

## Education and skills

### STRENGTHENING THE FORMATION AND UPGRADING OF SKILLS IN LATVIA

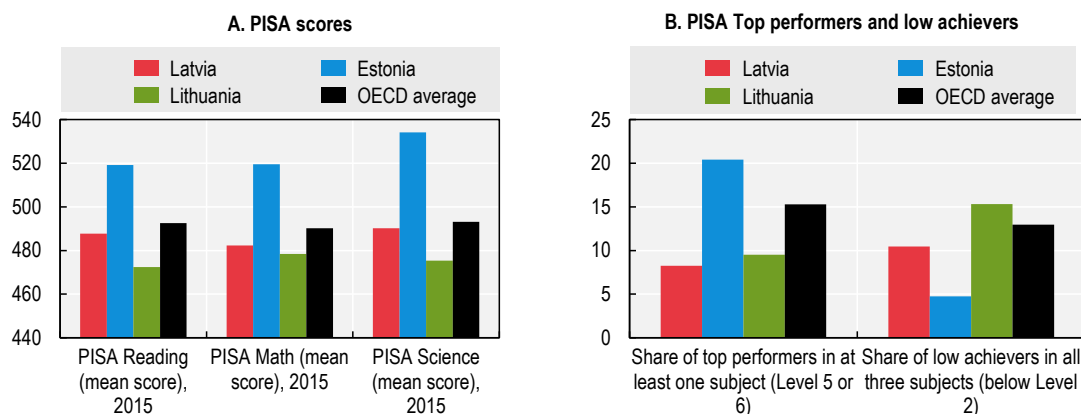
- ▶ Educational attainment has improved, but educational outcomes still need to be enhanced.
- ▶ Adult education participation is low and has not risen in recent years.
- ▶ High rates of unemployment and emigration of low-skilled workers indicate that there is room for an improved use of skills.
- ▶ The ongoing project to develop a National Skills Strategy is aimed at identifying the strengths and weaknesses of the Latvian skills system and enhancing adult education participation.

#### What's the issue?

Latvia's educational attainment has improved significantly, but educational outcomes need to be further increased. The share of 25-34 year olds with tertiary attainment is slightly below the OECD average (42% vs 43%). This a significant improvement relative to 2005, when tertiary attainment for the same age group was only 22%. Mean PISA-scores of 15 year-olds in science, reading and mathematics are all slightly below the OECD averages and only 8.3% of Latvian students are among the top performers, compared to 15.3% in the OECD (see Figure). While the impact of socio-economic factors on students' performance is below the OECD average, there are performance gaps between groups (urban vs rural; natives vs immigrants; boys vs girls), bullying is the highest in the OECD, and parental support is low.

Participation in adult education is comparatively low in Latvia. In 2016, the participation rate was 7.3%, below the rate of 10.8% in the European Union, and this share remained constant in the recent decade. The participation rates in adult education are slightly higher in some subgroups of the population (such as youth, highly educated, and full-time employed), but the rates are still low compared to other countries. With an old and ageing population, and 66.6% of employers reporting that availability of staff with the right skills is a major obstacle to long-term investment decisions (against an EU average of 40%), low participation in adult education is something that Latvia cannot afford. While the share of firms providing training to their workers recorded the highest increase in Europe between 2005 and 2015, only

#### PISA outcomes Latvia, neighbouring countries and OECD average



Source: PISA 2015

16% of these firms provide courses to more than half of their staff (against an EU average 39.5%). Moreover, public spending on training represents only 0.08% of GDP, well below the average of 0.14% among OECD and European countries with available data.

There are skills shortages and surpluses in the Latvian labour market. Surpluses in routine manual and physical skills can be found alongside acute shortages in cognitive skills. For example, there are shortages in computer and electronics, customer and personal service, clerical knowledge, as well as in basic skills such as reading comprehension, writing and active listening. Further efforts are needed to ensure that the initial education system provides young people with the right skills, but also that adults can access adult learning opportunities to update their competences in line with labour market needs.

### Why is this important for Latvia?

Improving skills is important for raising employment, income and aggregate growth. Moreover, people with higher foundation skills, such as literacy and numeracy, are much more likely than those with lower skills to report good health, perceive themselves as actors in political processes, and have trust in others.

Latvia has made an effort to address these issues, by implementing reforms to raise the quality of vocational education and training. Also, substantial progress has been made to increase the effectiveness of active labour market policies, and the Plan of Adult Education Governance Model 2016-2020 is being implemented.

### What should policy makers do?

- ▶ Conduct a strategic assessment of Latvia's skills system and review relevant skills policies in education, training, employment, regional economic development, innovation and tax, as a first step in building a future-oriented, coherent and effective national skills strategy.
- ▶ Improve collaboration across government and engagement of all relevant stakeholders to develop shared goals, coherent skills policies, as well as effective implementation and evaluation mechanisms.
- ▶ Build robust and user-friendly skills information systems by leveraging existing national and international data (including PIAAC) to help inform choices made by policy-makers, businesses, educators and people.



### Further reading

OECD (2017), *Education at a Glance 2017: OECD Indicators*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/eag-2017-en>

OECD (2017), *OECD Economic Surveys: Latvia 2017*, OECD Publishing, Paris. [http://dx.doi.org/10.1787/eco\\_surveys-lva-2017-en](http://dx.doi.org/10.1787/eco_surveys-lva-2017-en)

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OECD (2016), *Education in Latvia, Reviews of National Policies for Education*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264250628-en>

OECD (2016), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, PISA, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264266490-en>

OECD (2015), *Investing in Youth: Latvia*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264240407-en>

OECD (2017), *Skills for Jobs: Latvia*, OECD Publishing, Paris. <http://www.oecd.org/els/emp/skills-for-jobs-LVA.pdf>