European Commission

Education and Training Monitor 2013

Latvia

Education and Training

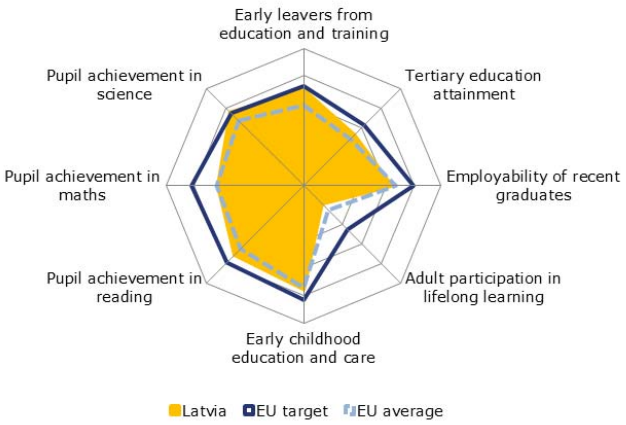
1. Key indicators and benchmarks

Europe 2020 headline targets			Latvia 2009	Latvia 2012	EU average 2009	EU average 2012	Europe 2020 target / Benchmark
1. Early leavers from education and training (age 18-24)			13.9%	10.5%	14.2% EU28	12.7% EU28	**EU target: 10%** National target: 13.4%
2. Tertiary educational attainment (age 30-34)			30.1%	37.0%	32.1% EU28	35.7% EU28	**EU target: 40%** National target: 34-36%
ET 2020 Benchmarks							
3. Early childhood education and care (4 years old - year before start of compulsory primary)			89.6%	92.7% 11	91.7%	93.2% 11	95%
4. Basic skills Low achievers (15 year-olds; Level 1 or lower in PISA study)	Reading		17.6%	:	19.6%	:	15%
	Mathematics		22.6%	:	22.2%	:	15%
	Science		14.7%	:	17.7%	:	15%
5. Learning mobility	Initial vocational training (IVET)	**a.** Students participating in Leonardo da Vinci programs as a share of vocational students at ISCED 3	1.2%	1.7% 11	0.6%	0.7% 11	
	Higher Education	**b.** Erasmus inbound students as % of student population in host country		0.6% 11		1.1% 11	
		c. Inbound degree mobile students as % of student population in the host country		1.9% 11		7.0% 11	
6. Employment rate of graduates (age 20-34) having left education 1-3 years before reference year			71.4%	74.2%	78.3%	75.7%	82%
7. Adult participation in lifelong learning (age 25-64)			5.3%	7.0%	9.3%	9.0%	15%
Proposed ET 2020 benchmark							
8. Foreign languages skills	**a.** ISCED 2 students at proficiency level B1 or higher in first foreign language[1]		:	:	:	43.5% 11	
	b. ISCED 2 students learning two or more foreign languages		74.6%	72.3% 11	58.6%	60.8% 10	
Other ET 2020 Indicators							
9. Investment in education and training	**a.** General government expenditure on education (% of GDP)		6.8%	5.7% 11	5.5%	5.3% 11	
	b. Annual expenditure on public and private educational institutions per pupil/student in € PPS	ISCED 1-2	€ 4,162 08	€ 3,533 10	€ 5,732 08	€ 6,021 10	
		ISCED 3-4	€ 4,165 08	€ 3,365 10	€ 6,964 08	€ 7,123 10	
		ISCED 5-6	€ 4,902 08	€ 4,315 10	€ 9,309 08	€ 9,168 10	
10. Digital competences	**a.** Pupils in grade 4 (ISCED 1) using computers at school		23.2% 07	:	60.7% 07	64.7% 11	
	b. Individuals aged 16-74 with high computer skills[2]		17.0%	29.0%	25.0%	26.0%	
11. Entrepreneurial competences	Individuals aged 18-64 who believe to have the required skills and knowledge to start a business		50.0%	44.0%	42.3% a	42.0% a	
12. Vocational education and training	Share of vocational students at ISCED 3		36.1%	37.8% 11	49.6%	50.3% 11	
13. Skills for future labour markets Projected change in employment 2010-2020 in %	High qualification		:	22.6%	:	19.1% EU28	
	Medium qualification		:	-11.1%	:	4.6% EU28	
	Low qualification		:	26.4%	:	-20.2% EU28	
14. Low-skilled adults	Literacy		:	:	:	19.9% EU17	
	Numeracy		:	:	:	23.6% EU17	
	Problem solving in technology rich environments[3]		:	:	:	26.9% EU13	

Source: Cedefop: 13 / EAC: 10a,b / European Survey on Language Competences (ESLC): 8a / Eurostat (Government finance statistics): 9a / Eurostat (LFS): 1, 2, 6, 7 / Eurostat (ISS): 10b / Eurostat (UOE): 3, 8b, 9b, 10c, 12 / IEA TIMSS: 10a / Global Entrepreneurship Monitor: 11 / OECD (PIAAC): 14 / OECD (PISA): 4

Notes: 07 =2007, 08 =2008, 09 =2009, 10 =2010, 11 =2011, e= estimate, a= unweighted average b= break, p= provisional
Number of countries included in EU average: PISA=25, Entrepreneurship=18, Language skills=13, ICT/Computers at school=13, others: EU27
[1]= average of skills tested in reading, listening, writing, [2]= having carried out 5-6 specific computer related activities, [3]= Results cover people with scores below level 1 as well as people who have no computer experience or failed the ICT test

Figure 1. Position in relation to highest (outer ring) and lowest performers (centre)



Source: DG EAC calculations on the basis of data from Eurostat (LFS 2012 and UOE 2011) and OECD (PISA 2009). *Note:* all scores are set between a maximum (the highest performers visualised by the outer ring) and a minimum (the lowest performers visualised by the centre of the chart).

2. Main challenges

While Latvia has shown remarkable progress in reducing early school leaving and raising the tertiary attainment rate, some significant challenges remain to be addressed in higher education and vocational education and training (VET), as recommended by the 2013 European Semester country-specific recommendations (CSRs). In the higher education field, the immediate challenge is implementing the reform proposed by the Ministry of Education and Science, given the stakeholders' preference to maintain status quo in the education sector. This includes implementing quality-based accreditation of study fields, adopting changes to the governance of higher education institutions, promoting internationalisation of higher education and science, and introducing a financing model that rewards quality, combined with increased national higher education financing. The main challenges for vocational education and training stem from the need to improve employability of young people, and concern in particular the limited availability of quality work-based training, including traineeship/apprenticeship schemes, as well as the lack of a comprehensive career guidance system.

3. Investing in skills and qualifications

Investing in education and training in a context of economic crisis

General government expenditure on education as a share of GDP in Latvia declined by around 1 percentage point in 2009-2011, but remains slightly above the EU average (5.7% compared with 5.3%). Education and training budgets suffered significant cuts during the crisis and measures are being taken to ensure cost-efficiency, including by rationalising education institutions. In 2012 Latvia reduced State budget allocations for education by around 10% in real terms compared to 2011 (data expressed in 2010 constant prices); however this is in part explained by the extraordinary allocation of funds in 2011 from the Climate Change Finance Instrument, which was included in the State Budget. These resources were provided to educational institutions for the renovation of buildings and increasing their energy efficiency[1].

Skills

In terms of basic skills, 15-year olds' performance on PISA tests in reading and science recently improved and continues to outperform the EU average, but worsened in mathematics, where it is now just in line with the EU average. The gender gap is very high in reading, where only 8.7% of girls are low-achievers, compared with 26.6% of boys. ICT skills and entrepreneurship attitude of the population appear close to the EU average.

The National Centre for Education is responsible for a comprehensive curriculum reform for 6-11 years old pupils. The aim of the reform is to promote pupil-centred teaching, as well as reading literacy. One of the outcomes of this curriculum reform is that as from the 2014/2015 school year learning the first foreign language will become compulsory from the first grade[2].

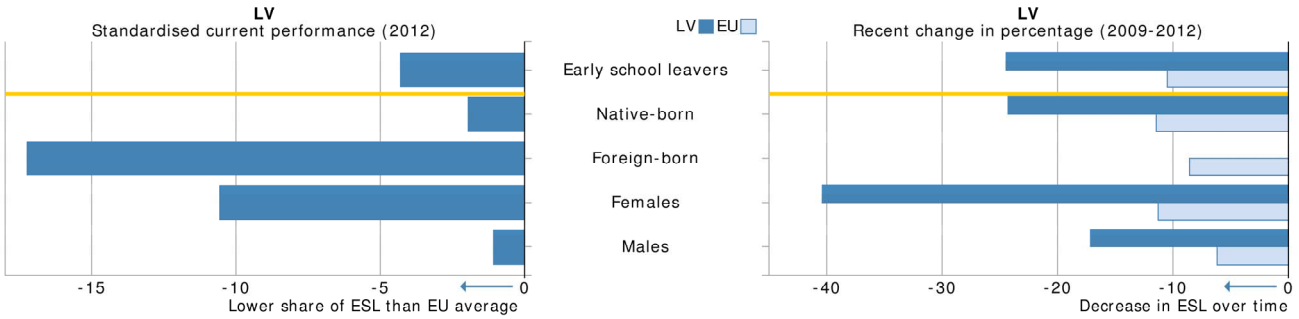
Nationally recognised educational programmes from the formal education system (i.e. from primary, secondary and higher education) are referred to a Latvian qualifications framework level (LQF) and were linked to the corresponding European Qualification Framework (EQF) levels in 2011. Master of crafts, journeyman and qualifications acquired in non-formal and informal learning will be attributed levels in a subsequent phase (2013-15) and consequently referenced to the EQF.

[1] See European Commission (2013), *Recent trends in the funding of education in Europe*.
[2] At present it is mandatory to start teaching the first foreign language not later than from the third grade.

4. Tackling early school leaving and raising the bar in school education

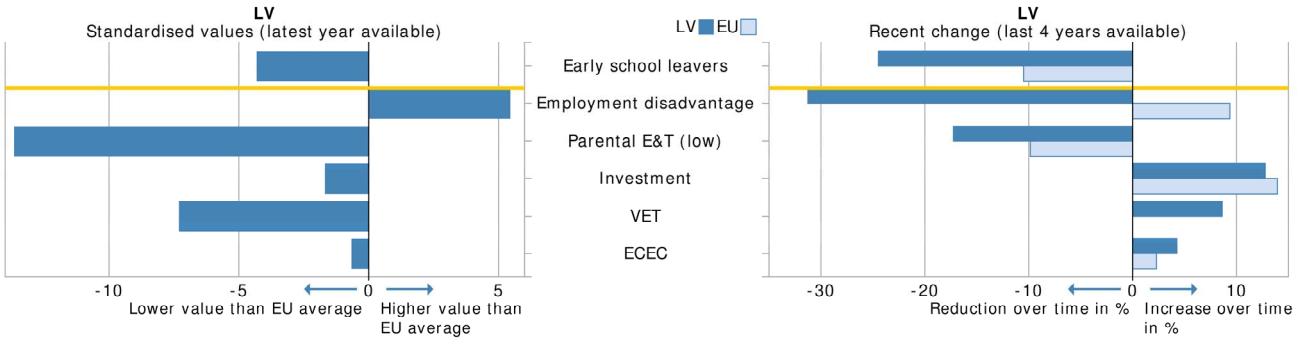
Both the labour market situation – where reduced job opportunities compelled young people to remain longer in education – and the policies implemented during the last few years have contributed to the reduction of the early school leaving rate, which is now well below the EU average (10.5% vs. 12.7% in 2012). However, a significant gender gap persists: 14.5% of males were early school leavers as against 6.2% of females in 2012. The analysis of sub-indicators shows that the family educational background is particularly favourable in EU comparison. Considering that the 2020 national target (13.4%) has already been achieved, Latvia intends to set a new target to 10%. Participation in early childhood education has somewhat increased in recent years and is now in line with the EU average (92.7% vs. 93.2% in 2011).

Figure 2. Early leavers from education and training: sub-groups



Source: JRC-CRELL. *Note:* ESL = early school leaving. See Annex 2 for further information.

Figure 3. Early leavers from education and training: sub-indicators



Source: JRC-CRELL. *Note:* see Annex 2 for an explanation of the sub-indicators.

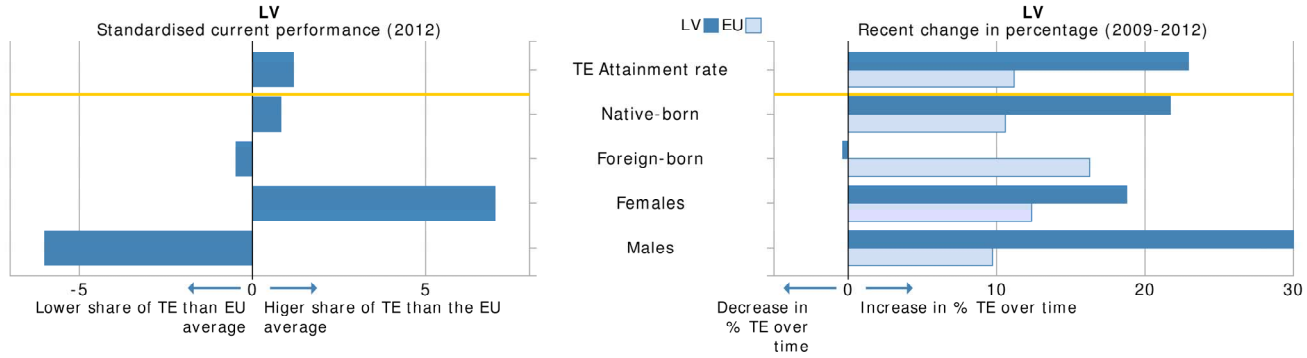
The 'money follows pupil' financing principle has motivated schools to retain and attract students. The pupil monitoring system (SEIS), that enables tracking of the educational process, may also contribute to identifying and supporting students at risk of early school leaving. To bring more young people back into education, additional 2000 young unemployed will be involved in short cycle (1-1.5 years) VET programs to obtain professional qualifications. A proper implementation of the ongoing measures against early school leaving will be key for their success. As early school leavers are disproportionally affected by unemployment, further reducing their number can also have a very positive impact on youth unemployment.

5. Encouraging participation in tertiary education and modernising higher education

Latvia's tertiary attainment rate significantly increased in recent years and now outperforms the EU average (37% compared with 35.7% in 2012) and the 2020 national target (34%), although with a very large gender gap (the rate is 48.1% for women as against 26% for men). The analysis of sub-indicators shows a large employment advantage for tertiary graduates compared to upper secondary ones.

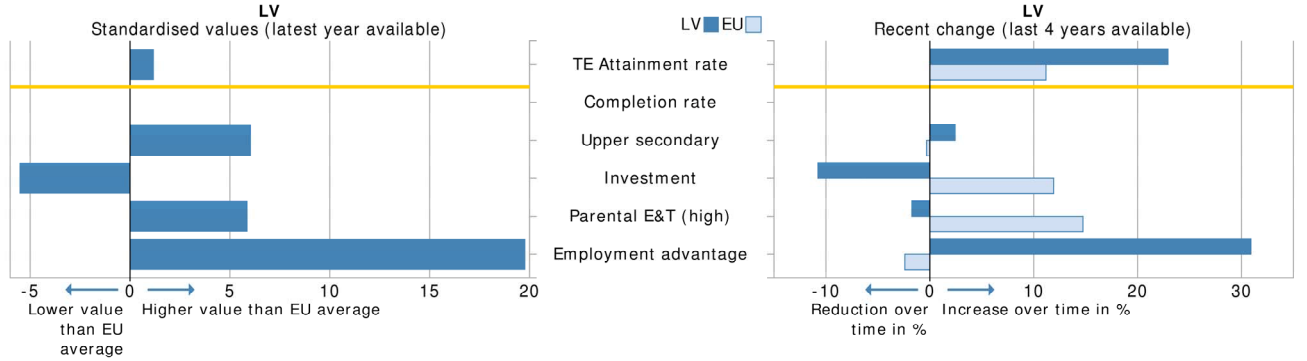
Nevertheless, the higher education system faces a number of challenges to better comply with the current labour market needs as well as to help raise the innovation potential of the Latvian economy: Latvian universities perform poorly in worldwide rankings, cooperation with businesses and research institutions is weak, and the higher education network is too large in view of the population served and offers too many distinct study programmes.

Figure 4. Tertiary education attainment: sub-groups



Source: JRC-CRELL. *Note:* TE = tertiary education. See Annex 2 for further information.

Figure 5. Tertiary education attainment: sub-indicators



Source: JRC-CRELL. *Note:* see Annex 2 for an explanation of the sub-indicators.

The Ministry of Education and Science has proposed ambitious reforms that would largely address the challenges faced by higher education. The reform of the accreditation process includes moving from accreditation of study programmes to study fields and increasing the independence and impartiality of the accreditation committee. As of 2014, the government envisages that higher education institutions will be allowed to select any of the independent institutions included in the European Quality Assurance Register for accreditation purposes. However, in 2013 the accreditation is being conducted by the Ministry of Education and Science. Large-scale evaluation of higher education programmes was completed with European Social Fund financing and the results will be used as input for budgetary and accreditation processes.

Reform plans also include developing a new financing model and attracting international teaching staff and students.

A research is being conducted in cooperation with the World Bank on the new financing model of higher education, which would aim to foster competitiveness of higher education, while ensuring its accessibility. Based on the research results, proposals for public discussions on development of optimal financing model of higher education will be prepared by the end of 2013.

At the beginning of the academic year 2012/2013, foreign students only represented 3.7% of the total number of students in Latvian higher education institutions. In 2013, the government announced amendments to the Law on Higher Education Institutions in order to expand the possibilities to implement study programmes in the EU official languages at the State-founded higher education institutions.

Finally, other planned measures envisage separating academic and management functions of the universities and further consolidating higher education institutions.

Although most reform plans are still at an early stage, they appear ambitious and relevant; if properly implemented they will have a significant positive impact on the quality of higher education and on the innovation potential of the Latvian economy. Consequently, the 2013 CSRs ask Latvia to implement the planned reforms in higher education.

6. Facilitating the transition from education to work

Youth employment prospects suffered from the recent economic crisis, but investing to get higher qualifications continues to pay off: while the employment rate of young people with only upper secondary education is still depressed (56.9% in 2012 as against 77.9% in 2007), that of young tertiary graduates quickly returned to pre-crisis levels (87.1% in 2012 compared with 86.5% in 2007)[3].

Latvia's employment pattern up to 2020 is forecast to become more polarised, with large increases in both high and low qualification jobs and a decline in medium qualification jobs. However, low qualification jobs are projected to represent only 16% of total jobs in 2020, still below the EU average (18%). The expected increase in high qualification jobs appears consistent with evidence from employers pointing to skills' shortages in such areas as ICT, pharmaceuticals and engineering, as the higher education system has not produced enough graduates in mathematics, science and technology[4].

While participation of secondary students in VET, starting from very low levels, has been increasing (reaching 39% in 2011/2012 and with a national target of 50% by 2020), this may be more due to monetary incentives (e.g. stipends to VET students) than to real attractiveness of programmes. Moreover, the 'money follows pupil' principle has encouraged some of the general secondary schools to offer money or other benefits to students to attract them away from VET and this could promote unhealthy competition between the two education sectors.

The Latvian government has allocated additional funding for modernisation and renovation of 11 VET schools (out of 38) and is pursuing a rationalisation of VET institutions. Employer-led Sectoral Expert Councils have been established and are contributing to the development of VET curricula and profession standards. Plans are being elaborated on improving the VET governance and on introducing more flexibility in delivering VET courses via a modular system, and in line with the National Development Plan 2014-2020. Latvia still lacks a comprehensive nationwide system of impartial career guidance to help the VET students make informed choices.

As regards the work-based learning components of VET and apprenticeships, Latvia has recently introduced a regulation for the insurance of the trainees/apprentices, although not in all professions. There are also plans to develop a pilot project to intensify cooperation between VET schools and the Chamber of Crafts. To increase the opportunities for VET placements, in December 2012 Latvia signed the 'Memorandum of Co-operation in Vocational Education and Training in Europe', which among other issues envisages the enhancement of work-based and/or dual training elements of the VET.

There has not been any rigorous evaluation of the present traineeship/apprenticeship schemes, although according to the views expressed by the stakeholders there are problems regarding quality, availability, attractiveness to employers and organisational aspects. The 2013 CSR on youth unemployment recommends that Latvia establish comprehensive career guidance, implement reforms in the field of vocational education and training, and improve the quality and accessibility of apprenticeships.

7. Upgrading skills through lifelong learning

Participation of adults in lifelong learning is still quite low in EU comparison (7% vs. 9% in 2012), despite a 2 percentage point increase between 2011 and 2012.

In 2010, only 40% of Latvian enterprises provided vocational training to their staff, as against an EU average of 66%[5]. To develop distance learning opportunities for adults by implementing a customised approach, the Ministry of Education and Science has recently developed and approved sample educational programmes for general education distance learning and several education institutions offer accredited general education distance learning programmes.

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[3] Measured as the employment rates of graduates aged 20-34 who have graduated (from upper secondary or tertiary education) no more than three years ago.

[4] As regards the distribution of tertiary graduates by field compared with the EU average, Latvia shows a very high share of graduates in social science, business and law (54.4% as against 35.7% in 2010) and a low share of graduates in mathematics, science and technology (14.3% vs. 21.9%).

[5] Eurostat, CVTS 2010