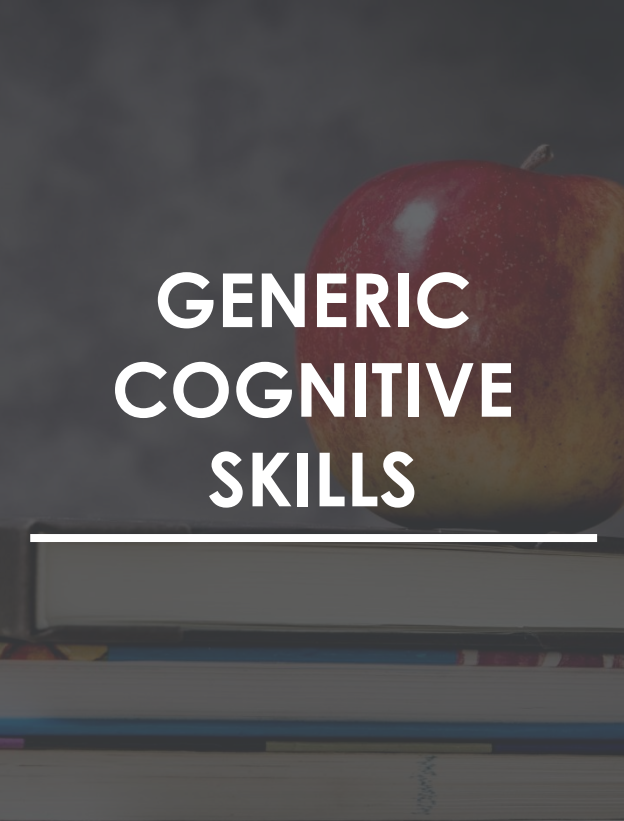# OECD SKILLS STRATEGY: LATVIA
HIGH LEVEL SKILLS STRATEGY SEMINAR

13 September 2018, Riga

Montserrat Gomendio
Head of the OECD Centre for Skills

What do we mean by skills?

GENERIC COGNITIVE SKILLS

TECHNICAL, PROFESSIONAL, SECTOR-SPECIFIC SKILLS

SOCIO-EMOTIONAL SKILLS

1. **Context** Why do skills matter?
2. **Diagnostic evidence** The situation in Latvia
3. **Project** What does an OECD Skills Strategy offer to Latvia?
4. **Proposed priorities** The Scope of the project

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1. CONTEXT

Several **megatrends** are affecting skills

GLOBALISATION

More integrated world economy than ever

Emergence of global value chains, offshoring and outsourcing

Increased vulnerability of some workers

TECHNOLOGICAL CHANGE

Rapid development of new technologies

Emergence of new forms of work

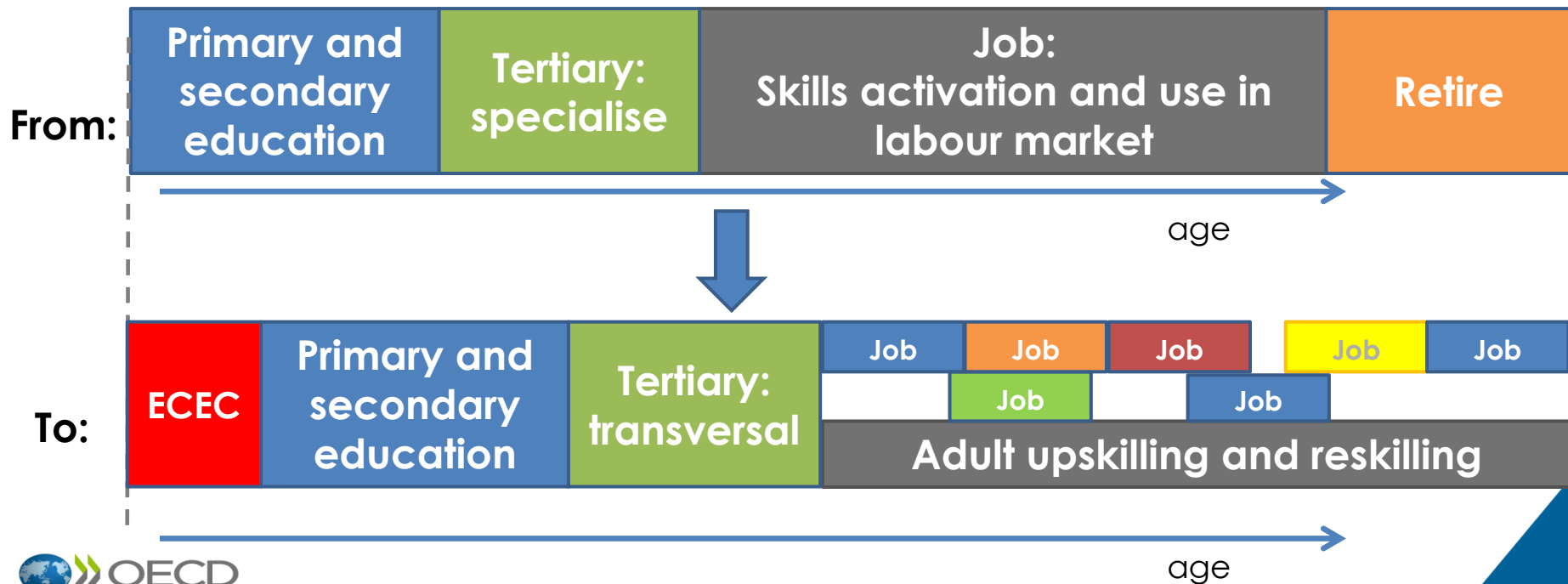Expansion of sources of learning, especially online

DEMOGRAPHIC CHANGE

Large expected decline in working-age population

Ageing population

Growing number of immigrants

We need a **new model** for skills development

From:

Primary and secondary education	Tertiary: specialise	Job: Skills activation and use in labour market	Retire

age

To:

ECEC	Primary and secondary education	Tertiary: transversal	Job	Job	Job		Job	Job

Job · Job · Job · Job

Adult upskilling and reskilling

age

Involving learning at every stage of life: **lifelong**

0-5 YEARS OLD

EARLY CHILDHOOD COGNITION

EARLY CHILDHOOD BEHAVIOR

6-11 YEARS OLD

LEARNING IN PRIMARY

12-17 YEARS OLD

ENROLLMENT IN SECONDARY

COMPLETING SECONDARY

LEARNING IN SECONDARY

+18 YEARS OLD

ADULT LEARNING

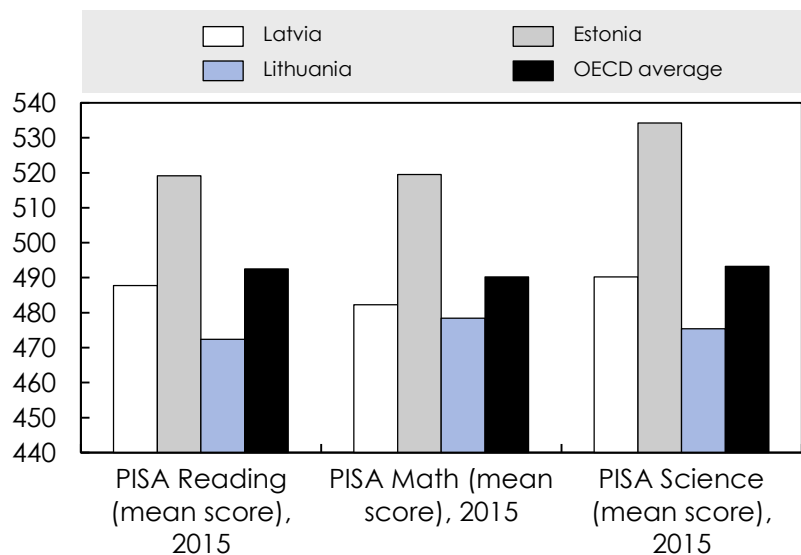**Recognising that learning happens in all kinds of environments: life-wide**

Schools

Workplace

Homes

Community

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2. DIAGNOSTIC EVIDENCE: THE SITUATION IN LATVIA

Student outcomes in PISA 2015

PISA outcomes Latvia, neighbouring countries and OECD average

A. PISA scores

Legend: Latvia, Estonia, Lithuania, OECD average

PISA Reading (mean score), 2015 | PISA Math (mean score), 2015 | PISA Science (mean score), 2015

B. PISA Top performers and low achievers

Legend: Latvia, Estonia, Lithuania, OECD average

Share of top performers in at least one subject (Level 5 or 6) | Share of low achievers in all three subjects (below Level 2)

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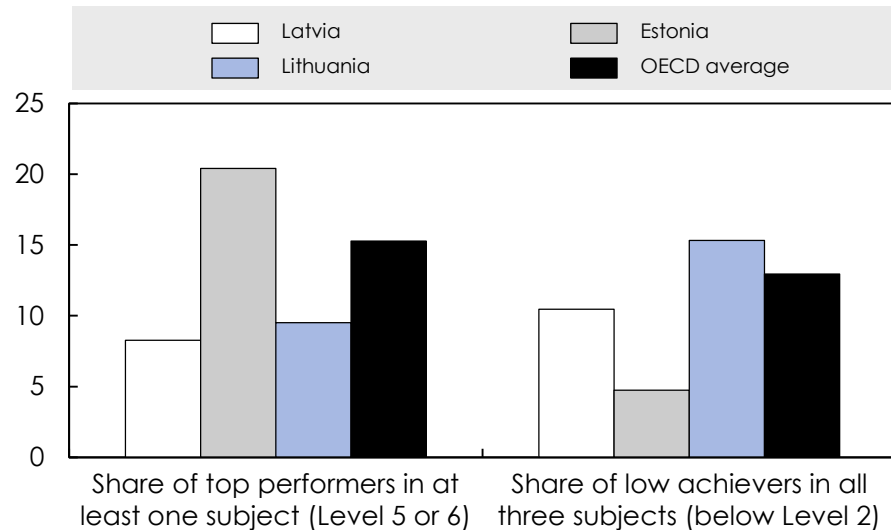
Early acquisition of skills is linked to student performance

Score-point difference in science performance between 15-year-old students who attended early childhood education (ISCED 0) for two years or more and those who attended for less than two years (PISA 2015)

■ After accounting for students' and schools' socio-economic profile
◇ Before accounting for students' and schools' socio-economic profile
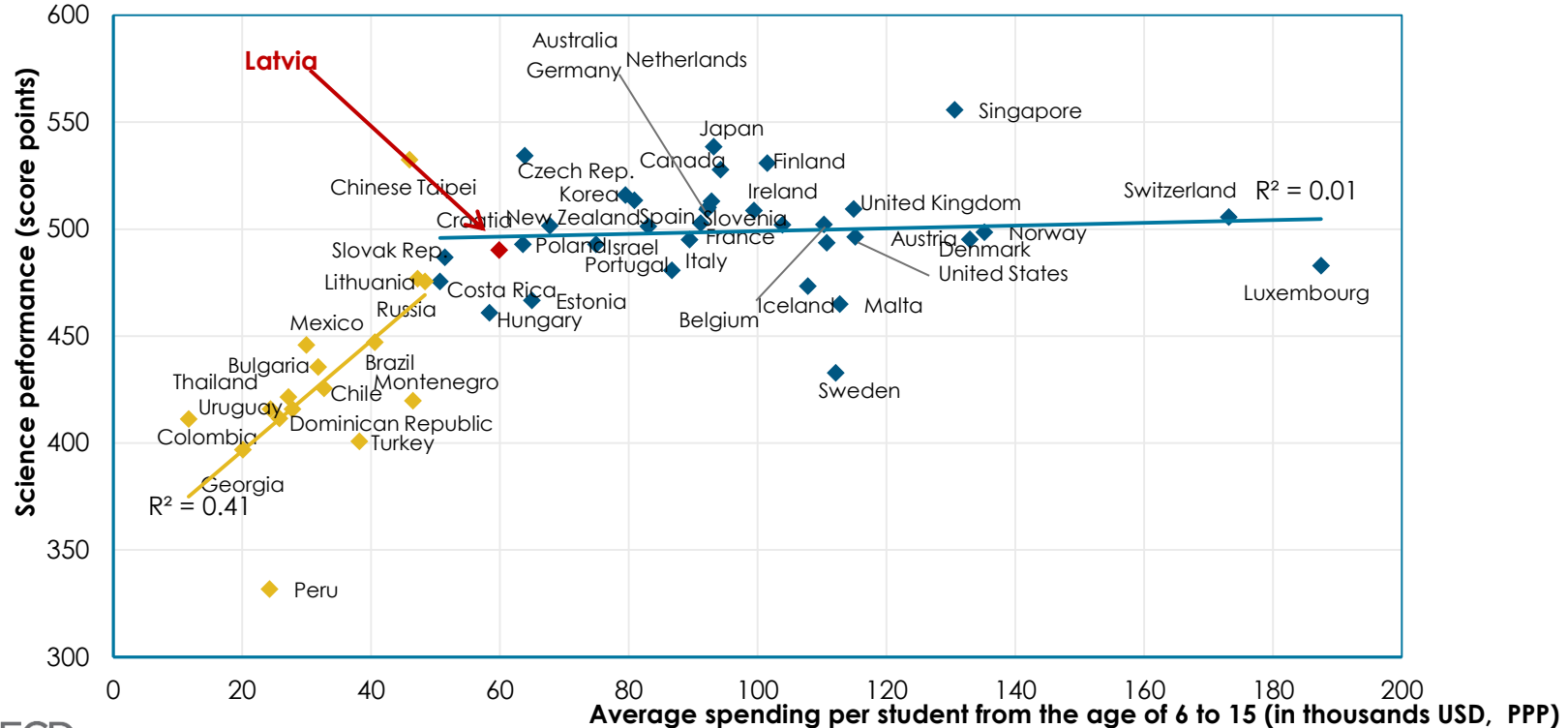

Score-point difference

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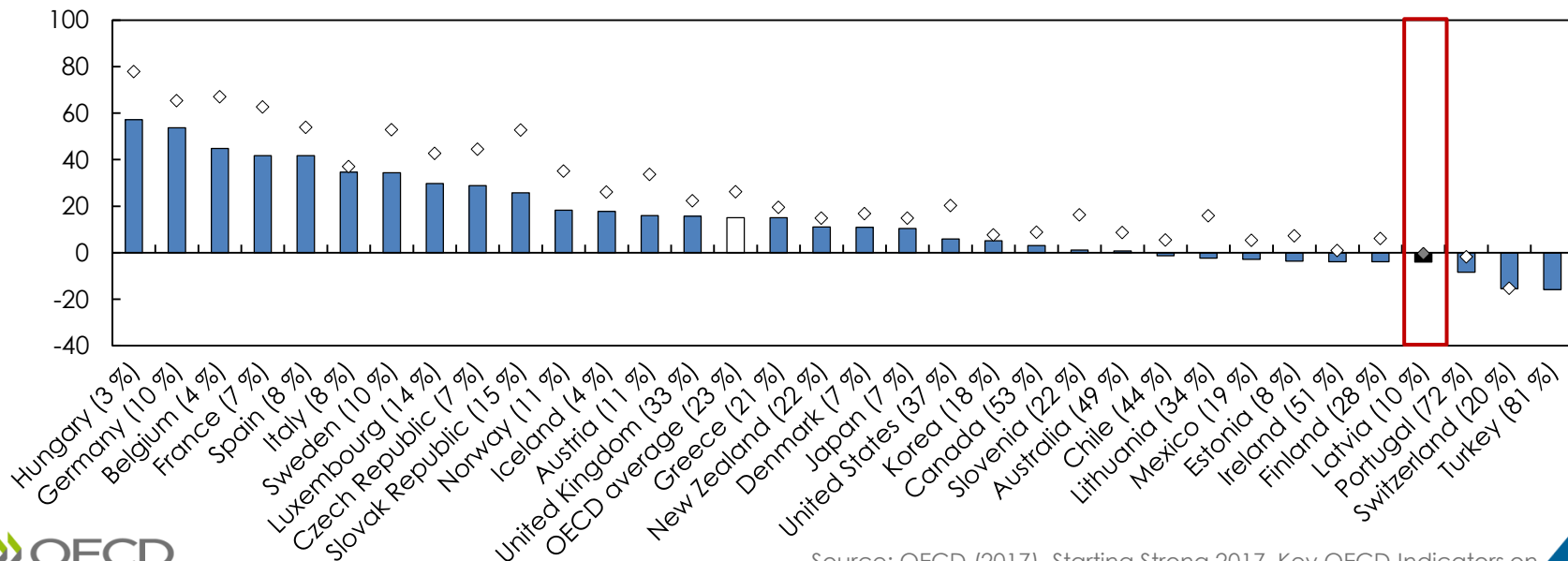
Money is important, but it is not sufficient

Spending per student from age 6 to 15 and science performance
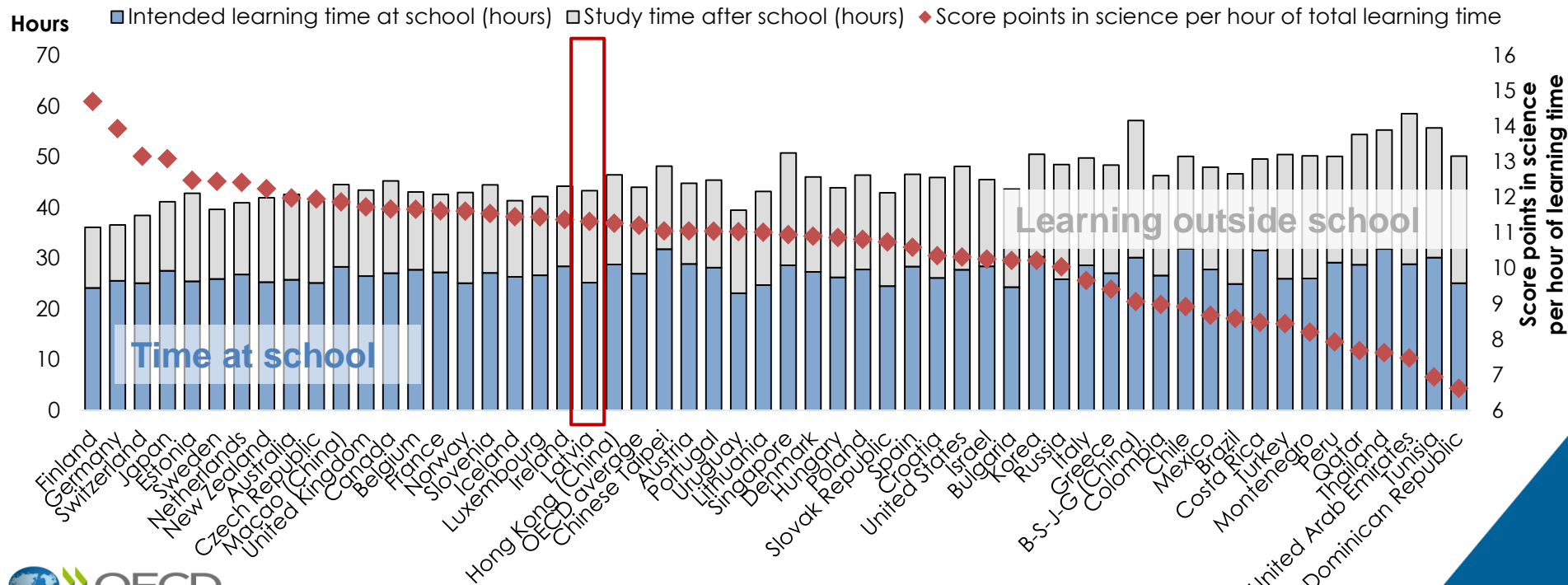
Source: PISA 2015 database

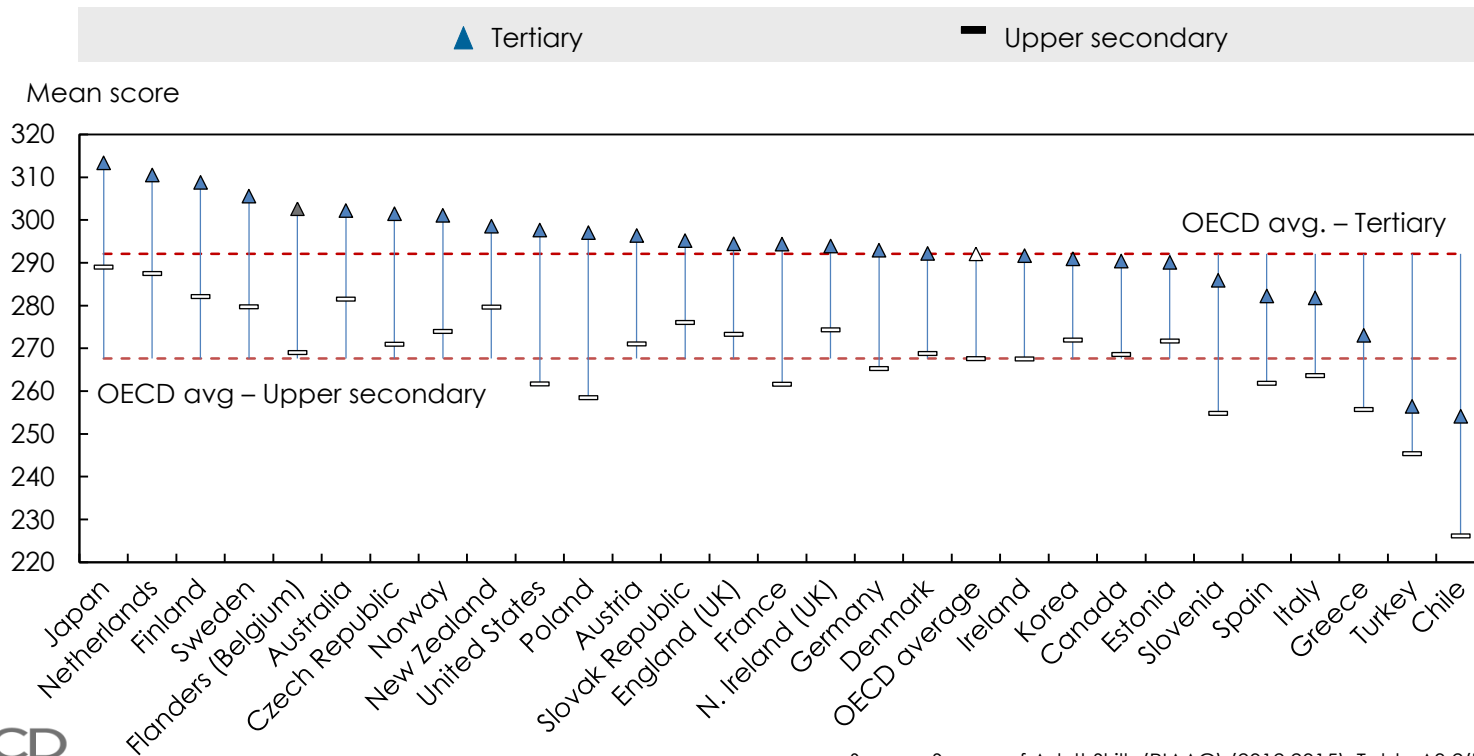# It's not about how much time we spend, but how we use time

Learning time and science performance

Source: PISA 2015 database

Tertiary attainment and skills

Mean literacy score of adults by educational attainment, 25-65 year-olds

▲ Tertiary   ▬ Upper secondary

Many adults do have the skills needed in a digitalised world

Individuals with low overall digital skills, by age, 2017

Legend:
- — 25-34 year-olds
- ◆ 35-44 year-olds
- ● 45-54 year-olds
- ▲ 55-64 year-olds

Countries (x-axis): Luxembourg, Iceland, Finland, Sweden, Netherlands, Norway, Switzerland, Germany, Lithuania, Austria, Denmark, Czech Republic, Slovakia, United Kingdom, Belgium, Estonia, Portugal, European Union, Slovenia, Greece, Spain, Poland, France, Hungary, Latvia, Ireland, Turkey

Source: Eurostat (2018), Individuals' level of digital skills [isoc_sk_dskl_i].].

Participation in lifelong learning varies across countries

Participation rates in formal and/or non-formal education and training
25-64 year-olds, 2016

■ Non-formal education and training   ☐ Formal education and training

Source: Eurostat (2018), Adult Education Survey, Participation rate in education and training by sex [trng_aes_100].
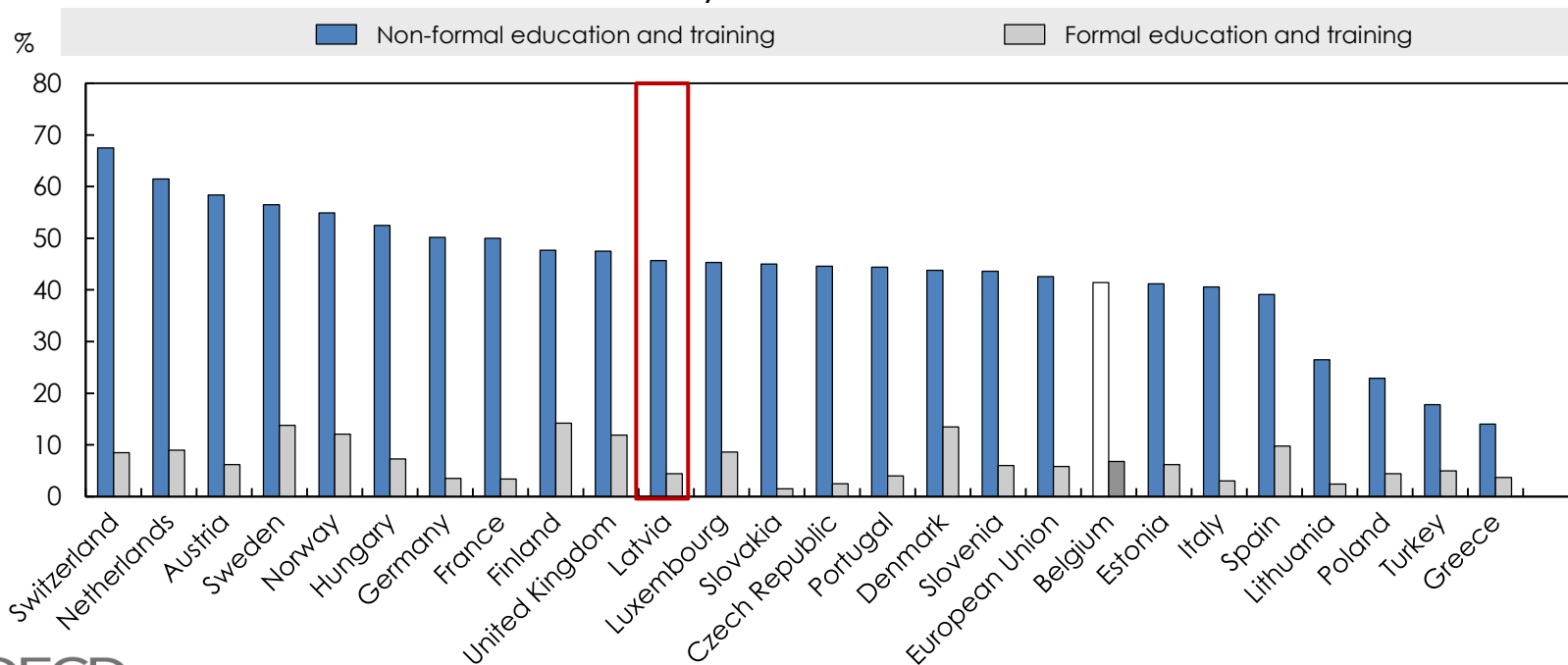
There has been a significant increase in Latvia most recently

Participation rate in formal and non-formal education and training,
25-64 year-olds, last 12 months, EU average and select countries, 2007-2016

Source: Eurostat (2018), Adult Education Survey, Participation rate in education and training (last 12 months)
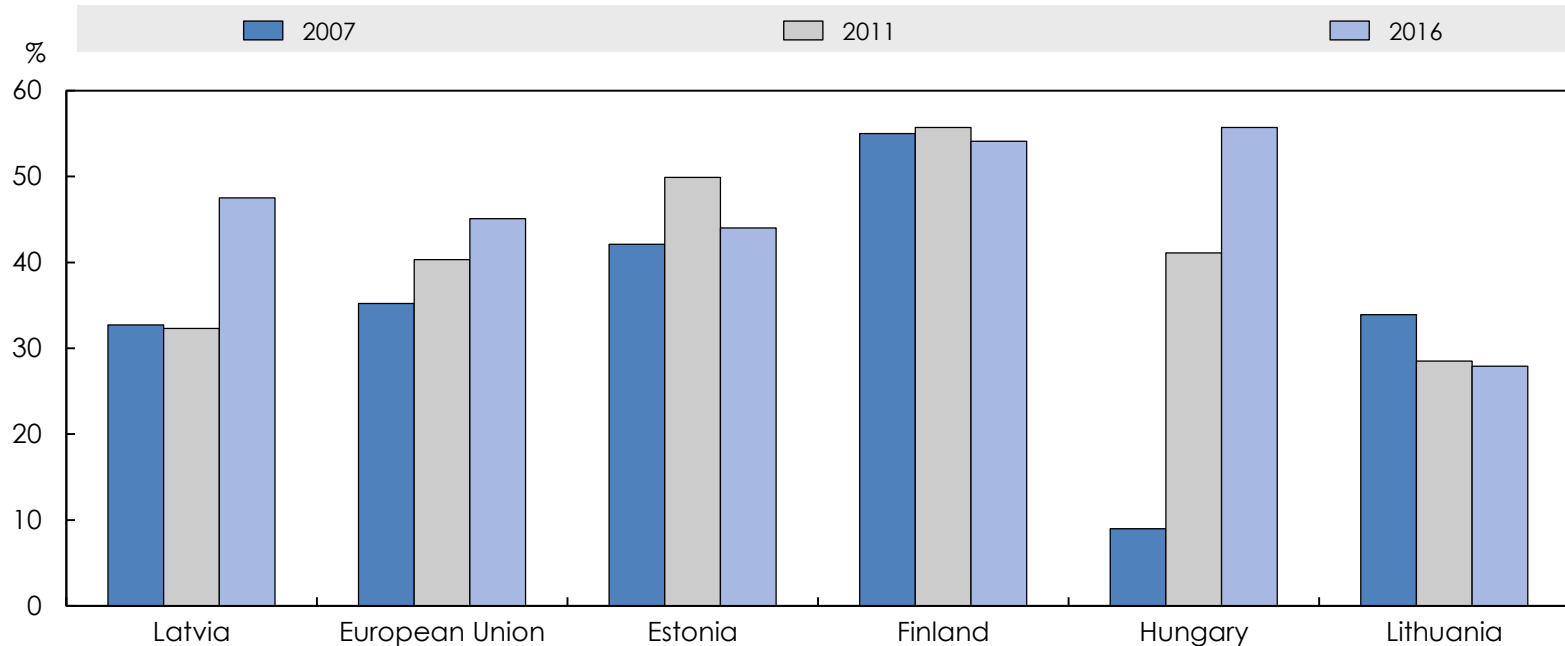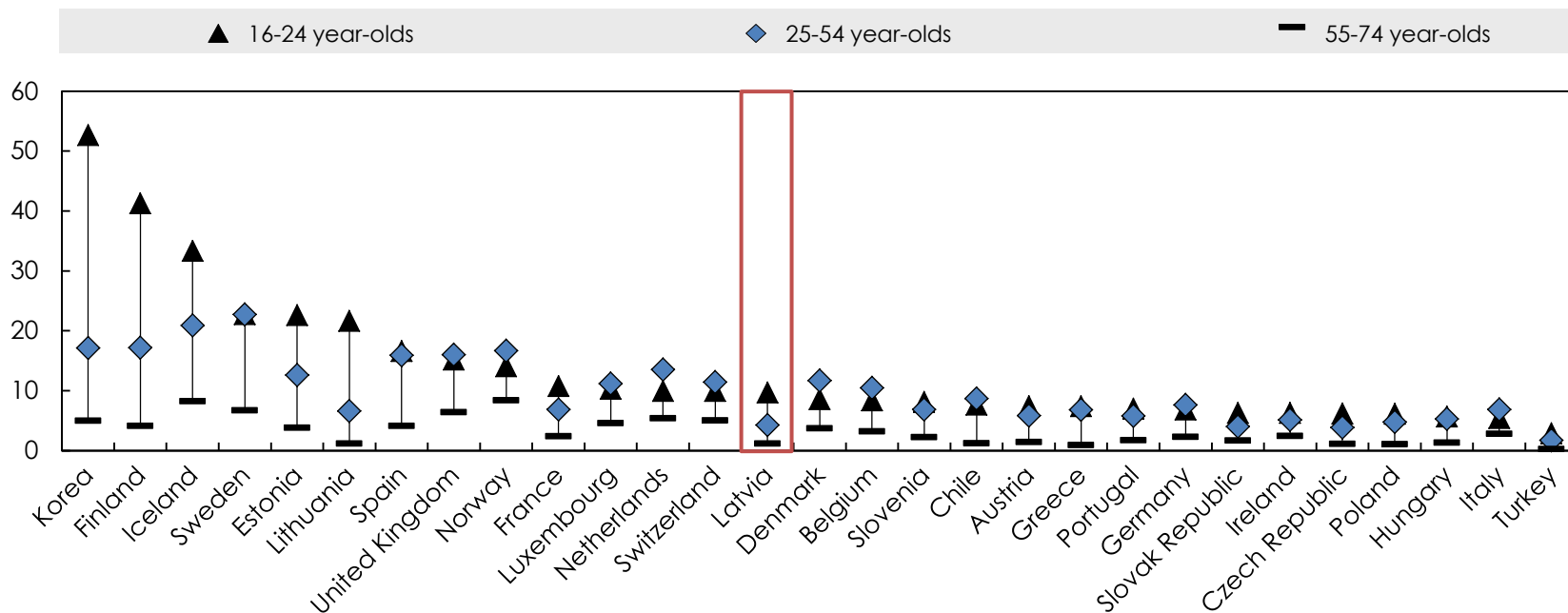
Online courses are becoming more widely available, but are mainly used by younger generations

**Individuals using the Internet for doing an online course**
in any subject, participation rates last 3 months, by age groups, 2017

▲ 16-24 year-olds   ◆ 25-54 year-olds   — 55-74 year-olds

Source: OECD (2018), OECD, ICT Access and usage by Households and Individuals Database.

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Informal learning is on average higher, but in some countries still low

Participation rates in informal learning,
25-64 year-olds, last 12 months, OECD-EU countries, 2016

Source: Eurostat (2018), Participation rate in informal learning by learning form and sex [trng_aes_200].
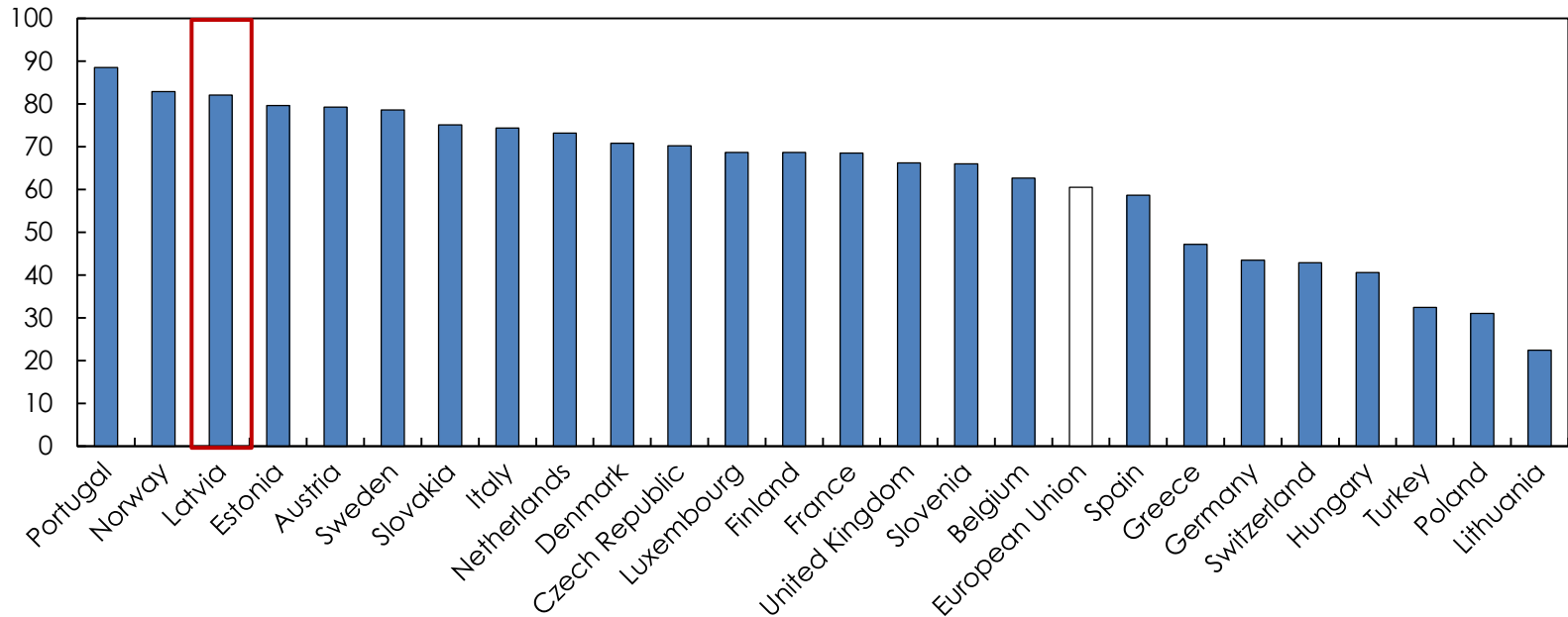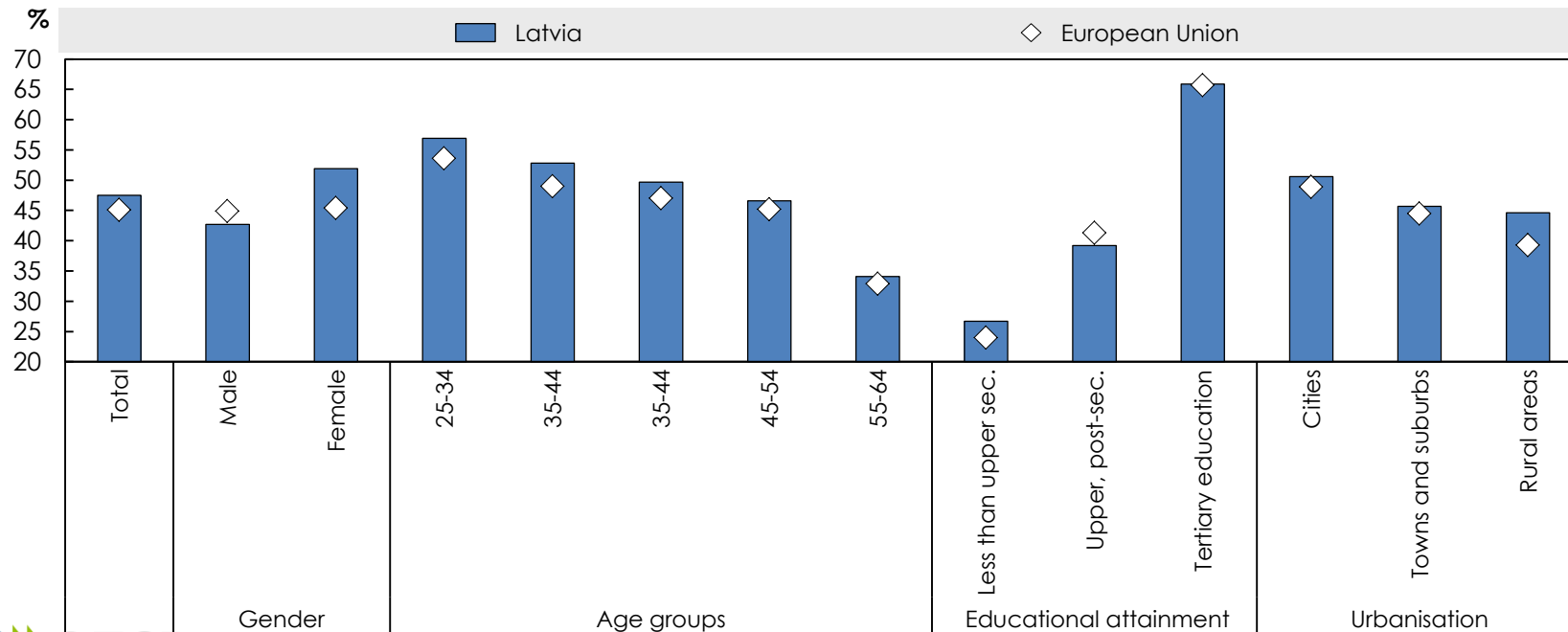
Participation in lifelong learning varies across socio-demographic groups

Participation in formal or non-formal education, 2016
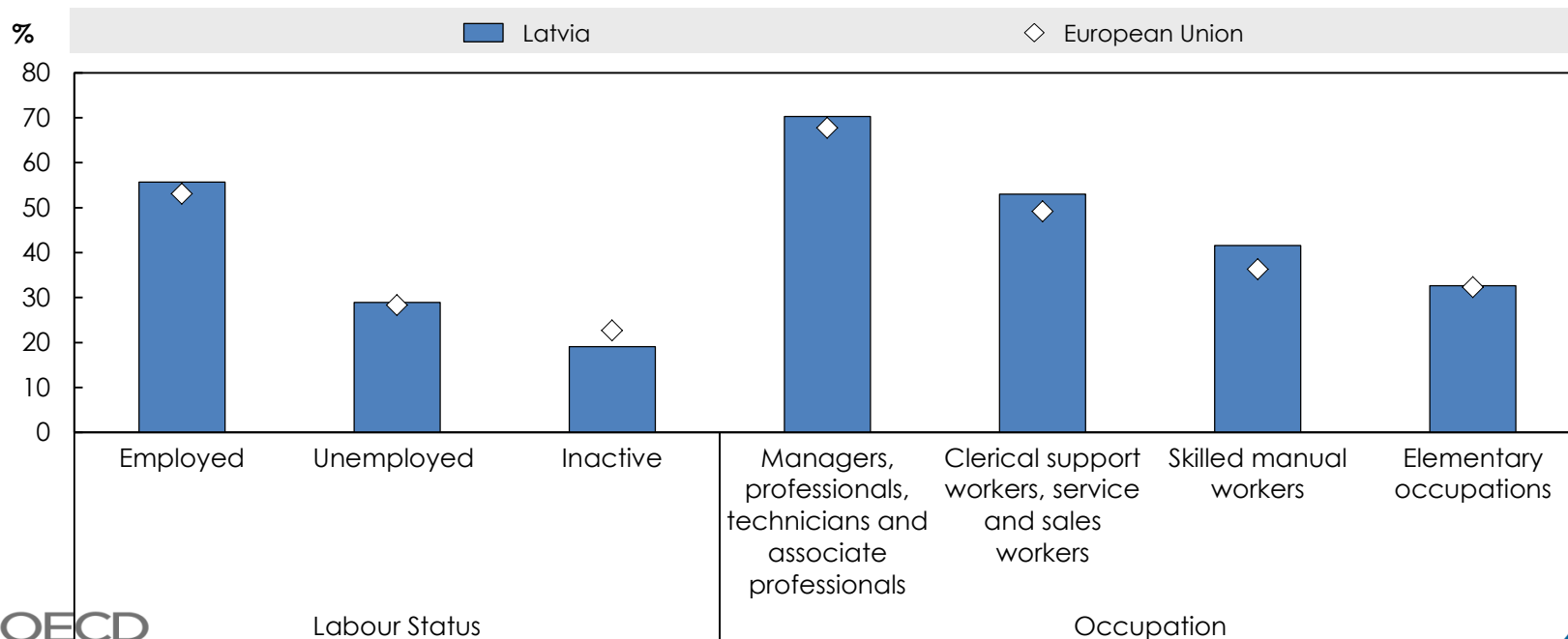By gender, age, educational attainment, and urbanisation, Latvia and EU, 25-64 year-olds

Legend: ■ Latvia ◇ European Union

Categories (x-axis): Total | Gender: Male, Female | Age groups: 25-34, 35-44, 35-44, 45-54, 55-64 | Educational attainment: Less than upper sec., Upper, post-sec., Tertiary education | Urbanisation: Cities, Towns and suburbs, Rural areas

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And strongly depends on employment status and occupation

Participation in formal or non-formal education, 2016
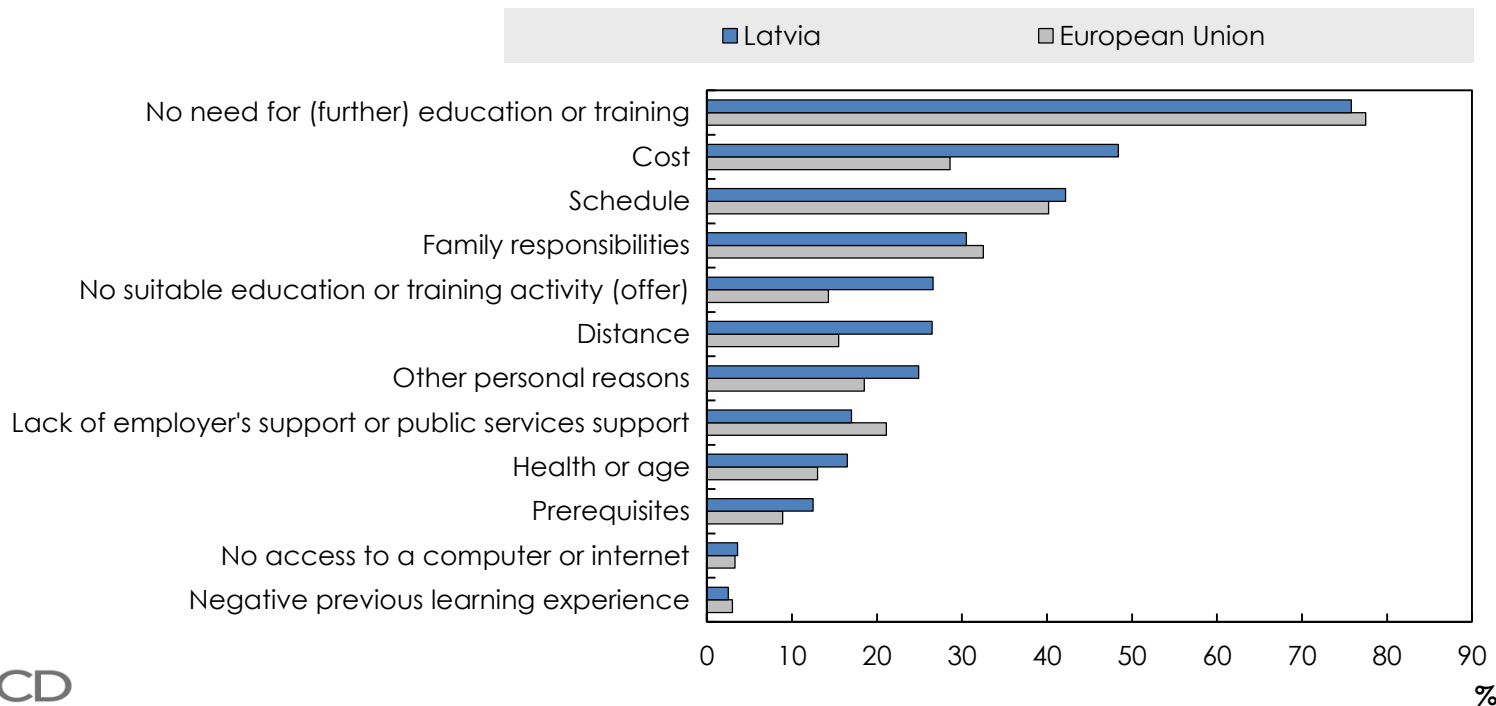By employment status and occupation, Latvia and EU, 25-64 year-olds

Source: Eurostat (2018), Adult Education Survey, Participation rate in education and training by sex [trng_aes_100].

A lack of motivation and costs are limiting factors for participation in Latvia

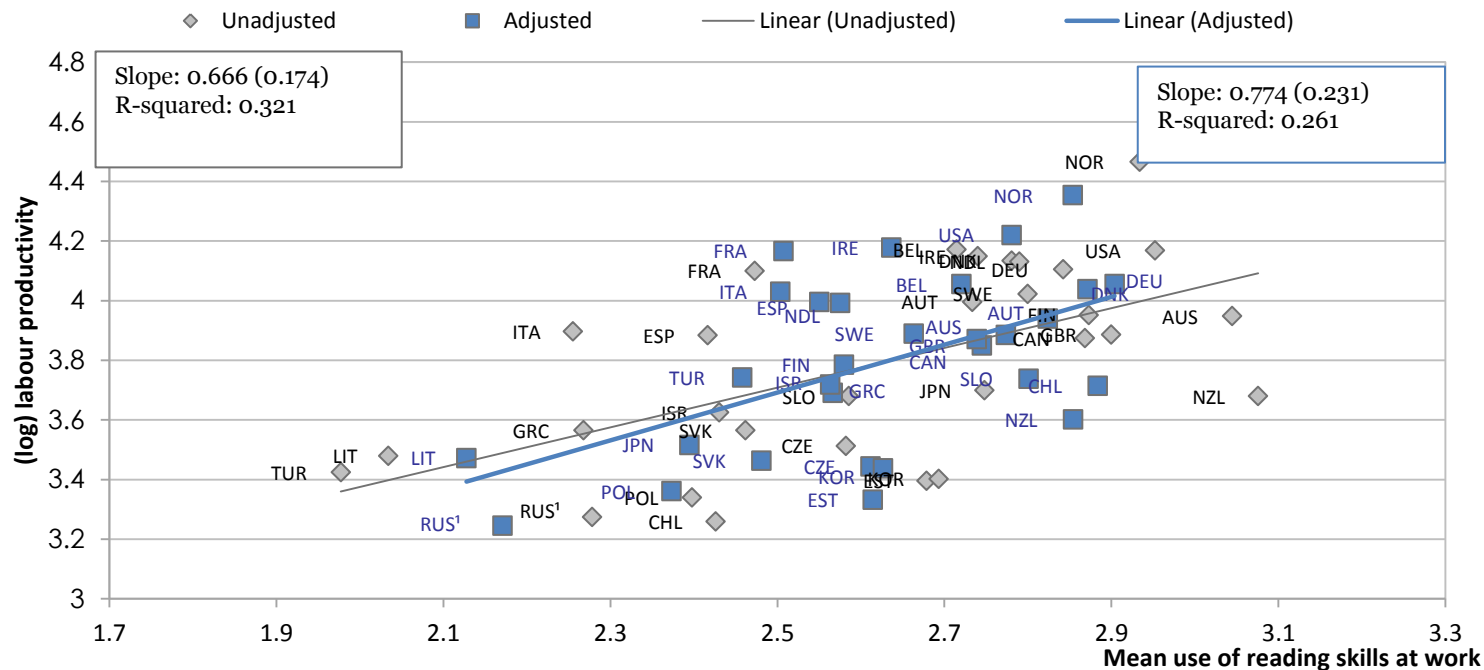**Barriers to participation for available EU countries,**
Share of adults not participating, 25-64 year-olds, 2016

■ Latvia　　■ European Union

- No need for (further) education or training
- Cost
- Schedule
- Family responsibilities
- No suitable education or training activity (offer)
- Distance
- Other personal reasons
- Lack of employer's support or public services support
- Health or age
- Prerequisites
- No access to a computer or internet
- Negative previous learning experience

0　10　20　30　40　50　60　70　80　90

%

Source: Eurostat (2018), Adult Education Survey.

The effective use of skills matters for productivity

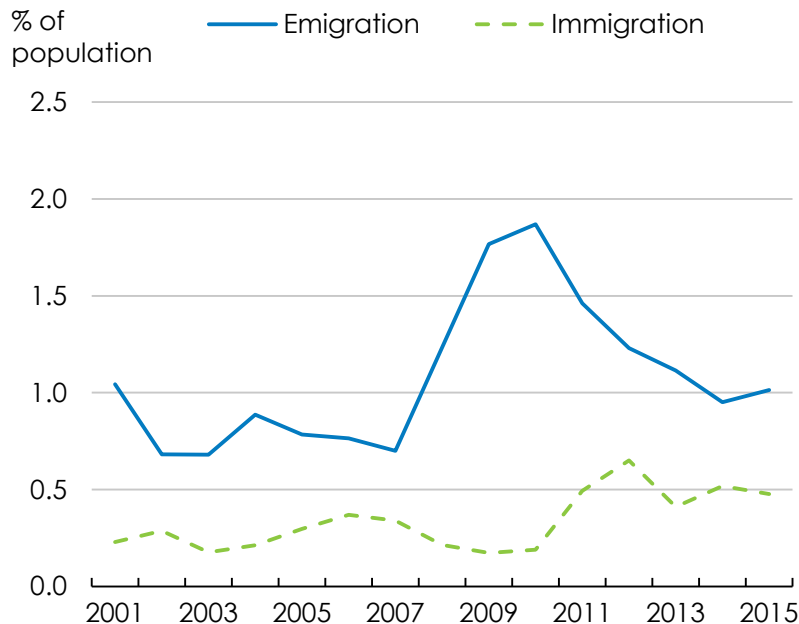**Labour productivity and the use of reading skills at work**

Notes: Lines are best linear predictions. Labour productivity is equal to the GDP per hour worked, in USD current prices 2012 for round-1 and 2014 for round-2 countries/economies. Adjusted estimates are based on OLS regressions including controls for literacy and numeracy proficiency scores. Standard errors in parentheses.
Source: Survey of Adult Skills (PIAAC) (2012,2015), Table A4.3.

Unemployment rate is above the average

Unemployment rate by age groups, 2016

Source: Eurostat
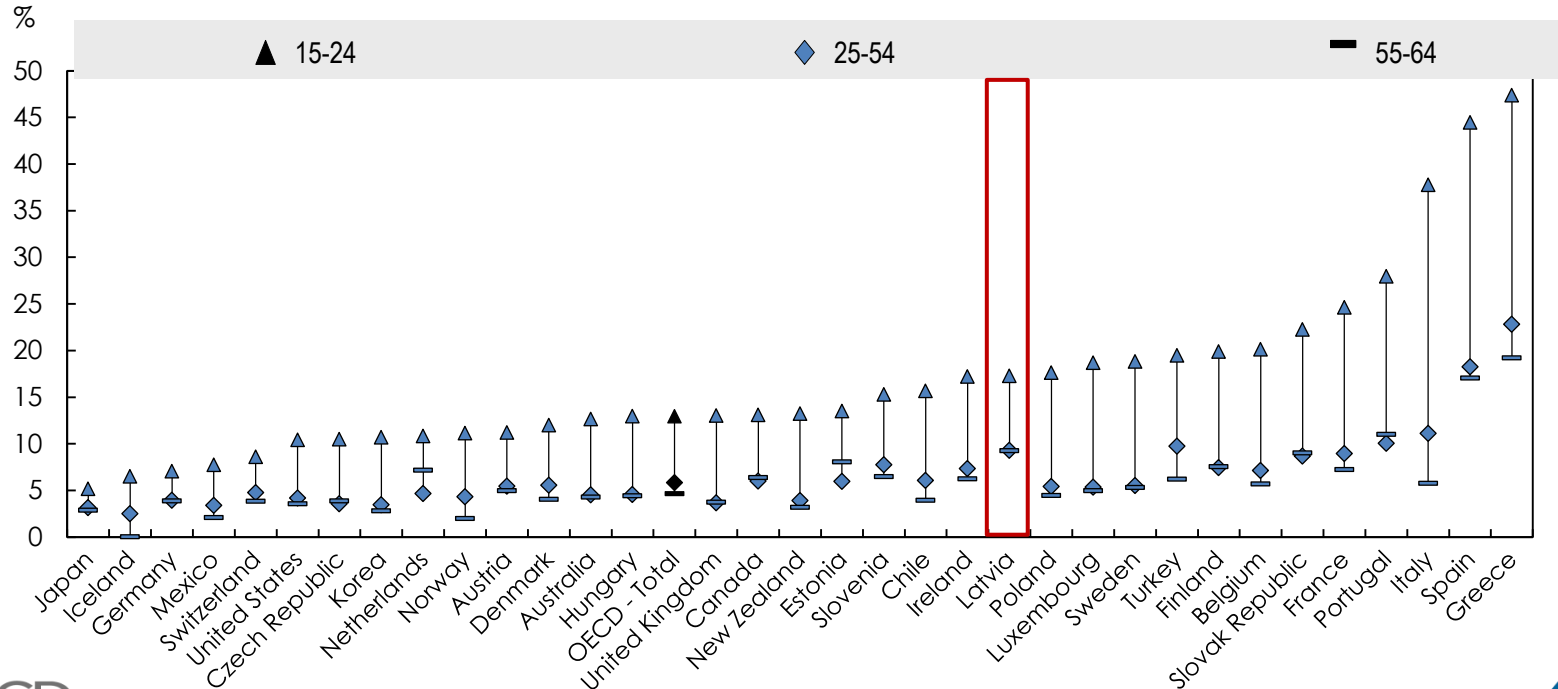
Emigration rates remain still high

A. Emigration and immigration

% of population

Legend: Emigration (solid line), Immigration (dashed line)

B. Net immigration 2015

% of population

Countries (left to right): Lithuania, Latvia, Poland, Portugal, Spain, Czech Republic, Slovak Republic, France, Hungary, Estonia, Italy, Finland, Netherlands, Switzerland, Iceland, Belgium, Denmark, Norway, Sweden, Germany, Luxembourg

Source: Eurostat and Central Statistical Bureau of Latvia.
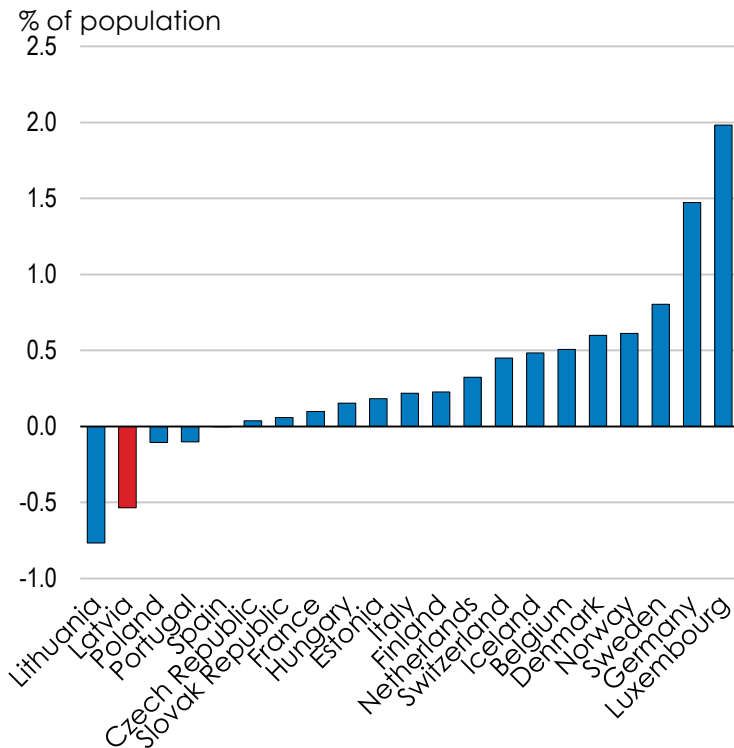
By 2025, shortages are expected by level of education

Labor force by educational levels:
the ratio of supply and demand in 2025, in percent demand for supply

Legend: ■ Supply ■ Demand

- Higher Education: Supply 100, Demand 101
- Secondary Vocational Education: Supply 100, Demand 113
- Secondary General Education: Supply 100, Demand 85
- Basic Education and lower: Supply 100, Demand 54

*Source:* Latvian Ministry of Economy (2018), Medium and Long term Labour Market Forecasts
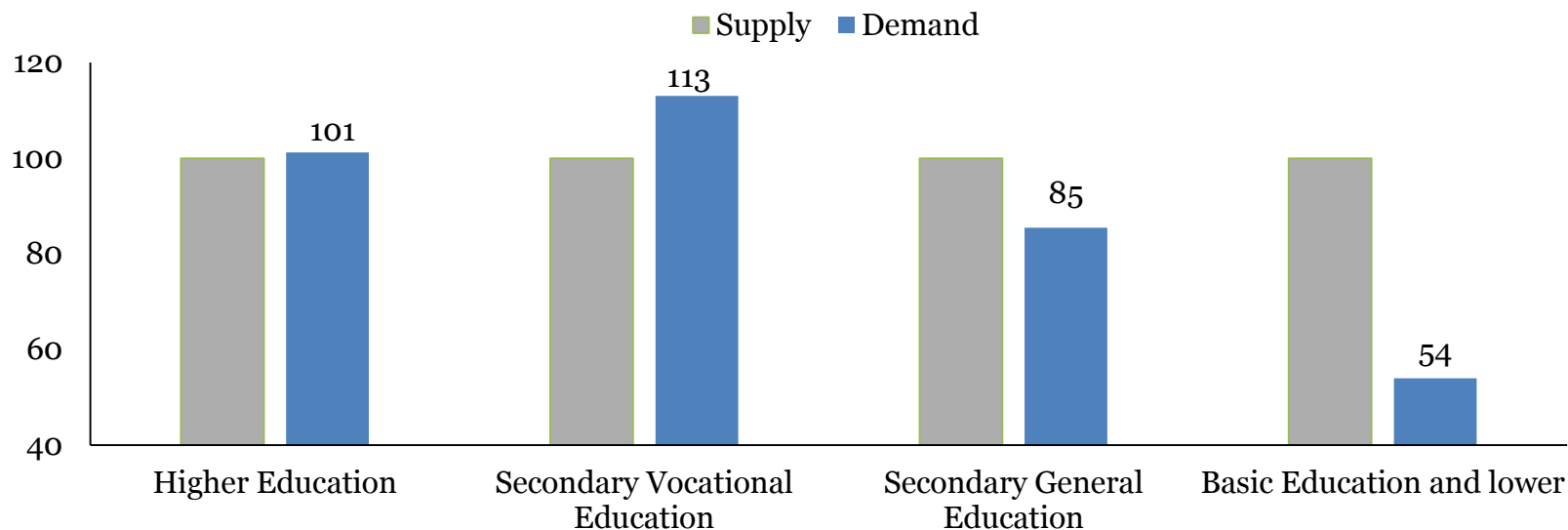
Forecasts of the labour force supply and demand with higher education thematic groups of education, percentage, demand vs. supply in 2025

Source: Latvian Ministry of Economy (2018), Medium and Long term Labour Market Forecasts
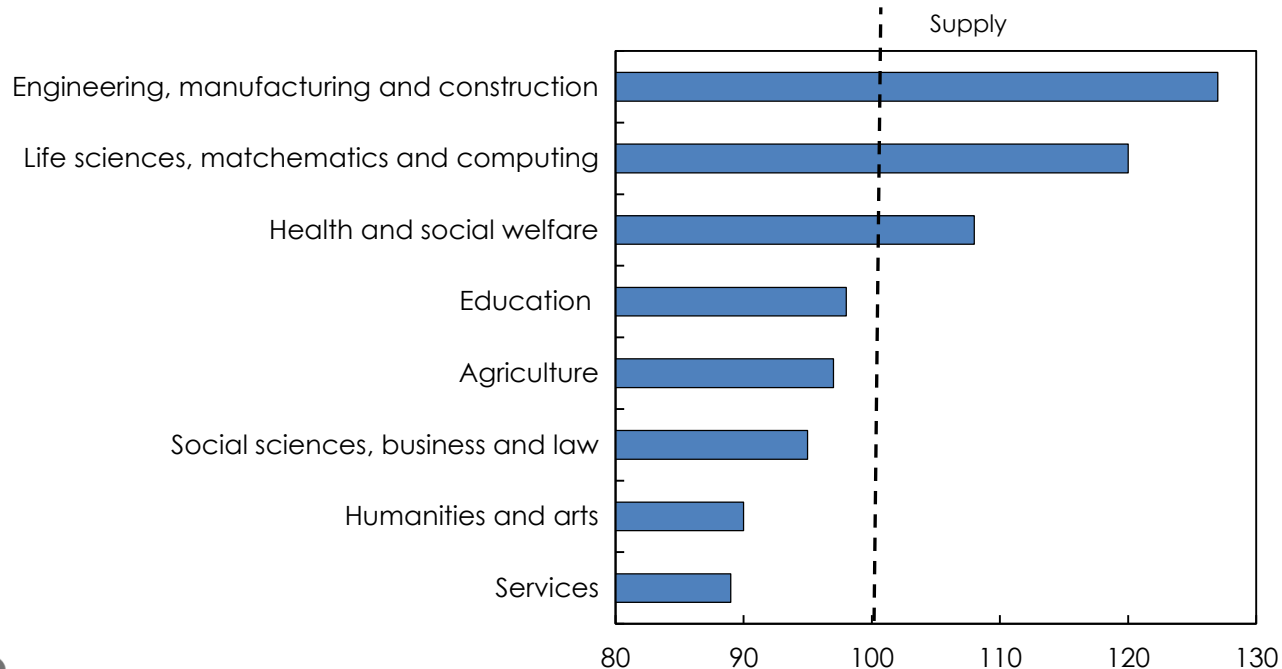
Across the OECD aligning skills with labour market needs can be difficult

Qualification, literacy and field-of-study mismatch,
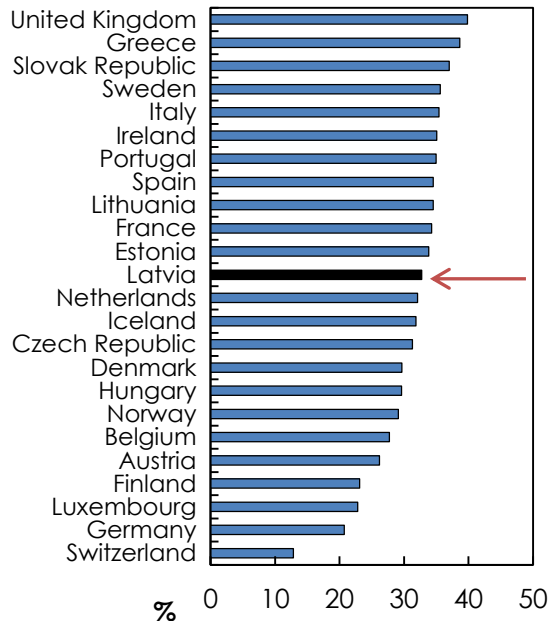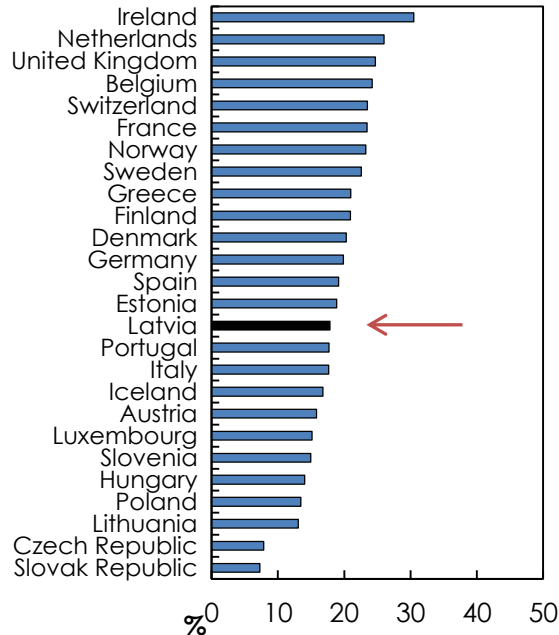percentage of mismatched workers, by type of mismatch

Source: OECD Survey of Adult Skills
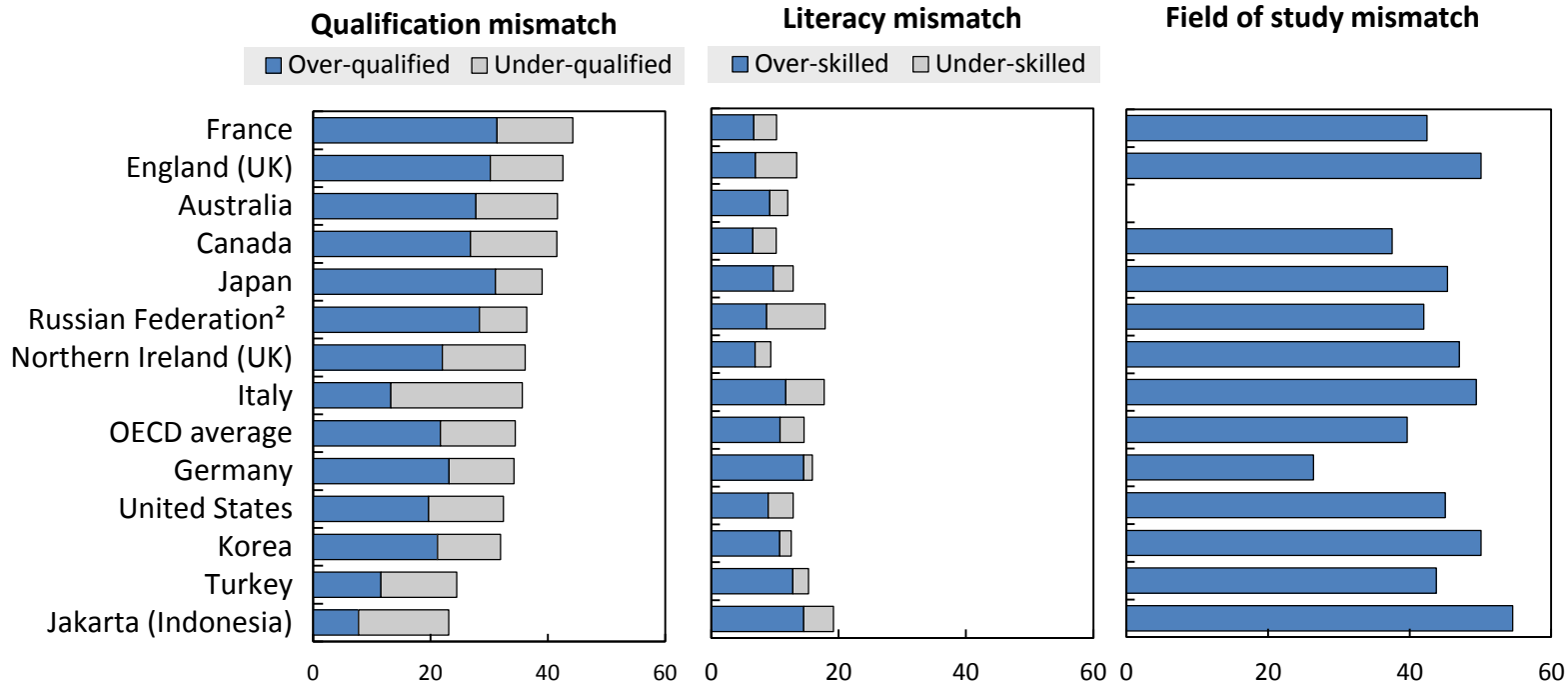
This is the case also for Latvia

Field-of-study and qualification mismatch,
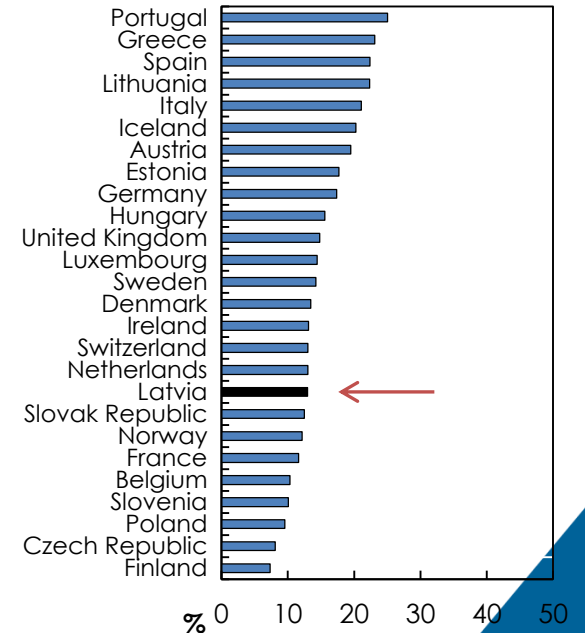Share of mismatched workers, by type of mismatch, 2015

A. Field-of-study mismatch

B1. Under-qualification

B2. Over-qualification

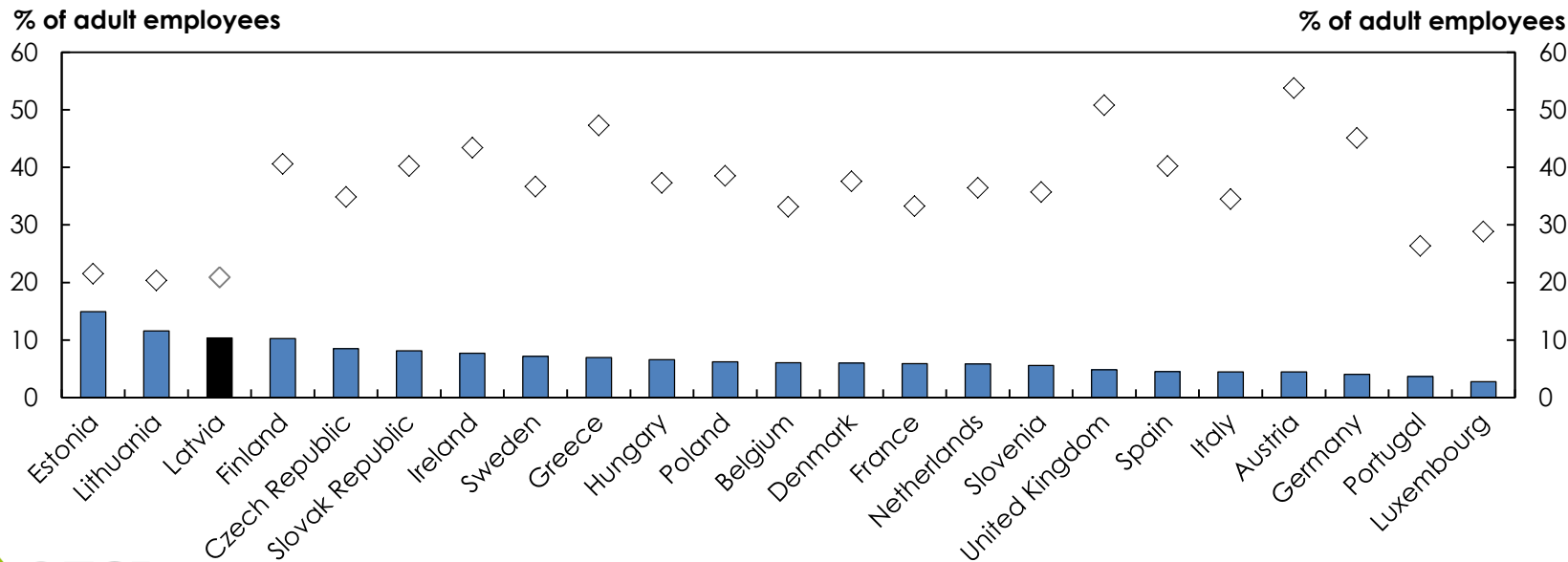OECD
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Over-skilling is much lower in Latvia

Under- and over-skilling in EU-countries,
share of employees reporting lower or higher skill level than required for their current jobs

■ Under-skilling (Skills to low for job) (left-axis)   ◇ Over-skilling (higher skills than necessary for job) (right axis)
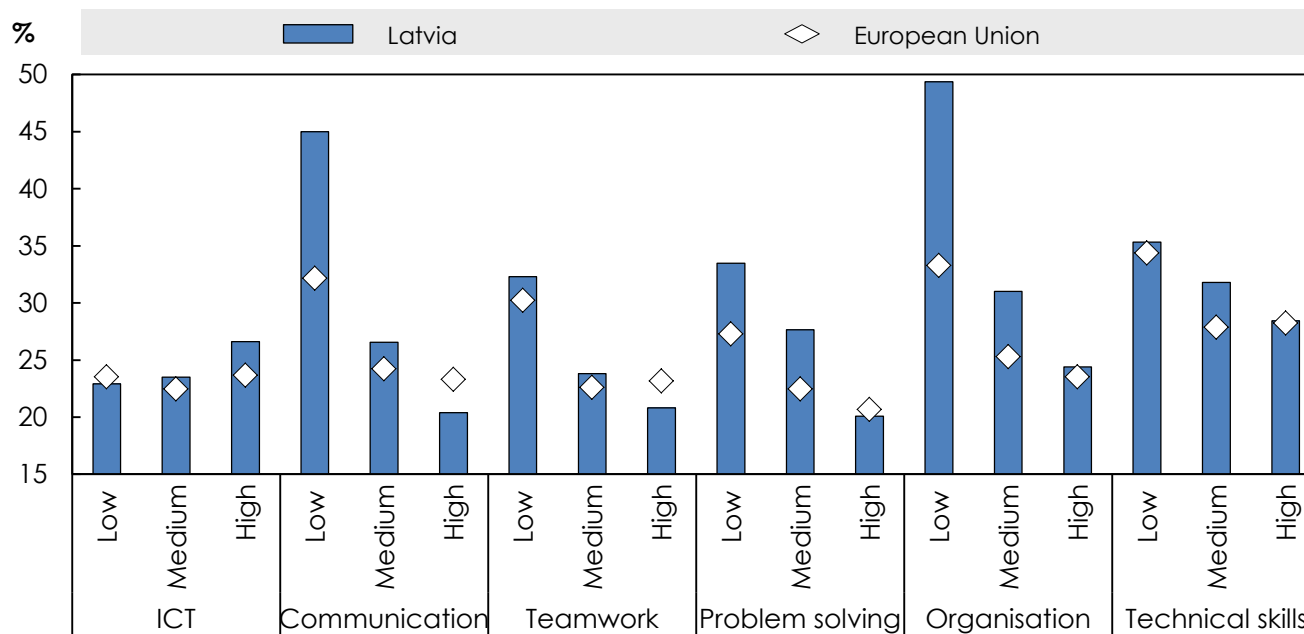
% of adult employees   % of adult employees

Estonia, Lithuania, Latvia, Finland, Czech Republic, Slovak Republic, Ireland, Sweden, Greece, Hungary, Poland, Belgium, Denmark, France, Netherlands, Slovenia, United Kingdom, Spain, Italy, Austria, Germany, Portugal, Luxembourg

Source: CEDEFOP (2018), Skills Panorama database.

Low educated employees face particularly large skills gaps

Skills gaps by education level, 2014

% of workers reporting foundation, transversal, job-specific skills gaps by educational level

Source: OECD calculations based on the European skills and jobs survey (2014).

Many adults expect that their skills will be outdated in a few years

Skills obsolescence – proportion of adult employees who believe it is likely, or very likely, that several of their skills will become outdated in the next five year, 2014

Source: CEDEFOP (2018), Skills Panorama database.

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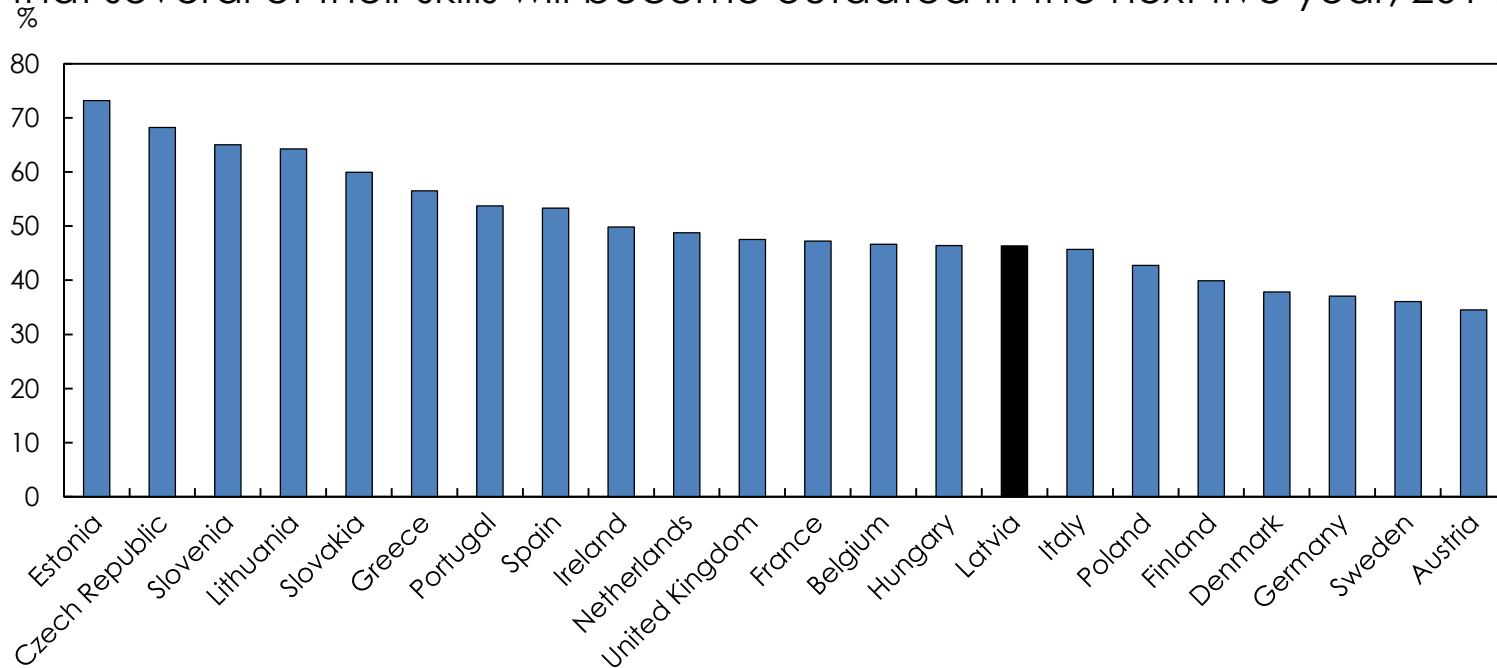
Recurrent governance challenges

Developing relevant skills	Activating skills supply	Putting Skills to effective use

Collaboration across ministries and levels of government

Collaboration with stakeholders

Efficient skills financing

Skills, learning and labour market information

Skills recognition and validation systems

Governance and Funding of SKILLS

	ECEC	School	VET	Higher Education
Central Government	Social Affairs Education	Education	Education Employment	Education, HE, STI, Economy
Regions/ local authorities				
Employers				
Private providers				

The darker the colour, the stronger the degree of involvement

3. PROJECT

Making unique contributions in…

Mapping the skills system

Aligning policies

Identifying **policy priorities**

Making **policy recommendations**

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And working with a diverse group of countries

Engaging stakeholders

Diagnostic Workshop
Vienna, Austria
24 April 2013

Regional Workshop
Madrid, Spain
3-4 November 2014

Active Learning Workshop
Seoul, South Korea
15 December 2015

Diagnostic Workshop
Mexico City, Mexico
9 June 2016

Diagnostic Workshop
The Hague, Netherlands
12 May 2016

Diagnostic Workshop
Brussels, Belgium
15 May 2018

Project elements and timelines

Scoping activities (Q3 2018)	Diagnostic phase (Q4 2018)	Diagnostic phase (Q1 2019)	Diagnostic phase (Q2 2019)	Diagnostic phase (Q3 2019)	Launch (Q4 2019)

Skills Strategy Seminar
- Introduce skills strategy
- Present scoreboard
- Discuss reforms and priorities

Technical Project Team Meeting
- Discuss roles, responsibilities
- Discuss information sharing
- Create operational plan

Data Analysis
- Reviewing the questionnaire
- Following up in specific areas

Workshop 1
- "Briefing pack" presenting key data
- Identify key determinants of skills policy priorities
- Tailored exercises and presentations by OECD experts

Workshop 2
- Focus on good practices
- Refine recommendations
- Identify considerations for implementation

Drafting of report
- Review draft outline report
- Review full draft
- Approve final version

Public event
- Launch of *Diagnostic Report*
- Raise public awareness
- Develop broad base of support for future action

4. PROPOSED PRIORITY TOPICS

QUESTIONS FOR THE DISCUSSION

Proposed PRIORITY TOPICS

Priority 1: Strengthening the skills outcomes of students
Priority 2: Fostering a culture of lifelong learning
Priority 3: Improving skills matches in the labour market
Priority 4: Strengthening governance of the skills system

Priority 1: Strengthening the skills outcomes of students

❑ Are students in Latvia developing sufficiently strong skills to meet the challenges and seize the opportunities of the future?

❑ Are some groups (e.g. by social, economic, and cultural background) falling behind?

❑ What parts of the education and training system are needed to be strengthened the most?

Priority 2: Fostering a culture of lifelong learning

❑ Are adults sufficiently engaged in learning in adulthood?

❑ Are certain groups of adults especially less likely to engage in learning?

❑ Are there any specific sectors or regions that you are most concerned about?

❑ Are there any target groups you would like to focus on?

❑ Are there particular policies you want to focus on?

❑ What are the key impediments to greater learning among adults?

❑ How widespread is a learning culture in companies in Latvia?

❑ What are the skills that the economy needs?

❑ What skills in particular are in surplus or shortages?

❑ What are the causes of mismatches?

❑ To what extent are emigration (i.e. a large number of Latvians leaving) and internal migration contributing factors?

Priority 4: Strengthening governance of the skills system

❑ How well do different ministries and levels of government collaborate on skills issues?

❑ Are economic sectors, employers, labour and other stakeholders working with government to address these challenges? If not, why not?

❑ Does Latvia have the tailored education, skills and labour market information needed to support informed choices by all partners?

❑ Do financing arrangements provide those with responsibilities in the development and use of skills with sufficient resources and the right incentives?

❑ Should any particular governance dimension in Latvia be emphasised?

To discuss OECD's work from the **Centre for Skills** and/or the **National Skills Strategies**, please contact:

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To learn more about the OECD's work on skills visit:
www.oecd.org/skills/

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And not everybody in society is searching for lifelong learning opportunities

Search for information on learning possibilities
by age, education and source, available OECD-EU countries, 25-64 year-olds, 2016

Source: Eurostat, EU Adult education survey (2018), Search for information on learning possibilities.