

CHANGING APPROACH TO THE DEVELOPMENT OF HIGHER EDUCATION IN LATVIA: KEY DRIVERS

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Abstract

The problem of the research is to investigate the rising demand in the update of the higher education system in Latvia, existing prerequisites, and key factors of its further development. The interest of the research is determined by the need of modern society to support higher education in an order to ensure the competitiveness of human resources. The purpose of the research is to determine key factors of higher education development in Latvia, existing prerequisites, implications, and challenges, also fostered by COVID-19 pandemic impact. The research methods include analysis of scientific abstracts, legislation acts, and industry and public bodies' reports, analysis of statistical data, and a survey. The research results have shown - complex solutions are needed to increase the international competitiveness of the educational sector in Latvia.

Keywords: *competitiveness, digitalization, higher education, innovations, labor market, soft skills.*

JEL Codes: *F53, F60, I20, J00, M1.*

Introduction

The problem of the research is to investigate the rising demand in the update of the higher education system in Latvia, existing prerequisites, and key factors of its further development. Theoretical aspects of the study were analyzed using international scientists' research results, such as Agafonova et al. (2015), Golenkova et al. (2018), Biletska et al. (2021), and others, altogether with statistics and strategic reports, provided by industry experts and public bodies. The interest of the research is determined by the need of modern society to support higher education in an order to ensure the competitiveness of human resources. A hypothesis of the research is that despite historical prerequisites for developing a competitive higher education system in Latvia the potential of HEIs is systematically not

being fully exploited. Thus, the purpose of the research is to determine key factors of higher education development in Latvia, existing prerequisites, implications, and challenges, also fostered by COVID-19 pandemic impact. The object of the research is the higher education industry in Latvia, the subject of the research is key factors of its further development. The research methods include analysis of scientific abstracts, legislation acts, and industry and public bodies' reports. They also include analysis of statistical data and conducting a survey in an order to obtain and interpret both qualitative and quantitative indicators. Thus, the benefits of the research are obvious for several industry stakeholders: HEIs administrative staff, which determines the strategic guidelines, including the guidelines for the quality of education; those

responsible for direct monitoring of the quality of education in universities; heads of study direction and study programs, heads of scientific institutions, etc.

Results

The current Latvian higher education system is characterized by its dynamic changes, aimed at continual improvement of the quality to train competitive specialists, who are able to meet external challenges and trends that will allow increasing significantly the competitiveness of the economy and the state. As a background of these changes can be mentioned currently running reform of the higher education system itself, proposed OECD strategy of changing skills, an emerging need of local entrepreneurs in a skilled workforce and ongoing impact of COVID-19 pandemic. Existing prerequisites point out the relevance and reasonability of the education system transformation into a system that creates conditions, opportunities, and options for personal and professional development with the guarantee of their quality. As stated by Agafonova et al. (2015): “a university’s graduate should not be only a professional, he or she should be able to work in a team, to take decisions and be responsible for them and also to demonstrate other personal qualities, necessary for fruitful professional activity in long-term perspective” (Agafonova et al., 2015). It could be also emphasized, that “one of the key factors of development is highly qualified personnel. The competitiveness of the human resources depends, first of all, on the education level and professionalism” (Golenkova et al., 2018). Still, it is necessary to use elaborate a proposal in an order to establish a balance between supply and demand for educational services, which will not only make it possible to navigate consumer preferences, but also to shape them. As stated by Gryshova et al., (2019), there is a need “to determine the prospective need of the state for specialists with a certain level of qualification to introduce a limit of the total number of places for admission of students to higher education, based on staffing and

financial information and other resources, with the distribution of licensed volumes of admission among the best institutions on a competitive basis” (Gryshova et al., 2019).

Accordingly, the well-established mechanism of interaction between HEIs, public bodies and industry representatives should be developed.

By taking the decision to join multicultural and economically significant organizations, such as European Union, OECD, OSCE, and others Latvia as a state has demonstrated its ambition and desire to become a competitive player among developed countries. Accordingly, the decision of domestic higher education and scientific institutions to join international associations and alliances (such as the European University Association, European Space Agency etc.) contributed to such ability (EUA, 2022), (ESA, 2020).

Latvia historically has a number of prerequisites for developing a competitive higher education system with a scientific meaning: it is economically and socially stable, with permanent access to European Union funding, confirmed by a high level of security and successful relation with the EU and the world’s wealthiest countries, as well as the developed infrastructure, also digital, a multicultural society, etc.

Modern society is interested to support higher education and science and their development is particularly driven by the following trends:

1) Intercultural exchange and globalization (including free mobility of teaching staff, students, exchange of knowledge and competencies);

2) Technological development (digitalization, remote learning – these trends are especially emerging because of COVID-19 pandemic);

3) Rapid change of labor market demand (interdisciplinary, requirement of soft skills development, increasing role of lifelong learning and modular approach, non-formal education, and flexibility);

4) In order to retain their competitive position, higher education institutions (HEIs)

have to remain as key drivers of the innovation ecosystem;

5) In order to establish increasing transparency and efficiency, as well as to cover all stakeholder's needs and demands, HEIs should diversify their products portfolio by diversifying of study content and involving different sectors representatives to ensure variability of scientific funding (state, private, international).

Taking these key factors into consideration altogether with the available resources, Latvian higher education and science institutions (HEIs) have made significant progress. However, the analysis and conclusions of local (e.g. HEIs, National Audit Office, responsible ministries, Latvian Students' Association, social and cooperation partners) and international (e.g. World Bank, OECD, European Commission, international higher education and science organizations) experts show that, despite achievements in some areas, the potential of HEIs is systematically not being fully exploited (LR Cabinet of Ministers, 2020).

Concerning globalization and intercultural exchange, mobility of students is ensured through the European Community action programme Erasmus+ mainly, but also through the Nordic Council of Ministers programme Nordplus. Latvian students may receive scholarships also from foreign governments and institutions for studies abroad (such as the governments of Denmark, China, Netherlands, Fulbright Fellowship, DAAD and others). Foreign students from certain countries may apply for scholarships, provided by the Latvian State Education Development Agency. The proportion of foreign students, studying in Latvia within mobility programmes was hit by the COVID-19 pandemic, but still shows an increase: 0.8% in 2012 and 2% in 2020. Even higher is the proportion of foreign students studying in a degree programme (2.9% in 2012 and 8% in 2020) (European Commission, 2022).

Ensuring the mobility of academic staff in an order to improve its academic, scientific, professional and communication skills is one of the national policy goals. Still, the plan to reach the proportion of 5% of foreign teaching staff in Latvian HEIs was hit by the pandemic during the years 2020-2021.

Regarding the level of digital integration and the local population's ability to apply basic digital skills – there is still a significant gap compared to the EU average. The research, provided by the Digital Economy and Society Index (DESI) in 2019 showed that almost 50% of the population in Latvia still lacks basic digital skills. The use of digital technologies among enterprises in Latvia is also lagging behind (European Commission, 2021). Consequently, Latvian higher education and research institutions have had a serious challenge especially dramatic due to the impact of the COVID-19 pandemic. However, a pressing need in digitalization and remote learning and work due to lockdowns contributed to the development of digital skills of the local population and improvement of the infrastructure.

Research by the World Economic Forum and the OECD shows that future labor market demand will be determined by the use of technology. Accordingly, the industry of education should be able to adapt the content of offered study programs, the way of its delivery and to supply learners with flexible adaptive skills to changing circumstances.

The learning process has to be transformed to lifelong, thus, in cooperation with employers, HEIs should adapt their approach both to formal and lifelong learning education.

Higher education institutions have to remain key drivers of the innovation ecosystem.

As stated in OECD strategy: “A highly skilled population will be key to the ability of Latvia and its people to thrive in this interconnected

and rapidly changing world. People will increasingly need to upgrade their skills to perform new tasks in their existing jobs or acquire new skills for new jobs. Strong foundational skills will make people more resilient to changing skills demand, and digital, transversal, social and emotional, and job-specific skills, – will become essential for adults to succeed in both work and life.” (OECD, 2020)

Innovation is not possible without productive cooperation between higher education and research institutions and industry. Latvian HEIs are already on a way to represent technology transfer points, participating in hackathons, accelerators, becoming innovational hubs members, offering their premises for business incubators, etc. On the one hand, HEIs are interested in developing the practical skills and competencies of both students and academic staff, obtaining additional funding, further developing contacts with industry, raising the HEI's prestige, providing potential jobs for students, and commercializing research. On the other hand, there are issues to be addressed before the collaboration model can be expanded or started to be implemented in all HEIs. Aspects, such as lack of financial support and infrastructure, complex organizational process and bureaucracy, unequal rules for public and private universities, lack of motivation and competences of stakeholders, uncertainty about cooperation and intellectual property, isolation of innovation projects from the study process, mutual understanding have to be considered, as well as ineffective communication, and lack of success stories. Publications of innovations as results of research activity should be disseminated in a more international environment, academic staff, doctoral and master degree students should be supported accordingly. However,

another object of discussion is the accessibility of the publication environment. As mentioned by Strielkowski et al., (2018) “even though many types of research criticize the uncritical treatment of bibliometrics and developments of “political economy of meta-data” offered by Scopus and Web of Science, that fail to suggest a better alternative” (Strielkowski et al., 2018).

Some of the solutions could be the provision of support to the relevant structural units, the type of grants for students participating in innovation projects, the training of academic staff, the development of special study programs, etc.

In 2019, OECD provided a survey across EU countries; as a result OECD Skills Strategy Framework was elaborated for each country (OECD, 2019). The pillars of the approach includes following components:

1. Developing relevant skills over the life course – a lifelong educational process should ensure people`s ability to adapt to a rapidly changing world demand and to maintain strong proficiency in a broad set of skills.

2. Using skills effectively in work and society – skills continuous lifelong development is just a first step. There should be also opportunities, encouragement and incentives to apply these skills fully and effectively at work and in society.

3. Strengthening the governance of skills systems – success in this strategy application should be based on governance acceptance, promotion, coordination and collaboration; on stakeholder`s engagement through the full cycle; establishment of information system and financial support.

The authors made a comparison on skills development and further application possibilities in the Baltic countries region. Other countries' indicators and their average were used as benchmarks. The comparison results are given in the table.

Table. Skills development comparison in the Baltic countries with the benchmarking indicators and the average among EU countries*. Elaborated by authors, using OECD data of the year 2019. (OECD, 2020)

	Latvia	Estonia	Lithuania
Developing relevant skills:			
How skilled are youth?	bottom 20-40%	top 20%	bottom 20%
Are skills of youth improving?	top 20-40%	top 20%	around the average
How many young adults attain tertiary education?	bottom 20-40%	top 20%	bottom 20-40%
What is the quality of tertiary education?	bottom 20-40%	around the average	top 20-40%
How inclusive is tertiary education?	bottom 20-40%	bottom 20%	around the average
How strong are digital skills of adults?	bottom 20%	around the average	around the average
Is there a strong culture of adult education?	around the average	around the average	bottom 20%
Are employees involved in continued vocational training?	bottom 20%	bottom 20-40%	bottom 20%
How inclusive is adult education?	bottom 20%	bottom 20%	bottom 20%
Using skills effectively:			
How well are skills activated in the labor market?	around the average	top 20-40%	around the average
How inclusive is the labor market?	top 20-40%	top 20%	bottom 20-40%
How well aligned are skills with labor market?	bottom 20-40%	bottom 20-40%	bottom 20%
Are skills used to support active, engaged citizenship?	bottom 20%	bottom 20-40%	bottom 20-40%
Do employees have the skills required for their job?	bottom 20%	bottom 20%	bottom 20%
Do firms adopt high-performance workplace practices?	around the average	top 20%	top 20-40%
Is skills use stimulated by innovation?	bottom 20%	bottom 20-40%	around the average
*Latvia, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Lithuania, Netherlands, Poland, Slovak Republic, Slovenia, Sweden			

As is seen in the table, the dissemination of labor force skills and their application takes a lower position in Latvia, compared to its neighbors. Among the most pressing points are weak digital skills of the Latvian adults' population (20% less than EU average – comparing with average indicators in Estonia and Lithuania), very low employees' involvement in continued vocational training (20% less than EU average), and, accordingly, a little level of inclusion in adult education (also 20% less than EU average).

Little involvement of the labor market leads also to the feeling of being unsupported by the workforce, inability to specify market

needs, and to drive a career in the right direction. This, accordingly, leads to mind crisis and inactive social behavior (very little population engagement, 20% less than EU average, compared to 20-40% involvement indicators in Estonia and Lithuania).

The inability of the labor market to cooperate with the educational sector, lack of public support lead to less qualified personnel and to decrease in overall state competitiveness. Innovations and significant change in the educational process in Latvia are required, altogether with state support and deeper involvement of all stakeholders, also labor market (with current stimulation of innovations 20% less than EU average level,

compared to 20-40% stimulation in Estonia and EU average stimulation level achieved in Lithuania).

Urgent development of necessary skills and competences are needed in Latvia, with the broad support of Latvian and EU government and industry stakeholders. Four priority areas for continuous innovation were developed after OECD survey was conducted and the feedback from the Latvian Government was received:

1. Strengthening the skills outcomes of students.
2. Fostering a culture of lifelong learning
3. Reducing skills imbalances in the labor market.
4. Strengthening the governance of the skills system. (OECD, 2020).

As stated by Biletska et al. (2021): “innovative teaching methods used in the system of the modern educational process in higher education include interactive tools, forms and methods of educational activities in the interactive information environment of the university. At the same time, the essence and structure of the innovative education all process in higher education should adequately reflect the nature and speed of social changes in society” (Biletska et al., 2021).

An unexpected outcome of the COVID-19 pandemic was, at no doubt, the rise of innovativeness (in teaching approach including) among HEIs. However, by introducing the innovations, HEIs staff faced several implications; among them is the insufficient level of digital skills of the students.

In an order to evaluate own student's skills, also in the digital environment, the Department of International Business Communications of ISMA University of Applied Sciences provided an internal survey. During the survey, which took place in April 2021, 142 students representing the first study year of the professional bachelor's study programs “Business Administration”, “Business Administration in Tourism” and “Information Systems” were asked to participate. The aim of the survey was to evaluate the communication and digital skills

of recent secondary school graduates and their ability to effectively continue their studies on a tertiary level of education. Among the prerequisites of such an analysis was also a request to evaluate students' ability to obtain knowledge during the remote study process, caused by limitations and implications due to COVID-19 pandemic.

Among those who had participated in the mentioned survey, study forms were disseminated both between full-time intramural and extramural. The survey had shown the following results:

1. Among 50% of the surveyed learners have previous experience in online learning and self-evaluated their digital skills as moderate.

2. Among 75% of the respondents assess online learning and remote studies positively. As positive factors of remote learning, they mean a comfortable environment and the opportunity to study at their own pace.

3. About 70% of the surveyed positively assess the availability of the necessary learning materials (such as lecture presentations, video recordings, quizzes, etc. available in Moodle environment and other study content delivery in a remote way via Zoom and other means), (Lapaine, 2022).

The results of the survey had shown – although learners show their readiness for remote learning and find it rather comfortable, still young adults' digital experience needs serious improvement. Higher education institutions in Latvia are experiencing certain difficulties providing educational content remotely, due to the insufficient digital skills of their students.

Conclusion

The analysis of the Latvian system of higher education had shown a serious need for change. Experts, such as OECD representatives, local HEIs academic and administrative staff, local public bodies, and other stakeholders have concluded: despite the high potential, the existing higher education system should be modernized. The prerequisites and key pillars for the development are intercultural exchange and

globalization, technological development, the increasing role of digitalization and soft skills, rapid change of labor market demand, and the increasing role of lifelong learning. HEIs in Latvia should be able to adapt to these trends, however, the starting point lies behind the

competitors – Estonian and Lithuanian HEIs, due to the lower level of knowledge and skills of young adults and the labor force in Latvia. Complex solutions are needed to increase the international competitiveness of the educational sector in Latvia.

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