

Education and Skills

STRENGTHENING THE EDUCATION AND SKILLS SYSTEM OF LATVIA

- ▶ Latvia needs to address skills shortages and mismatches to move the economy towards higher value added activities.
- ▶ Expanding access to high-quality initial education, increasing opportunities for lifelong learning and enhancing innovation capabilities are essential in this regard.
- ▶ Concerted efforts are necessary to ensure equal opportunities for all students throughout the education lifecycle, including through more generous and targeted grants for low-income students at vocational and tertiary education levels.
- ▶ The planned establishment of a coherent assessment and evaluation framework to monitor progress of the quality and equity of education is also crucial.

What's the issue?

Skills shortages and mismatches may hold back Latvia's ambitions to increase the efficiency of its economy and move into higher value added activities. In 2014, more than a third (36%) of adult employees reported that their skills were lower than what was required by their job at the time of hiring. This is among the highest of EU countries, only surpassed by Latvia's Baltic neighbours, with low educated employees facing particularly large skills gaps (see Figure).

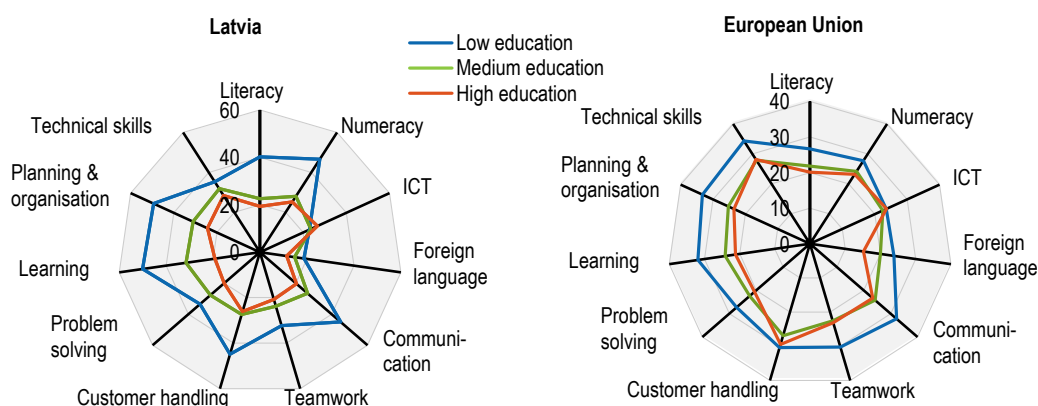
In addition, the latest OECD's Programme for International Student Assessment (PISA) shows a significant decline in the average student performance in science and literacy in 2015, compared to three years before. These data corroborate

earlier findings that point to the need to continue and step up efforts to raise the quality, relevance of initial education in Latvia. Moreover, there is a need to strengthen lifelong learning and ensure equal opportunities for students of low-income families throughout the education lifecycle.

Furthermore, as also evidenced by PISA, there are large performance differences between rural and urban areas that require urgent policy attention. Latvia should put in greater effort to address the issue of low performance of schools in rural areas. This, among other calls to strengthen the quality monitoring of the education system and promote the establishment of strong school self-evaluations (which are not yet fully embedded in Latvian

Low educated employees face particularly large skills gaps

Percent of workers reporting skills gaps, 2014



Source: OECD calculations based on the European skills and jobs survey (2014), European Centre for the Development of Vocational Training (Cedefop).

schools), which are essential for establishing a continuous improvement culture geared towards enhancing the learning outcomes of all students across the Latvia school system.

In recent years, Latvia has endeavoured to address some of these issues. Among other initiatives, a large scale reform of vocational education and training (VET) has been undertaken to improve its attractiveness, quality and relevance to the labour market, with the involvement of social partners. The country has also made progress in aligning the capacity of its tertiary education system with demographic change, fiscal reality and the changing demands of the labour market, among others through the implementation of new funding and quality assurance systems.

Why is this important for Latvia?

Productivity and innovation will be increasingly important sources of economic growth in the future. Better integrating the Latvian economy into global value chains, especially in industries with fast technological progress and high innovation intensity, provides opportunities for boosting economic growth. However, integration itself is not sufficient. While there is a well-established relationship between skills and productivity, all countries are struggling to understand what skills, or combination of skills, matter most for innovation and inclusive growth.

In a context of economic and demographic change, Latvia needs to address skills shortages and mismatches if it is to move up the value chains. Expanding access to high-quality initial education, increasing opportunities for lifelong learning and enhancing the country's innovation capabilities are essential for securing Latvia's economic development and inclusive growth.



Further reading

OECD (2017), *OECD Economic Surveys: Latvia*, OECD Publishing, Paris. <http://www.oecd.org/eco/surveys/economic-survey-latvia.htm>

OECD (2017), *Education Policy Outlook – Latvia*, OECD Publishing, Paris. <http://www.oecd.org/edu/Education-Policy-Outlook-Country-Profile-Latvia.pdf>

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

What should policy makers do?

- ▶ Ensure equal learning opportunities for disadvantaged students throughout the education lifecycle, including by providing more generous grants for low-income students attending vocational schools and expanding grants for disadvantaged students in tertiary education.
- ▶ Continue and where possible speed up the VET reform by accelerating the development of modular programmes in VET, professional qualification exams and professional standards.
- ▶ Promote the provision of adult education by VET schools, including by introducing a legal requirement and incentives for VET schools to offer adult education, as was done for Vocational Education and Competence Centres.
- ▶ Reduce labour market testing and language requirements for highly skilled immigrants.
- ▶ Develop a coherent assessment and evaluation framework for informing policy and educational practice.
- ▶ Strengthen school self-evaluations to help establish a continuous improvement culture across the Latvian school system.

