of science and technology), and in a marginal way, are specified skills that are required when working with ICT¹¹."
 - b. In the study process, there is almost no use of technologies to analyse data and little interaction between students through technologies. The standard of the primary education states that most of the usages of technologies are like sources and data collecting, searching, choosing, processing, portraying, information obtaining, etc. Data analysis is only a small part of the standard.
- 2. Most of the teachers (in part, due to aging population) are not very competent in usage of the new technologies, which gives the adverse effect - students teach teachers to use technologies ¹² (See also in Section I, 9, A, 1).

b. Recommendations:

- 1. Suggest cooperation with universities providing ICT programmes in order to support teachers' integration of new technologies.
- 2. Investments in technology should bring along content and methodology upgrades in teaching.
- 3. Launching of MOOC (Massive Open Online Courses) should be incorporated in the agendas of all major HEIs as they facilitate the international competitiveness of the teaching staff, the attraction of non-resident students, and the visibility of the HEIs. In case of lack of

Tel.: +371 67217201; e-mail: ficil@ficil.lv

¹⁰ Inese Lūsēna-Ezera, Dr.sc.administr, Liepājas Universitāte, Latvija, Kristīne Bārdule, Liepājas Universitāte, Latvija, "Technologies in modern school – necessity and challenges"

¹¹ Inese Lūsēna-Ezera, Dr.sc.administr, Liepājas Universitāte, Latvija, Kristīne Bārdule, Liepājas Universitāte, Latvija, "Technologies in modern school – necessity and challenges"

¹² Inese Lūsēna-Ezera, Dr.sc.administr, Liepājas Universitāte, Latvija, Kristīne Bārdule, Liepājas Universitāte, Latvija, "Technologies in modern school – necessity and challenges"

adequate teaching staff, HEIs could try to attract international faculty or faculty from the diaspora.

5. Personalisation of the programmes curricula

A. Problems:

- 1. 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 programmes^{13, 14} (See also in Section I, 1, A, 1).
- 2. The HEIs fragmentation leads to fragmentation of resources, insufficient resource sharing and duplicated study programmes with unclear study objectives and results 15 (See also in Section I, 1, A, 1).

B. Recommendations:

- 1. Academic programmes should remain as niche service for students seeking more academic oriented careers either in humanities or science.
- 2. Professional programmes should be more adapted to student and labour market preferences. Modular system, alternative education and cooperation between HEIs should be considered and enhanced (See also in Section I, 2, A, 1).

6. Enhancement of faculty and teaching staff development

A. Problems:

- 1. There is a big disparity in faculty roster composition between HEIs. For example, there are HEIs/divisions where 80% of faculty members are full-time, and there are HEIs/divisions where full-time faculty members are 0%. We understand that both extremes might not serve properly for the educational process. Practice has shown that those faculty members that are full-time employed are more knowledgeable and active; they are more pro-active in study processes¹⁶. We also understand that workload imbalances occur in basic and middle education. For example, according to V. Vēzis, looking at Primary and Secondary education, there are 2% of teachers, who work 36 and more contact hours per week in schools¹⁷.
- 2. Financing principle "money follows the student" has created differences in wages for teaching staff members in different regions with different demographics. This financing principle has installed an "unhealthy" competition and different wage distribution between different regions' schools¹⁸.
- 3. In most of the schools and universities there is a prevalent generation gap between teaching staff and students¹⁹.

B. Recommendations:

1. Faculty and teaching staff requirements should be clearly differentiated for professional and academic programmes (See also in Section I, 5, B, 1 and Section I, 5, B, 2).

Tel.: +371 67217201; e-mail: ficil@ficil.lv

Foreign Investors Council in Latvia

¹³ Izglītības un zinātnes ministrija, Augstākās izglītības, zinātnes un inovāciju departaments, "Pārskats par Latvijas augstāko izglītību 2014.gadā", 2015

¹⁴ Latvijas Centrālās Statistikas dati, "Augstskolas un koledžas", 2015

¹⁵ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.-2020.gadam apstiprināšanu", 22nd of May, 2014

¹⁶ Augstākās Izglītības Padome, "Ekspertu vērtējums pa studiju virzieniem Latvijā", 8th of April, 2012

¹⁷Izglītība un kultūra, Ilze Brinkmane, "Drīzumā pedagogu trūks, un par to ir jāsāk uztraukties!", 25th of June, 2014

¹⁸ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.-2020.gadam apstiprināšanu", 22nd of May, 2014

¹⁹ Izglītība un kultūra, Ilze Brinkmane, "Drīzumā pedagogu trūks, un par to ir jāsāk uztraukties!", 25th of June, 2014

- 2. Professional programmes should include more **practitioner type of faculty and teacher** with part-time devotion generally encouraged.
- 3. Academic programmes should include **mostly full-time faculty** following the practice in leading universities.
- 4. Teaching personnel should be subjected to assessment and training according to **individual development plans** (See also in Section I, 3, A, 4):
 - a. HEIs should involve teachers in international exchange programmes like *Erasmus*+ because in most universities students are more skilful in the usage of English than teachers²⁰.
 - b. We suggest to set as a priority the course of action in "Approval of Education Development Guidelines 2014-2020" that states that there is a need to implement a system for faculty quality, reward and motivation. "In order to develop professional competencies for faculty members it is planned to improve their lifelong competencies (IT and foreign languages), professional competencies (like leadership, innovation, entrepreneurial skills, skills to work with students who have different levels of competencies), and improve the practical skills in their workplace²¹."

7. Optimisation of the research potential

A. Problems:

- 1. **High-potential young researchers** are leaving the country looking for better research opportunities and higher standard of living.
- 2. The allocated budget for research is **below EU standards** and insufficient for fostering top-of-the art research.
- 3. There is **insufficient cooperation** between science-oriented and business-oriented research and teaching divisions, that hinders the creation of an "entrepreneurial friendly" research system.

B. Recommendations:

- 1. Cooperation with international research centres should be encouraged.
- **2.** Total funding for research positions should be **increased to EU levels.** This increase should be accompanied by more effective system for training of researchers.
- 3. Research should not be limited to applied research programmes. Instead, funding should be distributed **according to success potential**. We suggest integrating international experts for committees granting funds.
- **4. Repatriation** of top Latvian scientists should be a priority.
- 5. Universities should be encouraged 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.
- 6. There should be further **integration and diversification** of funding sources for research. Research divisions should find a balance between public and private funding for their projects.

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

²⁰ Augstākās Izglītības Padome, "Ekspertu vērtējums pa studiju virzieniem Latvijā", 8th of April, 2012

²¹ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

8. Reengineering of the quality assurance system

A. Problems:

- 1. Quality indicators for schools and universities are over-stressing **restricted number of learning outcomes** (language, mathematics)²² (See also in Section I, 2, A, 1).
- 2. There is not easily available, systematised and homogenous information on the educational quality in various institutions.
- 3. There is a lack of **participation of future employers** in the educational process. This is particularly relevant for vocational schools and professional programmes.

B. Recommendations:

- 1. To create an impartial, comprehensive and precise ranking of schools and HEIs.
- 2. To **improve the quality assurance process** of teaching, this should focus on evaluating the outcomes of the different courses, modules and programmes.

9. Overcoming aging and generation gap

A. Problems:

- 1. Teachers are aging (similarly to all Latvian population). Following the Latvian population's demographics, it can be seen that teachers' group is aging. The biggest part of teachers is in the age group between 40 and 60, but teachers at the age 30 and below are only around 6% from the total number. As the number of teachers is declining (in 2013 it was 30% less than in 1998), we can observe that there seem to be few places for young and talented teachers because there is a decline in total number of teacher's positions. As a result, we conclude that in relative terms there are fewer teachers who are like-minded with the new generation (See also in Section I, 4, A, 2).
- 2. Looking at the future demographic predictions, Latvia will have a very high old-age dependency ratio (2060 it will be 68% which is the highest amongst Baltic countries)²³. This old-age dependency ratio will clearly worsen the generation gap situation.

B. Recommendations:

- 1. Infrastructure, methodology and content and faculty should be revisited taking into account change in generation.
- 2. Specific training should be provided to administrators and faculty members on **how to deal** with the new generation of young people (See also in Section I, 6, B, 2).
- 3. **Motivate the Millennial generation to become teachers** so they would balance out the generation gap in schools and universities, which is expected to widen in the future. As associate professor of University of Latvia V. Vēzis suggests, in order to motivate students to become teachers, it is important to raise the overall prestige of this profession.

1. Mismatch between learning environment and demand and supply of content in the entire education system. To increase the educational achievements for high school students (and also university students), there is a need to revisit the entire educational system starting from preschool level. The Guidelines for Education Development for 2014 – 2020 suggest

10. Motivating a culture of change and result orientation

A. Problems:

Latvijas Avīze, "Jau septīto reizi – augstskolu reitings", 14th of May, 2014

²³ Amrop, Zane Čulkstēna, "Employer Branding Index", 23rd of April, 2015

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

- that there is a need to revisit all stages of Education System putting emphasis on competence based education content with more integrated ICT²⁴ (See also in Section I, 2, A, 1).
- 2. 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. "36% of employers globally experience talent shortages and difficulties finding employees with required skills. 91% of millennials expect to stay in a job for less than three years²⁵." (See also in Section I, 2, A, 1).

B. Recommendations:

- 1. Long-term HEIs plans should include succession plans and development programmes for future leaders. This will allow to foster a positive attitude towards continued change and progress in the leadership of the HEIs (See also in Section I, 3, B, 2).
- 2. Organisational structures and processes should be constantly challenged. **HEIs are very hierarchical** in a world that requires dynamism and innovation (See also in Section I, 3, B, 3).

Section II: Short-term agenda

1. Overcoming the demographics challenge

A. Problem:

1. Future demographics of Latvia show that the number of inhabitants in Latvia is declining, which also affects the education system (less students and less teachers)²⁶. The number of inhabitants is declining mostly because of population's aging, low level of birth rate, and emigration. "According to Central Statistics Data, at the beginning of 2013 in Latvia were 2.02 million people, which is almost 360 thousand people less than in year 2000²⁷." Mostly people in working age emigrate; the most mobile from them are youngsters²⁸ (See also in Section I, 9, A, 1).

B. Recommendations:

- 1. Given the negative prognoses of demographics, **the idea of exporting education** should be fostered further.
- 2. "Starting from 2011, there is not only a decline in emigrants, but also in immigrants, which could be the potential students in universities. In 2013, 3.2 thousand work permits were issued for foreigners²⁹." These foreigners could be potential students for universities with life-long education content. **Branding of Latvian educational offer** should be clearly designed and consistently communicated.
- 3. Internationalisation should be addressed considering the long-term strategy of the educational sector. In this sense, we need particularly **good international students**, as they are the ones that move education to better levels. In this regard, special funding could be foreseen for international students.

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

²⁴ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

²⁵ Amrop, Zane Čulkstēna, "Employer Branding Index", 23rd of April, 2015

²⁶ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

²⁷ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

²⁸ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

2. Making the accreditation process relevant

A. Problems:

- 1. The accreditation process of HEIs programmes is **not perceived currently as a guarantee of quality** by prospective students and employers.
- 2. The accreditation process is too bureaucratic and demanding for the value it seems to provide (See also in Section I, 3, B, 4).

B. Recommendations:

- 1. As indicated in other parts of this position paper the accreditation process should become more strict and relevant. Probably, accreditation should be granted only to those programmes, which need more support from the government and academic assessment. We suggest that the accreditation process limits itself to academic programmes (See also in Section I, 5, B, 1)
- 2. Professional programmes should tend to operate in a "free market" system. The "accreditation" should be granted by the labour market. On the one hand, labour market cannot assess academic programmes; on the other, companies are the main customers of the professional programmes. While we do not recommend to eliminate completely the accreditation process for professional programmes, we suggest to make it work more smoothly and relevant. A 'licensing process' could be an option.
- 3. HEIs should be encouraged to obtain **international accreditation** for their academic programmes (See also in Section II, 3, B, 2).

3. Boosting the internationalisation of education

A. Problems:

- 1. There is a close connection between internationalisation 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 National Development Plan aims to increase foreign student proportion in Latvia to 10% of total students³⁰.
- 2. A good criterion for evaluating the competitiveness of the higher education system is its attractiveness to students³¹. **Environment of the higher education in Latvia is more closed off than in the best foreign universities.** Partly, it is defined by the education quality and regulatory restrictions. The quality of the higher education is cosely linked to the qualification and scientific activities of the academic personnel, which, due to the lack of finances, keeps decreasing.

B. Recommendations:

- 1. Latvian state universities (RTU, LU, and RSU) have the potential and capacity if modernisation occurs to aim to **top positions in international rankings**. We suggest encouraging them to seek this objective.
- 2. HEIs granting academic degrees should seek relevant international accreditations (See also in Section II, 2, B, 3).

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

²⁹ Ekonomikas Ministrija, "Informatīvais ziņojums par darba tirgus vidēja un ilgtermiņa prognozēm", 15th of August, 2014

³⁰ Saeimas paziņojums, Solvita Āboltiņa, "Par Izglītības attīstības pamatnostādņu 2014.2020.gadam apstiprināšanu", 22nd of May, 2014

³¹ Rīgas Stradiņa Universitāte, "Ārvalstu studentu portrets: Kāds tas ir un kāpēc?", 13th of May, 2015

- 3. Faculty and administration in HEIs should be properly trained on specific aspects of dealing with international students.
- 4. Branding of Latvian educational offer should be clearly designed and consistently communicated.
 - a. One of the most important motivators for foreign students when searching and choosing a university outside their home country is reputation of the Higher Education system in the particular country³².
 - b. Comparing top 10 students' country of origin in the world and in Latvia, only two countries overlap. Latvia has to look more towards Eastern Europe/ Asia (China, South Korea, Saudi Arabia, Malaysia, Vietnam, Iran), Central Europe or even USA. Latvia needs to pay a particular attention to East Europe/Asia giving the geographical proximity, cultural similarities, and size of the region³³.

4. Making more fair distribution of "budget" places

A. Problems:

- 1. The budget distribution has been based during many years on a one pillar model of a state funding³⁴. We know that the Ministry of Education is currently dealing with the introduction of a three pillar funding model (basic funding, performance oriented funding, and innovation oriented funding). We understand that this reform could substantially support the efficiency of distribution of budget places.
- 2. We observe a lack of support for top potential Latvian students who otherwise would devote more effort to their studies and would access to better learning opportunities. It seems that there are programmes and students who get the access to the budget places even though the quality of the study process does not justify the investment.

B. Recommendations:

- 1. Finalise the building process of the new funding model, support its implementation and organise a public discussion after the first year of experience.
- 2. Organise an **objective and independent assessment** of the allocation of the budget places during the last years.
- 3. Establish a special funding position for top potential Latvian students and support them with individual assistance from experts and leading faculty.
- 4. Students should get assistance for attending leading educational programmes abroad, even more if they are not offered in the Baltics. There should be incentives in place for them to come back.

Foreign Investors Council in Latvia Tel.: +371 67217201; e-mail: ficil@ficil.lv

³² Rīgas Stradiņa Universitāte, "Ārvalstu studentu portrets: Kāds tas ir un kāpēc?", 13th of May, 2015
³³ Rīgas Stradiņa Universitāte, "Ārvalstu studentu portrets: Kāds tas ir un kāpēc?", 13th of May, 2015

³⁴ World Bank Reimbursable Advisory Service on Higher Education Financing in Latvia, "Higher Education Financing in Latvia: Analysis of Strengths and Weaknesses", 18th of March, 2014